

Institute of Development Studies
Annual Report and Financial Statements
31 March 2023

Company Limited by Guarantee Registration Number 877338
(England and Wales)

Charity Registration Number 306371

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1. Reference and administrative information

Trustees*

Professor D Nayar+~^(Chair)

A Ablo^~

Professor A Aryeetey

Dr T Barton+

H Chang

Dr A Cheema=

N Clayton+~

K Frost +~

Dr A Joshi^=

Professor M Leach^=

E McIntosh=~

Professor J Ocampo Gaviria=

Professor S Roseneil

M Roberts=

*Trustees as at 31 March 2023. For details of other Trustees during the year see page 7

+Member of the Resources, Audit and Risk Committee

~Member of the Remuneration Committee

^Member of the Nominations and Governance Committee

=Member of the Programme Review and Advisory Committee

Company Secretary

T Catherall

Strategic Leadership Group

Professor M Leach (Director)

T Catherall

J Georgalakis

P Karalus

Dr P Taylor

Dr P Waldman

SLG as at 31 March 2023

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Facsimile	01273 915835
Website	www.ids.ac.uk
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Company registration number	877338 (England and Wales)
Charity registration number	306371
Auditor	Crowe U.K. LLP St. Bride's House London EC4Y 8EH
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP Triodos Bank UK Ltd Deanery Road Bristol BS1 5AS
Investment Advisors	CCLA One Angel Lane London EC4R 3AB
Solicitors	DMH 40 High Street Crawley West Sussex RH10 1BW

2. Chair's introduction

As I reflect on my third year as Chair of the Board of Trustees, which is also the mid-point of the IDS strategy period, I am struck by the increasing relevance and importance of our commitments as an organisation, as the world continues to grapple with increasing uncertainty and continued intersecting crises.

For example, although it has been announced that Covid-19 no longer constitutes a public health emergency of international concern, we know that impacts to livelihoods and wellbeing are not only still being felt, but are unequally distributed. We are contributing to and influencing debates around how the world handles the next pandemic, by championing social science evidence that challenges top-down, technological and medically dominated approaches, which leave the most vulnerable behind.

I am immensely proud of IDS's rich legacy of participation, and this review celebrates some of the many projects and programmes which bring together diverse groups as equals, to co-create knowledge and foster truly equitable partnerships. The arts have been utilised in unique and innovative ways, to bring together policy makers and individuals, and to give people a voice.

IDS fosters a unique and powerful sense of community, where everyone's contributions are valued: from the dynamic and diverse cohort of students studying here; to our staff and every single one of our partners who are working together to tackle some of the most pressing and urgent challenges of our time.

It is with an immense feeling of pride that I introduce this report, which demonstrates some of our immediate, tangible impacts, the progress we are making towards each of our strategic priorities, to help us achieve our vision of a more equitable and sustainable world.

Professor Deepak Nayyar

Chair of the Board of Trustees

3. Trustees' report

The Trustees, who are also the Directors for the purposes of company law, present their Annual Report together with the financial statements of the Institute of Development Studies (IDS) for the year ended 31 March 2023, prepared under the Charities Act 2011 and the Companies Act 2006 (the report comprises the Directors' Report and Strategic Report under the 2006 Act).

The financial statements have been prepared in accordance with the accounting policies on pages 49 to 52 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, and the requirements of the Charities SORP FRS102.

3.1 Structure, governance and management

Constitution

IDS is a registered charity and company limited by guarantee and does not have share capital. The Trustees have no financial interest in the Institute's income funds or assets and receive no remuneration for acting as Trustees. Trustees who are employees only receive remuneration for their service as employees. The Board of Trustees is constituted as follows:

- The Vice-Chancellor of the University of Sussex (ex-officio).
- The Director (ex-officio).
- Not more than two Fellows of the Institute.
- Not more than one employee of the Institute (who is not a Fellow, an Honorary Fellow or Visiting Fellow).
- Not more than 16 persons in total.

IDS is governed by its Articles of Association as approved by its Board of Trustees and last updated in December 2020.

Trustees' liability

In the event of the charity being wound up, Trustees and those within one year of ceasing to be a Trustee are required to contribute an amount not exceeding £1.

Trustees

The Trustees at 31 March 2023 were as listed under the reference and administrative information on page 3. The following changes occurred during the year:

Resignation or end of term of office:

- N Toyo 30 April 2022

Appointed:

- Professor Sasha Roseneil 1 September 2022

New Trustees are appointed by the members based on nominations received from employees and current Trustees as well as responses to public advertisements. The Nominations Committee is responsible for screening candidates and making recommendations to the Board of Trustees. The Board has agreed that the Trustees should reflect the diversity of the Institute's objectives and geographical remit and have relevant skills and knowledge and aims to make appointments on that basis.

New Trustees undergo an induction process to familiarise themselves with the Institute's work and their legal responsibilities and duties. Appropriate training is provided to Trustees on an ongoing basis.

Statement of Trustees' responsibilities

The Trustees are also directors of IDS for the purposes of company law. They are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware.
- The Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Organisation

The IDS Board of Trustees meets three times a year or more often if required. The Board has established the following sub-committees:

Resources, Audit and Risk Committee (RARC) meets three times a year or more often if required and has responsibility for oversight of finance, administrative matters, and strategic Human Resources issues, reviewing the results from internal audit work and maintaining an overview of the risk and control environment. The Terms of Reference of the Resources, Audit and Risk Committee allows for three non-trustee members who bring additional

expertise and experience.

Nominations Committee meets as necessary and is responsible for identifying potential Trustee candidates and making recommendations to the Board of Trustees on potential appointments.

Remuneration Committee meets as necessary and is responsible for maintaining an overview of senior staff remuneration; determining the remuneration of the Director and senior staff.

Programme Advisory and Review Committee (PARC) meets twice a year and is responsible for maintaining an overview of the academic health and performance of the Institute; providing assurance to the Board that mechanisms and systems are in place for effective management and delivery of research, teaching and knowledge activity; and for scrutinising and advising the Board on progress towards the relevant strategic goals and key themes.

The day-to-day running of the Institute is delegated to the Director who leads the Strategic Leadership Group (SLG). During 2022-23 the SLG met monthly. Membership comprises the Director, the Director of Finance and Operations/Company Secretary, the Director of Research, the Director of Teaching and Learning, the Director of Communications and Impact and the Director of Human Resources.

Employees

The charity strives to be an equal opportunities employer and aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. The Board currently includes two Staff Trustees and there is provision for three. They are appointed by the Board following a staff election to nominate them for consideration for appointment. The charity works closely with the two recognised Unions – University College Union and Unison. Joint Negotiating Committees (JNC) are held regularly with the recognised Unions. All staff meetings are held at least three times year to discuss the financial results, budget and forecasts. Decisions which are likely to affect their interests are discussed and explained at these all-staff meetings and also at JNCs. Awareness of the financial and economic factors such as the Official Development Aid cuts and inflation are examined in these forums. Employee involvement in the performance is achieved via the Fellow incentive scheme and an all-staff bonus. Both reward good financial performance of an individual or as a group. Strategic Leadership Group (SLG) reports monthly via email to all staff following the regular meeting to keep all employees abreast of any developments, opportunities and issues that affect the charity and the employees themselves. We also engage with a number of employee groups such as the Equality and Diversity group to ensure we are living our values and these are highlighted further in our impact stories under Strategic Priority 5.

Remuneration

The IDS Remuneration Committee described above meets as necessary. The Committee takes account of data on national pay trends. It benefits from the contribution of a senior independent member with significant relevant experience in Higher Education reward.

IDS operates a ten-grade salary scale, with a mixture of automatic incremental progression for the lower grades and performance-related pay. Department and Team Heads, Cluster Leaders and the Director are responsible for agreeing performance-related incremental progression within the scale for each grade. IDS is currently reviewing its reward framework to ensure it is fit for purpose. We also commission regular salary surveys to benchmark against other organisations and markets, and an equal pay review.

The salaries of the key management personnel of IDS are disclosed in note 5 to the financial statements. The members of the Strategic Leadership Group (SLG) are considered to be the

key management personnel of the Institute.

Relationship with the University of Sussex

IDS is based in a building on the University of Sussex campus. We have a partnership arrangement with the University and there are a number of shared services.

The Vice-Chancellor is an ex-officio member of the Board of Trustees and we have representation on subcommittees of the Board of Trustees from Sussex.

Related party transactions are disclosed in note 16 to the financial statements.

3.2 Strategic summary

Our Vision and strategy

We want a more equitable and sustainable world, where people everywhere can live their lives free from poverty and injustice.

Our commitments:

- Upholding climate and environmental justice
- Reducing extreme inequities
- Fostering healthy and fulfilling lives
- Nurturing inclusive, democratic and accountable societies

We will transform the knowledge, action and leadership needed through our world-class research, learning and teaching.

Our priorities:

- Collaborating across sciences, sectors and communities to do research that brings about progressive change.
- Building future leadership for development.
- Championing the use of evidence for social and environmental justice.
- Working with partners to expand international research and mutual learning networks for development.
- Creating a sustainable, resilient and equitable institution.

We are now one year into the implementation of our Strategy 2020–25 *Transforming knowledge, transforming lives*. Although developed pre-Covid, its emphasis on responding to the disruptions and shocks of our era is proving remarkably salient in the context of today.

For more about who we are and what we do, see: www.ids.ac.uk/about

3.3 Progress against strategic priorities

Message from our Director, Melissa Leach

There are deeply challenging times. Multiple-intersecting crises are affecting a world still reeling from the Covid-19 pandemic and experiencing conflict, economic shocks and pressures, rising inequalities, climate and environmental change, and political turbulence. Multilateral co-operation is fragile, and authoritarianism and corporate control of key agendas are on the rise. Everyone everywhere is affected, with those who are already marginalised often suffering most. In this context there is an urgent need to chart pathways to equitable, sustainable development that build people's resilience amidst pervasive uncertainties and that are attuned to diverse local contexts and perspectives, while building global solidarities to tackle shared challenges.

At IDS we have been working with our partners to re-cast and progress development in these ways, whilst strengthening a 'decolonised' agenda, grounded in diverse, inclusive, equitable sharing of knowledge and resources, supported by continuous challenging of historically-embedded power dynamics. This review highlights many examples of such approaches, in our collaborative research; our building of future leadership for development through teaching and learning; and in mobilising knowledge for environmental and social

justice. Coming at the mid-point of our 2020-2025 Strategy, it illustrates key contributions we have made to our overarching commitments - to climate and environmental justice, reducing inequities, fostering healthy lives and building more inclusive societies, with impacts including new concepts and ideas, influences on policy and practice, and the building of networks and mutual learning.

Overall it has been a successful year, in which we've held our QS Number 1 World University Ranking in Development Studies for the seventh year running, reflecting our strong partnership with the University of Sussex. We welcomed our most international student cohort ever, and their vibrant contributions have enriched our community immeasurably. Our international partnerships continue to flourish and our focused international initiatives in Pakistan, Brazil, Ghana, Europe, China and the MENA region to develop. We have also taken important steps to ensure the Institute's own resilience and inclusivity, including an equity review, strengthened climate actions and fundraising. All this has depended on teamwork and inclusive collaboration amongst many colleagues and partners. As we look back on this year and ahead to the next, thanks are due to them all.

Strategic Priority 1: Collaborating across sciences and disciplines, sectors and communities to do research that brings about progressive change

Collaborations are central to how we work at IDS. The bedrock of this work is participation – of local communities and citizens, of country-based researchers, businesses, advocates, activists and policymakers. We reach out across natural and social sciences, humanities and increasingly the arts to generate world-leading research on complex challenges.

Two collaborative research strands this year aimed to bring progressive change for women by highlighting the barriers that prevent them from realising their rights – and yielded widely noted research in the process. Building, sharing and valuing local knowledge was the springboard for different collaborative projects on the effects of climate change. Cross-disciplinary work on urban displacement connected affected communities to architecture students.

Through these collaborations and many others, we have furthered our commitment to co-create knowledge, to foster diverse voices and equitable partnerships, and to fully engage with debates on decolonisation. We will support more such work by continuing to reflect critically on our positionality and contributions as a UK-based institution.

Impact story 1: Wide interest in research on boosting female voter turnout

Joint research on women voters in Pakistan has shown how engaging men could increase female political participation.

The IDS-led Action for Empowerment and Accountability (A4EA) programme with the Institute of Development and Economic Alternatives (IDEAS) in Pakistan investigated how to tackle the country's gender gap in voting. A team from IDS, Lahore University of Management Sciences and Yale University led a field experiment in Lahore to try to boost the turnout of women voters for the 2018 election.

When they targeted only women with a non-partisan campaign, no effect was seen. But when they canvassed men to support the women in their household to go and vote, turnout changed substantially.

The findings have been widely cited and shared among academics and international donors:

- American Political Science Review: Published in May 2022, most-read article in June, lead and cover article of the print version in February 2023.
- 11 citations within first year by scholars from Princeton, Harvard, University of Oxford, JPAL, CGIAR, International Growth Centre.
- Shared 192 times on Twitter, among academics from Lahore School of Economics, University of California, Oxford Said Business School, FCDO Pakistan.
- Coverage in Yale News, American Political Science Association, EGAP priority theme spotlight.

The team have also been asked to present to the Election Commission in Palestine, who are working on democratization and ways to reduce gaps in women's registration and turnout.

Impact story 2: Housing collaboration links Izmir community to London's British Academy

WHIT – the Wellbeing and Housing Infrastructures in Türkiye project – explored informal housing and urban wellbeing in a context of displacement. In June 2022, project partners exhibited cross-disciplinary social science and architecture work at the flagship British Academy Summer Showcase in London. Live links of exhibition visitors to young refugees in Izmir, Türkiye, helped to create a community rooftop space.

The WHIT project partners are the TIAFI community centre in Izmir, the University of Brighton and Yasar University with support from Umeå University, Sweden.

Impact story 3: Turning research into action on young women's security at work

An IDS-led partnership with universities in Uganda and Bangladesh has produced findings on workplace sexual harassment of young women that are being used to raise awareness with communities, authorities and decision-makers.

Entitled 'The Gendered Price of Precarity', the research project spoke with more than 100 female food production and domestic workers in both countries. The findings revealed how women's empowerment is jeopardised by widespread sexual harassment in the workplace and for domestic workers in their place of employment. Partners on the project were the BRAC University Institute of Governance and Development in Bangladesh and the Makerere University in Uganda.

The project then took the findings further to conduct extensive campaigning through national-level dissemination events and media campaigns – with notable impacts. The events have prompted open discussions among multiple audiences. Local government representatives, for example, recognised that workplace sexual harassment is a widespread problem that needs to be addressed not only by employers, but by all stakeholders acting together.

Remarkable changes in attitudes and actions were seen following a workshop with Ugandan police officers. Some explained that the workshop made them realise how severely sexual

harassment can affect the victims and their families. Other officers described improved ways of assisting women and girls when reporting harassment. 'If girls find it hard to say a particular word, I say it for them and ask if that's what they meant,' one officer explained.

In both Uganda and Bangladesh, the project involved youth researchers from civil society organisations who delivered a range of activities: presentations at international conferences, community workshops, radio interviews and TV talk shows, YouTube videos and newspaper articles, distributing stickers and using local influencers to re-tweet news stories.

Impact story 4: Supporting local partners on climate-resilient sanitation practices

Evidence generated from a participatory project involving the IDS-based Sanitation Learning Hub (SLH) has enabled rural communities to develop sanitation practices that are more resilient to climate change – addressing a key knowledge gap in this area.

The SLH partnered with the Institute for Sustainable Futures in Sydney, Australia, in the two-year project. It produced and disseminated evidence to support local communities and organisations working in water, sanitation and hygiene (WASH).

The project has had decisive impacts. Partner organisations such as UNICEF in Burkina Faso and SNV in Lao have incorporated climate considerations into sanitation processes and guidelines and advocated to government officials and other local actors. Another partner organisation, Catholic Relief Services, trained local government staff in Kenya.

Underlining the importance of co-creating knowledge, the project resulted in shifts in practice – such as SNV leading on community-based research, and the training by Catholic Relief Services to draw on community knowledge about climate hazards.

Impact story 5: Co-creating approaches to climate change and uncertainty

From 2019 to 2022, TAPESTRY worked alongside marginalised communities in three vulnerable coastal areas of India and Bangladesh. They explored transformative approaches to uncertainties caused by climate and other drivers of change. Roundtables between researchers and decision-makers highlighted examples of positive and harmful adaptations. Digital storytelling and artwork – exhibited in the UK and India – captured the responses of islanders, fishers and herders. This project was shortlisted for the ESRC International Impact prize.

Strategic Priority 2: Building future leadership for development

IDS is committed to turning learners into informed and knowledgeable leaders – individuals who can work with others to bring equitable and sustainable change to development. We are strengthening student capacity in practical and rewarding ways including new mentoring methods to harness alumni experience. We are enhancing our support for those impacted by ongoing effects of the Covid-19 pandemic. Our teaching modules are trialling new ways to absorb decolonising activities that students report finding positive and inspiring. We are improving our work in Professional Development and Learning – an increasingly important sector for championing IDS values. An updated webpage showcases our expertise in the sector – seen here in snapshots from the learning journeys of two leading development organisations.

Impact story 1: From IDS to founding an award-winning social enterprise

Mina Chiang studied for an MA in Development Studies in 2017, with a scholarship from Rotary International in her home country Taiwan. She then founded the Humanity Research Consultancy (HRC), an award-winning social enterprise that works to end modern slavery and human trafficking. HRC specialises in working predominantly with researchers from the global South. Major organisations such as Oxfam, Plan International, United States Institute for Peace (USIP) and Winrock International have commissioned HRC research.

Mina explains why she chose IDS and her experience of studying here...

'IDS doesn't just teach but also is a thinktank and works directly on projects that shape our world. I love that my classmates were from around 50 different countries. My research ability clearly improved through the MA – without the experience at IDS, I would not be able to establish HRC.

'The most important thing I gained from the course was the understanding of the international development industry. Studying the MA helps you to see beyond the sporadic charitable organisations and acts – to how the international development industry emerges and systematically is trying to solve major global problems like poverty, and its limitations and merits.'

Impact story 2: Nurturing the next generation of leaders in development

Our teaching and support systems are designed to enable students to give of their best and to be well-equipped to work at the forefront of international development.

Modules explore decolonising perspectives

Our aim to bring the decolonising agenda into teaching stepped up this year with funding offered to shared core modules to invite people to make decolonising contributions.

Modules that did so heard reflections on 'local' and 'global realities', activist perspectives on social change and discussions relating aid interventions to endogenous processes of change. Feedback from students was positive. They found it inspiring to hear directly from activists and speakers with grounded experiences.

Bureaucratic challenges prevented some modules from embracing the offer. But as one person commented: 'I think the opportunity to use the decolonial funds to broaden perspectives we share in our teaching worked well. A step further would be to also bring more decolonial theories into our sessions'.

Practical preparation for development careers

In the words of a recent external examiner on the IDS experience: 'Students receive excellent training for both further research and applied practice in the field of international development'.

Two ways we do this are: Skills week dedicated to sharing and developing professional skills among the whole IDS community, and Methods week devoted to examining different methodologies for qualitative and quantitative research, and other tools.

Mentoring is another practical support and a rewarding experience for students and alumni alike. In 2022, we added new dimensions to our alumni network mentoring programme:

- Matched mentoring – The alumni relations office matches pairs twice yearly for traditional one-to-one mentoring. The first 15 pairs started in November 2022, and round two matching is under way. Initial feedback is broadly positive.
- Group mentoring – One mentor works with several mentees at once in a group. A trial of this began in February 2023 with former student Roy Trivedy as our first Group Mentor.
- 'Ask-an-alum' – in use for some time, this self-matching online tool gives quick advice and support from alumni network members.

In recognition of the health impacts of the Covid-19 pandemic on our students, we also launched a Reasonable Adjustment system that supports staff to identify students' specific needs.

Impact story 3: Alumni achievements

- Natalia Herbst, class of 2016, joined President Obama for a conversation at the first-ever Obama Foundation Democracy Forum to share her perspectives on the current democratic backsliding and the work she is leading to expand democracy.
- Pakinam Moussa, class of 2022, thesis about the socio-economic impact of entrepreneurship skills training in Ghana was selected by the Ministry of Education of Ghana and Innovations for Poverty Action to be presented at the Ghana Education Evidence Summit 2022, part of the National Education Week, on the theme: "Re-assessing Educational Policies for Effective Service Delivery and National Transformation".
- Muhammad Babar Jan, class of 2020, has supported the Planning and Development Department Government of Khyber Pakhtunkhwa in establishing a development-focused team in the eight newly merged districts (NMDs) of the province and receiving great recognition from the Pakistani government.
- Elaine Alam, class of 2021, had a chapter published in the South Asia State of Minorities Report 2022 "Obligations to International Human Rights Standards and Their Implications for Minorities: Pakistan."
- Alfred Adjabeng, class of 2020, launched Schools Farms, a non-profit addressing Ghana's school meal challenges through a community-based approach. Schools cultivate crops, educate students about healthy eating, and improve access to nutritious meals.
- Emnet Tiruneh, class of 2023, and her team at Addis Health became the first ever double winner in the annual StartUp Sussex student enterprise competition with their plan to deliver convenient, affordable healthcare services for communities across Ethiopia, whilst reducing underemployment for qualified medical professionals in the country.

Impact story 4: Scholarships campaign

Studying at IDS with inspirational peers from around the world means our graduates leave ready to make a difference at home. But many individuals face high barriers to such opportunities.

IDS Graduate Scholarships enable talented and committed individuals from low- or lower-middle-income countries to come and study with us. Already 22 students have enjoyed our

scholarships. This year we launched a campaign to support another 10 Graduate Scholarships.

Three leaders in international development have generously supported the Scholarship Campaign: Dudley Seers, the founding Director of IDS; Sir Hans Singer, a development economist renowned for work on trade and developing countries; Sir Richard Jolly, the second Director of IDS and an ongoing, valued contributor to our work.

Thanks to their support, we are 60 per cent of the way towards our target – but we need to do more. For more information about how you can help, visit www.ids.ac.uk/scholarships

Impact story 5: Our work in professional development and learning

We provide world-class professional, practitioner and organisation-wide learning for people working in development. Our action-oriented, collaborative training and learning are offered in three broad types:

- Specialist short courses for development professionals – such as Participatory Monitoring and Evaluation for Learning; Contribution Analysis for Impact Evaluation; Inclusive Trade
- Facilitated learning for organisations and individuals – bespoke activities developed with participants aligned to their needs
- Learning processes within development programmes – designed with organisations to maximise the impact of their work.

Learning journeys

Our learning journey methodology underpins both facilitated learning and learning within programmes. A learning journey is a collaborative process designed with organisations to explore and respond to a complex issue, challenge or ambition. Typically, our thematic experts support participants over several months to reflect on research findings and real scenarios, share experiences, and identify ways to apply learning.

IDRC: using Southern-led knowledge in development

The International Development Research Centre (IDRC) worked with IDS during several learning journeys to enhance its approach to supporting more inclusive, diverse forms of knowledge, particularly from the global South. This ongoing learning partnership is now extended to IDRC's Clean Energy for Development Programme. It has also influenced the funder's Policy and Evaluation Division and its Corporate Thought Leadership Group.

'Several of the specific findings from the Learning Journey led to mid-course shifts, especially in deepening efforts to build regional leadership among the project cohorts. The Learning Journey model has since been taken up by IDRC knowledge-sharing colleagues, to delve more deeply into IDRC efforts to support southern-led knowledge translation.'

Adrian Di Giovanni, Senior Programme Specialist, IDRC

Plan International: enhancing organisational effectiveness

The IDS Monitoring Evaluation and Learning team designed a journey to understand how organisational effectiveness can deliver stronger impacts – specifically how to align Plan International's approach to performance management with their global strategy, MERL framework, systems and reporting. The organisation-wide consultation prompted deep reflection on how data was used across Plan International and the power dynamics inherent in global reporting systems. A series of contextualised recommendations, including a proposed systems approach, were well received by the Senior Management Team and have informed new thinking across the organisation.

Strategic priority 3: Championing the use of evidence for social and environmental justice

How evidence is generated, shared and used underpins our drive to increase equity in knowledge production. We challenge knowledge hierarchies and explore ways to think more deeply about evidence and impact. Over the past year, that impact could be seen in IDS research influencing policy and practice for the better – informing debates on rice production in East Africa or helping ensure economic reforms work for Sri Lankans. We are generating evidence in more inclusive ways, bringing together diverse groups as equals – such as using art to highlight the socio-commercial side of the nail salon industry or to bridge gaps in understanding the inequity of environmental threats. Organisations are also increasingly asking IDS to find ways to improve how they use their own evidence for greater impact. Through these and other activities, IDS is well-placed to promote a more progressive agenda around evidence and impact.

Impact story 1: Migrant stylists and researchers co-create art installation

A working nail salon in a glass pavilion in an Amsterdam arts venue has attracted wide interest from galleries and festivals in Europe and Vietnam. 'Nails', an interactive installation at the renowned Rietveld Art Academy, showcased an IDS initiative to bring together arts and social sciences. It was spearheaded by IDS Fellow Pauline Oosterhoff, who worked with Vietnamese nail-shop owners, stylists, activist researchers and a Korean visual artist to explore the power dynamics of race, migration, trafficking and the lucrative beauty industry.

The installation pays tribute to 39 Vietnamese migrant workers found dead in a lorry container in Essex, UK, in 2019. Many were aspiring nail stylists.

In a bid to displace the anonymity and invisibility of such workers, visitors learned of migrant stylists' lives and aspirations through video and personal interactions.

BBC News Vietnam covered the day-long installation, which was shown again for five days in the Hague. It will be at de Parade, the world's largest travelling theatre festival in Amsterdam and a book on the history of nail salons is planned.

Impact story 2: APRA rice research impacts take root in East Africa

The impacts of long-term IDS-led research on rice production have been ever more visible in policymaking and network-building in East Africa over the past year.

The Agricultural Policy Research in Africa (APRA) Programme of the Future Agricultures Consortium (FAC) generated evidence from 2016 to 2022 to identify more inclusive pathways to agricultural commercialisation in sub-Saharan Africa including the rice sector, which has expanded rapidly in response to growing demand across the region. APRA

researchers' work has influenced six National Rice Development Strategies and the East African Community's (EAC) Regional Rice Development Strategy.

The APRA programme, which used findings from in-depth, place-based, multi-country research and outreach activities to inform national and regional rice sector policy processes. APRA's evidence raised awareness of the importance of rice – which is now being promoted as a 'strategic commodity' by the Government of Ethiopia.

Impacts on policymaking were particularly evident in Ethiopia, where the research informed the design of different rice-related public strategic documents. These include the National Rice Sector Development Strategy II (2020–30), the National Agricultural Investment Plan (2021–30), and the National Rice Flagship Programme (2022–27). It has also influenced the design of important rice sector development initiatives, such as the second phase of the EthioRice project (2022–27), supported by the Japanese International Cooperation Agency (JICA), which includes the establishment of a new National Rice Research and Training Centre (NRRT).

Regional collaborations

Further impact can be seen in the sustained partnerships and new collaborations among regional institutions related to rice research. These have gone from strength to strength since the East Africa Rice Conference (EARC), which APRA co-convened in 2021 with colleagues from the Coalition for Africa Rice Development (CARD), the International Rice Research Institute (IRRI), and the Africa Rice Center (AfricaRice).

APRA's work – which covered other commodities and systems – aligns directly with IDS's commitment to forging more equitable research and knowledge production. Through regional workshops, virtual e-Dialogues, national dissemination events and more, APRA researchers shared their multi-faceted research with diverse policy, academic and business audiences, reaching out beyond sectors and geographies.

Impact story 3: IDS expertise helps economic reforms work for Sri Lankans

Insights from a leading IDS specialist on Sri Lanka are helping the country's politicians to chart a course out of economic crisis.

IDS Professorial Fellow Mick Moore, OBE, has been a specialist on Sri Lanka for nearly 50 years. He is one of four members of the Sri Lanka Economic Policy Group formed by the country's top thinktank Verité Research. In this capacity, he has written policy notes and presented on tax issues at several high-level policy seminars, conferences and events in 2022–23.

Mick has used his high-profile role to test current thinking. At the 'State of the Budget' event in December 2022, he presented an alternative to the President's proposal to register all adults for tax to an audience of MPs, the Chair of the Public Finance Committee and the Governor of the Central Bank.

Amid negotiations with the International Monetary Fund, Mick contributed directly to discussions to shape the economic reform programme. He also briefed key opposition figures on tax issues ahead of parliamentary debates, and earlier this year the Leader of the Opposition directly cited Mick and other members of the Sri Lanka Economic Policy Group in Parliament.

Impact story 4: Practical insights tackle beliefs-based discrimination

A five-country research partnership has highlighted how discrimination against people due to their religion or beliefs can undermine their rights, prospects and wellbeing – and has succeeded in bringing practical, positive change.

From 2018 to 2022, IDS led the Coalition for Religious Equality and Inclusive Development (CREID) in partnership with the Minority Rights Group, Al Khoei Foundation and Refcemi.

Much of CREID's success stems from extensive collaborative work with local partners who are perceived as marginalised or members of minorities. They implemented community development projects while producing evidence about how change happens.

In Egypt and Pakistan, CREID worked through youth and women's committees to secure access to clean water and obtain PPE equipment for more 100,000 people during the Covid-19 pandemic, and improved access to key health services and vaccinations. It also worked with Muslim scholars in Iraq to develop a new curriculum that challenged stereotypes. Hundreds of teachers were trained on this and several schools adopted the curriculum, benefiting more than 1,500 school students.

Impact story 5: South Africa improves income support after expert input

A key form of income support in South Africa is closer to becoming permanent, following a strong recommendation by an expert panel on social protection that included IDS Fellow Stephen Devereux.

Echoing civil society campaigns, the panel urged that the Social Relief of Distress grant, introduced during the Covid-19 pandemic, be continued to bridge coverage gaps in income support. The panel's recommendation drew on Stephen's research. He explored the paradox that South Africa produces and exports enough food and yet one in four South Africans are food-insecure. A quarter of its children suffer from stunting.

Much of Stephen's work was as Research Chair in Social Protection for Food Security at the University of Western Cape (UWC), from 2016 to 2022 in tandem with work at IDS.

As Chair, he highlighted the issue of severe seasonal hunger affecting farmworkers, a particularly marginalised, exploited group. He published widely on the issue and spoke at policy forums, including the National Conference on Farmworkers. He also convened the first-ever national workshop on the efficacy of the school feeding programme, with successful learning outcomes.

Stephen taught many UWC students, enabling some to experience study exchanges at IDS. Many now work in leading development agencies.

Impact story 6: Artworks spur dialogues on inequity of climate impacts

Based in Mauritania, Senegal, Mali, Ghana, and Kenya, the 'Citizen voices and the Arts' project enabled citizens, policymakers, academics, and civil society to share experiences of environmental issues across cultural barriers while collaborating on artwork. Artists attended the workshops – such as the popular Malian singer Mariam Cornet who led a song-writing task – creating convivial atmospheres. Consensus was reached to portray climate change

from a socio-political angle, rather than neutrally. A shared awareness emerged that climate change is affecting individuals and communities unequally.

Strategic Priority 4: Expanding international research and mutual learning networks

Our partnerships and networks are vital for channelling social science and contextual knowledge into development decision-making. At the heart of our partnership approach are equitable relationships. We reflect hard on what this means in practice for us at IDS, notably on power dynamics and on decolonising research and relationships. Ahead of next year's WHO-led treaty on pandemics, our Covid Collective initiative and Pandemic Preparedness project have underlined the need to make responses equitable, ethical and locally based. Two major reports drawing on large-scale international research and a high-level webinar argue the case. Alert to other geopolitical challenges, our International Initiatives go from strength to strength in networking and knowledge-sharing events. Now in their third year, the five existing hubs are joined by a Middle East and North Africa initiative. We look forward to partnering with them on new learning and insights.

Impact story 1: Context and equity - IDS partnerships target pandemic preparedness

How countries handle the next pandemic has concentrated minds in various international forums over the past year. IDS has contributed to and influenced these debates through its partnerships and knowledge-sharing initiatives – notably the Pandemic Preparedness project and the Covid Collective.

With preparations under way for a global treaty on pandemic preparedness next year, led by the World Health Organization (WHO), IDS and partners have worked hard to emphasise the need to make future approaches equitable and context-based – and to make social sciences perspectives central to decision-making.

Pandemic Preparedness project: Shifting power

In November 2022, IDS convened an online event 'Shifting Power in Pandemics' to connect and support local-level preparedness practices. The event comprised three themed sessions with panellists including senior figures from the ministries of health in Sierra Leone and Paraguay, WHO, the UK Foreign, Commonwealth and Development Office (FCDO), and Chatham House.

Local researchers in Sierra Leone and Uganda shared findings from their fieldwork in villages for the Pandemic Preparedness project. Participants discussed the kinds of global-local relations and power shifts needed to appreciate and integrate local preparedness.

Funded by the Wellcome Trust, the project was set up in 2019 after devastating Ebola outbreaks in Africa in 2014–15 but came to include a Covid-19 focus. It explores different meanings and practices of preparedness and learns from people living with multiple health-related uncertainties in African settings.

Major reports seek to widen parameters of preparedness

IDS published a flagship report – Pandemic Preparedness for the Real World – in March 2023, arguing for social, political and economic priorities to be as central to the global preparedness agenda as biological and technological ones.

Marking the third year of the pandemic, the report drew on a growing body of social sciences evidence that shows how preparedness plans to date failed to protect the most vulnerable

and marginalised people in many settings. This failure is both a challenge and an opportunity to align development and preparedness efforts, according to the report.

One of the programmes contributing to the report, the Covid Collective, which is uniting UK and Southern-based research partner organisations, offers a rapid social science research response to inform decision-making on Covid-19-related development challenges.

Also published in 2023, the People's Agenda for Pandemic Preparedness report presents research by more than 50 researchers from 25 countries across six continents into people's priorities for recovery from the pandemic. Protection for the most vulnerable, support to recover livelihoods and health, and help to get young people back on track were widely shared concerns.

Impact story 2: SSHAP work on Uganda's Ebola outbreak

Reacting swiftly to a fast-evolving situation, the Social Science in Humanitarian Action Platform (SSHAP) platform provided pivotal support to decision-makers including the Ugandan National Task Force, UNICEF, and FCDO, during an Ebola outbreak in Uganda in 2022.

They produced a series of targeted briefings using anthropological and social science data and analysis to support Ugandan officials' and partners' efforts to manage the outbreak. In December 2022, SSHAP team members attended a roundtable discussion with senior FCDO officials on Ebola vaccine development, giving a specially commissioned briefing on socio-behavioural research and ethical issues related to vaccine trials.

SSHAP is a partnership between IDS, Anthrologica and the London School of Hygiene and Tropical Medicine for the rapid provision of social and contextual evidence to support health emergency responses.

Impact story 3: Progress on International Initiatives

The IDS International Initiatives draw together strategic partners in geographies at the leading edge of development thinking and practice due to accelerating geopolitical change. Now in their third year, they recognise that tackling global challenges such as climate change, poverty and injustice requires knowledge sharing, mutual learning and collaboration to inform policy decision making based on local, national and global participation.

At the halfway mark of the current IDS strategy, the International Initiatives have each developed in their own way. The conscious learning and knowledge sharing remains highly valuable, both within and across Initiatives.

In addition to the existing Initiatives in Brazil, Ghana, Pakistan, China and Europe, a sixth Middle East and North Africa (MENA) Initiative has emerged, working with a diverse group of partners on key challenges from Climate and Just Transitions, Protracted Displacement and Social Protection to Gender and LGBTQI+ Backlash.

With Lula back in the driver's seat, IDS and Brazilian partners reflect on Brazil's place in the world in 2023, and how the world has changed since Lula's first stint in power, twenty years ago.

In Ghana, university partners identified where the Ghana Development Studies Hub can add real value: joining forces on sustainable development.

The China Centre works with partners in- and outside of China to better understand China's role as a global development actor, focusing on renewable energy, global health security and agriculture. Through IDS' teaching programme and long-standing academic relationships, the China Centre continues to engage with Chinese interlocutors, as evidenced by a visit to IDS by academics from the Chinese Agricultural University.

Like Ghana, Lebanon and many other countries around the world, Pakistan is grappling with spiralling debt and exacerbating impact of climate change. IDS worked with Lahore University of Management Sciences (LUMS) on the Pathways to Development: Equitable and Sustainable Growth in Pakistan conference in Lahore in December 2022. Through their diverse partners, the Initiatives provide a unique lens to examine local, regional or international events.

A growing number of IDS fellows and students are working in the UK, or have a UK or European component to their work. We believe lessons from international development can complement ongoing work in the UK and Europe.

Strategic priority 5: Creating a sustainable, resilient and effective organisation

We strive to ensure that IDS contributes actively as an organisation to the changes we want to see in the world. This means not only in our research, learning and teaching but in how we operate as an organisation and support the people who work here. The Climate Action Taskforce has worked hard to audit our activity and flag areas for attention – namely, climate-friendly travel and the IDS carbon footprint. A new review was commissioned into how far IDS promotes a sense of equity, inclusion and belonging, and an action plan is being implemented. We made good progress on bringing clarity to pay and progression policy, and on making more research open access. Our work to make IDS resilient against cyber-attacks was recognised with a prestigious certification, which has enhanced cyber-awareness across the organisation.

Impact story 1: Tackling climate and environmental action

Thanks to a thorough audit of our previous year's activity, the Climate Action Taskforce has mapped priorities to improve our environmental impacts. Two informal sessions in June 2022 and another at the IDS retreat expanded on the audit and generated good feedback.

With pandemic restrictions easing, regular international travel for work has resumed – and remains the main way that IDS contributes to the climate crisis. Staff are keen for guidance on making more climate-friendly travel choices while being mindful that people at different stages of their careers may need to travel more to build up experience or networks. Assessing how similar organisations strike a good balance is a possible approach.

The Taskforce wants to discuss how to improve IDS's carbon footprint. Currently, we are working with Facilities, the IDS Bar and Kitchen, and the UoS Environment and Sustainability Team to establish partnerships with sustainability organisations and implement climate-friendly activities in the building.

Demand has increased generally for information on climate change, so that decisions are well-based. This suggests there could be value in connecting the Taskforce and research fellows who work on climate change.

Impact story 2: Fostering equality, diversity and inclusion

We worked closely this year with the employee-led Reward Review Working Group to establish fair and transparent pay and reward structures. An external consultancy (ECC) was commissioned to support IDS to develop clear policy and processes around pay and progression. We also developed an internal communications plan and framework for consultations with unions on updating job descriptions and a new job evaluation process.

We commissioned an Equity and Inclusion Review to explore how current systems, structures, policies and practices at IDS promote or inhibit a sense of equity, inclusion and belonging. This explored the breadth of protected characteristics in anti-discrimination legislation, with a focus on race and whiteness, and power dynamics and has been published along with an action plan that is now under implementation.

The transition to Open Access publications continues apace. IDS is enhancing our academic knowledge access and dissemination by making publications available to all, including those who lack the financial means to access pay-per-view platforms.

Under the Plan S initiative for Open Access publishing, the percentage of articles published by IDS authors under Open Access licences has grown substantially – from 12 per cent in 2020 to 185 per cent in 2022. The Publications team has developed institutional frameworks and practical guidelines to help IDS authors navigate Open Access publishing.

IDS's transition to Plan S is essential to our strategic commitments to champion knowledge and support more inclusive research partnerships. Funders increasingly require authors not to publish in hybrid/subscription journals.

Impact story 3: Ensuring we are a resilient organisation

In November 2022, IDS was awarded the prestigious Cyber Essentials Plus Scheme certification to recognise our work on an effective and wide-ranging system against cyber-attacks and online threats.

IDS, like many organisations, is targeted by thousands of breaching attempts every week. To win the certification, we passed a full external audit of measures such as enhanced security on staff laptops and smartphones, and stronger protection of IDS social media accounts.

Gaining the UK government-backed certification signals that our data is safer from attacks, enhancing the safety of the people we work with, and strengthening our reputation with potential and existing clients and donors. We can apply for government funding schemes that require certification.

The certification process has sharpened staff focus on the need for continuous improvement and proactivity about cybersecurity.

Impact story 4: Enhancing our financial sustainability

It has been another year of intense funding challenges with further cuts to UK Government funding and a small reduction in student numbers.

Funding challenges and responses

The year has seen the continued reduction in aid spending from 0.7 to 0.5 of GDP and this has affected many of our research projects. We have continued our call to action to fill gaps and replenish and diversify funding whilst investing in our strategic priorities. Whilst seeing

some successes the pipeline has reduced from its highs pre-pandemic and we are awaiting news on new frameworks and calls from funders.

Brexit continues to challenge us with issues accessing EU research funding continuing and recent changes to student visas possibly impacting our numbers going forward.

At the end of the financial year end, we had a relatively small operating deficit of £137k. Of this there was a surplus on unrestricted funds of £63k and a deficit on restricted funds of £200k. In the circumstances this was an excellent result.

Transparency

We are committed to ensuring the highest level of accountability and transparency regarding the funding we seek and receive, as set down in our funding ethics policy. Transparify has recognised this commitment in their global rating of the financial transparency of major think tanks. IDS currently holds the highest five-star transparency rating that Transparify awards.

Accountability

IDS is registered in England and Wales as a charitable company (no. 00877338) limited by guarantee, and with registered charity number 306371. You can see detailed information about our finances and compliance history on the Charity Commission and Companies House websites.

3.4 Future plans

We are now at the halfway point our 2020–25 Strategy, *Transforming knowledge, transforming lives*, which was launched in June 2020.

Strategic Goals

The strategy sets out five priorities. These will continue to help us respond to the unprecedented disruptions and shocks of our era, whether in the form of epidemics or those that are environmental, economic, political, social and technological in nature. They are:

Collaborating across sciences, sectors and communities to do research that brings about progressive change

The way in which research is undertaken matters. We will collaborate innovatively across social, natural, medical and other sciences, as well as with governments, non-governmental organisations, civil society and communities to generate and apply evidence in ways that ultimately make a difference to people's lives.

We are committed to:

- **Promoting the value that social science perspectives can bring to tackling global challenges.** We will bring insights into the cultural, social, economic and political realities that, for example, enable or prevent people from acting on health advice, benefitting from improved public services, or holding decision makers to account through new mobile technologies.
- **Strengthening our engagement with Economics.** We will actively seek to enhance the contributions to, and the profile of economics in, analytical approaches at the IDS, for economic aspects are an integral part of development studies.
- **Strengthening our engagement with the Arts and Humanities.** We will actively seek to bring creative and historical-based perspectives to our efforts to engage research with policy and practice and ensure that they are underpinned by the lessons of what works.

- **Extending our legacy around participatory research methods.** We will collaborate with the most marginalised to shape the solutions intended to ensure they are not left behind. We will also develop and share tools and guidelines for researchers and practitioners working in fragile and conflict-affected settings to help them navigate complex political and ethical challenges.
- **Fostering new knowledge, leadership and action on emergent global challenges.** We will deliver strategic research initiatives that bridge academia, policy and practice and help define what is required to tackle issues including:
 - Building climate and environmental justice.
 - Upholding gender and social justice in the context of closing civic space.
 - Ensuring decent work and political inclusion for young people.
 - Achieving social justice and sustainable livelihoods in a digital age.
 - Transforming knowledge and action on global food equity
 - Responding to displacement and migration resulting from chronic crises.

Building future leadership for development

To respond to global challenges, we need new generations of informed and knowledgeable leaders and champions - from Presidents and Ambassadors to intellectuals and activists to entrepreneurs and journalists. We will strengthen, expand and extend the opportunities for learning through our world-renowned postgraduate degrees, PhD research programme, and professional development courses for development practitioners and decision makers.

We are committed to:

- **Strengthening the capabilities of partners, peers, staff and students to critically reflect and act on addressing major global challenges using evidence to influence and shape change.** We will actively seek and support PhD researchers with the potential to contribute to equitable and sustainable development globally. We will continue to offer development professionals, including our own staff, alumni, students and partners, the opportunity to strengthen and reflect on their practice through our professional development and learning programme and investment in our staff learning and training.
- **Ensuring excellence and equity in our learning and teaching.** We will seek to continue to provide a world-ranked learning experience. We will further enhance the diversity of our student body and professional learners through scholarships and collaborations with partners to develop training opportunities in international research and mutual learning hubs in Brazil, China, Europe, Ghana, and Pakistan. We will strengthen our teaching methods and practices for shaping change and work to ensure that our course materials include a wide diversity of global perspectives.
- **Innovating in teaching delivery.** We will embrace and invest in technology to expand the reach, excellence and equity of our learning and teaching. We will also collaborate with the University of Sussex in the provision of online distance learning.

Championing the use of evidence for social and environmental justice

We will redouble our efforts to underline the value of evidence in decision-making in this post-truth era, and in bringing evidence to bear on policy and practice in ways that improve people's lives. Across our research, learning and teaching programmes, we will build on our well-established approaches to understanding how power and politics shape the generation and use of evidence.

We are committed to:

- **Engaging evidence more effectively with the politics of policy and practice.** We will collaborate globally to cultivate approaches and methods that effectively engage

evidence with the realities of how change happens. We will seek to establish ourselves as a global centre of excellence in this area through innovative research agendas and an expanded professional development and learning programme.

- **Challenging views of how change happens and is measured.** Through international collaborations, we will seek to influence donors, academics, governments and civil society to promote social justice and good governance through the equitable co-production of inclusive and interdisciplinary evidence. We will pioneer new approaches that bring together different perspectives on how change happens and counter power relations and inequities in how evidence is generated and used. We will work to shape new impact agendas that recognise the importance of behaviours, attitudes and capacities in the way change happens.
- **Pioneering and developing cutting-edge evaluation.** We will seek to improve the quality and use of evidence produced by evaluation, in a way that will ultimately help improve lives. We will pioneer rigorous, complexity-aware approaches to building and testing theories of change through contribution analysis, political economy analysis, power analysis, and participatory and reflective methodologies for individual and organisational learning. We will utilise our convening power to share these approaches more widely and challenge ineffective practices.

Working with partners to expand international research and mutual learning networks for development

We will advocate for greater investment by funders, governments, civil society, academic institutions and others in equitable and sustainable partnerships that generate knowledge that is shaped by a diverse perspectives. We will promote mutual learning, exchange and knowledge generation through the establishment of regional networks that challenge entrenched behaviours and attitudes about whose knowledge counts and that actively shape new development research and learning agendas.

We are committed to:

- **Ensuring inclusive and diverse research and teaching agendas.** We will engage actively with broader debates around how knowledge is prioritised and what this means for Development Studies. We will develop alliances with universities, social movements and others across the world to enable mutual learning between the UK and countries globally. We will seek to bring theory and policy innovations from outside the UK into our national debates and policy processes.
- **Working with partners to establish international development research and mutual learning hubs.** These hubs will co-generate research, teaching and policy engagement activities in locations where we are already involved with a critical mass of projects and partners including, initially, Brazil, China, Ghana and Pakistan. The hubs will facilitate the sharing of knowledge and experience and enhance mutual learning, with the aim of meeting both domestic development priorities and influencing development agendas internationally.
- **Enriching and extending our European engagements.** We will intensify interactions with our European partners and contribute actively to European networks related to Development Studies. In this way we will re-envisage IDS's UK base as part of a European international research and learning hub. We will also seek to shape the UK's future approaches to international research partnerships, promoting the value of maintaining existing European collaborations that can help transform the knowledge needed for development globally.

Creating a sustainable, resilient and equitable institution

We seek to be excellent, inclusive, resourceful and respectful across all of our work, and to contribute to the change we want to see not just through our research, learning and teaching activities, but in the way our organisation operates and in which we support and nurture our people.

We are committed to:

- **Taking climate and environmental action.** We will reduce our carbon footprint and institutional environmental impacts through our Climate Action Taskforce and deepen understanding of the challenges and opportunities amongst all our staff and students.
- **Fostering equality, diversity and inclusion.** We will work to eliminate discrimination by implementing and embedding our equality, diversity and inclusion action plan. We will develop and deliver a reward, pay and benefits system that reflects our values and that enables us to deliver our strategic aims. We will continually develop our infrastructure, buildings and services to ensure they are inclusive and accessible to all.
- **Ensuring we are a resilient organisation.** We will maintain sustainable financial and operational models, which are adaptable and innovative and ensure we remain a vibrant going concern. We will strive for a diverse, robust and sustainable fundraising pipeline. This includes strengthening our partnership with the University of Sussex through new and existing collaborative initiatives and joint fundraising. We will continue to embrace regulatory, compliance and professional expectations and integrate these into our ways of working. We will do everything possible to maximise the value for money of our projects, so that they maximise the impact on people's lives. This means bringing together quality people, the most appropriate research methodologies, adaptive management systems, and embedded learning throughout all aspects of our work.

3.5 Quality, impact and public benefit

Our research, as demonstrated elsewhere in this report, developed and undertaken in partnership continues to make a real contribution to tackling some of the world's most pressing global challenges, including the intersecting crises of climate change, conflict and Covid-19.

Our research activity is subject to formal peer review and scrutiny to test its quality and to demonstrate its value and impact. This includes scrutiny by the Fellowship Review and Promotion Board (FRPB), who review the performance of each researcher on a four-yearly cycle, and extensive and demanding scrutiny by funders. A significant proportion of the contracts IDS receives are awarded based on open competition. Almost without exception, contracts include appropriately demanding expectations for reporting and engagement and requirements for accountability.

Part of the Monitoring, Evaluation and Learning (MEL) framework built to assess progress against our new strategy attends specifically to measuring the value and impact of our work. This framework sits alongside programme-specific monitoring and evaluation frameworks required by individual funders and an institutional quarterly profile report which measures the reach and engagement with our work from key audiences and beneficiaries. A MEL report is prepared for the Board on a yearly basis.

In March 2023, the University of Sussex with IDS was ranked first for development studies in the world for the seventh consecutive year by the QS World University Rankings. The ranking reflects the academic reputation, quality, impact and range of international development research undertaken and courses delivered by departments and organisations across the Sussex campus.

Highlights from the past financial year include:

- #1 world ranking for Development Studies in the QS World University Rankings by Subject
- 305 Master's and PhD students learnt with us between September 2020 and September 2021, including 74 students on scholarships from across 36 countries
- 494 contractual research, learning and funding partners
- 140 published journal articles authored by IDS staff
- 27 participants from 15 countries completed IDS specialist short courses
- 1,790 items in global print, online and broadcast media
- 771,891 engagements with IDS content including website, event registrations, newsletter subscriptions and social media
- 15 Number of IDS mentions and citations of IDS research in UK Parliament

Awards, honours and appointments from the past year include:

- Stephany Griffith-Jones (Emeritus Fellow) Named in the top 100 Senior Leaders of 2022 in the newspaper El Mercurio and the Catholic University.
- Óscar Sánchez Jaramillo (IDS Alumni) Vice Minister of Preschool, Basic and Secondary Education Columbia.
- Sidonie East (IDS student) Nominated for the DSA Master's Dissertation Prize 2023.
- Samirah Bello (IDS Alumni) Finalist in the Nigeria British Council Study UK Alumni Awards 2022 for her work with various strategic partners to empower African agricultural value chain actors by connecting them to technology, finance, value-added services, and the market.
- Roy Trivedy Outgoing UN Resident Coordinator, who received the highest national award, the Order of Timor-Leste.
- John Gaventa (Research Fellow) Received an honorary degree from St Francis Xavier University.
- Mujtaba Piracha (IDS Alumni) won the Bloomsbury Pakistan Book Prize 2022 for their book "Property Taxes and State Incapacity in Pakistan."
- Doctoral students have also won prizes at the Festival of Doctoral Research.
- José A. Molinelli (IDS Alumni) was named as one of the "top 10 most distinguished youth" in Puerto Rico in the Category of Politics, and Government, by Junior Chamber International and also selected as a Junior Fellow of the Library of Congress in the Field of Law.
- Karim Alwani (IDS Alumni) Selected as an overseas MYP (Member of Youth Parliament) of the Youth Parliament Pakistan by PILADT (Pakistan Institute of Legislative Development and Transparency) and also being elected as the Joint Secretary- Standing Committee on Poverty Alleviation and Social Safety Division.

IDS continues to be committed to knowledge as a public good. Our flagship publication the *IDS Bulletin* is an open access and peer-reviewed journal exploring emerging international development challenges which works hard to ensure that it has a high proportion of contributors to the journal from the global South. We also make all our publications, where possible and in line with funder requirements and compliance, available on our open access institutional repository.

IDS has an extensive range of global networks and communications channels. We have an active social media following with more than 343,000 followers on Facebook, Twitter, LinkedIn, YouTube and Instagram. More than 22,000 individuals subscribe to our newsletters, and the IDS website has more than one million page views each year. IDS' podcast *Between the Lines*, now in its fourth year, also continues to go from strength to strength, and reach new audiences.

IDS is committed to collaborating with partners to deliver world-class research, learning and teaching that transforms the knowledge, action and leadership needed for more equitable and sustainable development globally.

The Trustees have had due regard to the Charity Commission's general guidance on public benefit when considering IDS' objectives and planning its activities.

Specifically, IDS carries out its charitable objectives through:

- **Research:** Work with academic institutions, think-tanks, consultancies, non-governmental organisations and others - across disciplines, country borders and sectors – to build global research and learning networks that help understand people's lived experiences and the realities that shape these, in order to tackle global challenges and humanitarian crises.
- **Learning:** Providing world-class, tailored and supportive professional development learning opportunities for those working in non-governmental organisations, governments, multilateral agencies and research institutions to develop and put into practice the individual and organisational skills and expertise critical to realising transformative social change.
- **Teaching:** Building future generations of development champions through world-renowned postgraduate degrees and PhD research programme.

By focusing on these areas IDS aims to contribute to a more equitable and sustainable world, where people everywhere can live their lives free from poverty and injustice.

To help ensure IDS' work is properly informed by the needs, experiences and views of the target beneficiaries and users of its work, IDS:

- Collaborates with its network of global partners on research and knowledge work, especially those based in the global South.
- Carries out regular assessments of our impact, including through the views of our stakeholders.
- Carries out regular teaching reviews to ensure the continued relevance and quality of the Teaching programmes.
- Draws on its alumni to sustain a global network of development professionals and practitioners who take a lifelong interest in the Institute and share their experience and expertise within the development community and wider world as well as the Institute.
- Ensures that its Board of Trustees reflects IDS' global remit.

Examples of IDS' contribution to public benefit in 2022-23 have been included throughout this report. Some of the key public benefit achievements are:

- Contributing vital research and knowledge to strengthen evidence-informed decision-making processes, on issues such as climate change and humanitarian response to new and protracted conflicts.
- Making steps to increase the accessibility of research and communications.
- Helping drive forward important debates around decolonisation, by championing truly equitable research partnerships.
- Enabling greater access to our Master's courses by launching a campaign to

fundraise for scholarships.

- Recognising and celebrating the achievements of our alumni who are working to improve the lives of communities around the world.
- Making critical development knowledge more readily accessible and available to all, including those who lack the financial means to access pay-per-view platforms, by continuing the transition to Open Access publications. (This includes supporting the publication of the *IDS Bulletin* as Open Access.)
- We have carried out a gashouse gas emissions audit and are working on an action plan to reduce our carbon footprint.

3.6 Financial report for the year

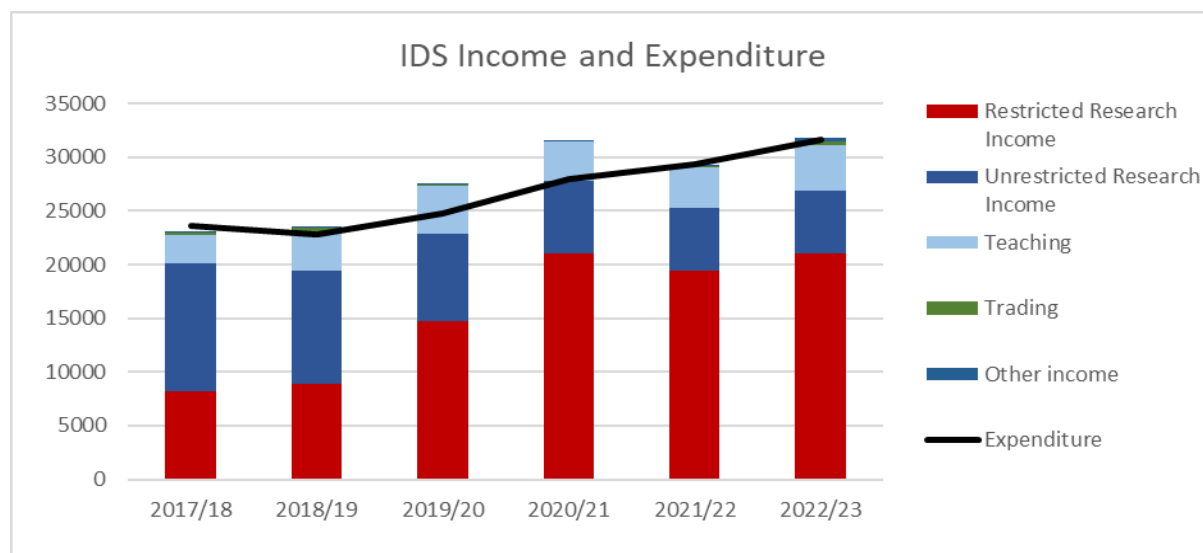
It was another year of intense funding challenges. As mentioned elsewhere in this report, IDS, like many other UK research institutions was significantly affected by the major reduction in UK Government spending on official development assistance. Other governments have cut funding as support for Ukraine is prioritised or changes in Governments have changed strategies. Inflationary costs are starting to impact us, but the main impact will be via cost of living increases to staff. We also faced broader uncertainties relating to student numbers due to Brexit.

Despite these challenges, IDS ended the year positively, reporting a small deficit of £137k. Of this there was a surplus on unrestricted funds of £63k (2022 £219k) and a deficit on restricted funds of £200k (2022 £767k) arising from timing differences between recognition of income and actual expenditure.

The finalisation of the USS pension valuation last year resulted in reduced benefits for members leaving the level of contributions. The early indicators are that a new valuation on 31st March 2023 will show a much-improved situation. The liability decreased this year due to the change in discount rates used in the modeller and reflects the change in interest rates going forward. As noted in the pension section is this not a liability due in the near future but paid via ongoing contributions that are monitored.

Total income for the year was £31.8m, an increase of £2.6m from 2022. The increase can be broken down into an increase of £1.6m in commissioned studies and research income and a rise of £0.3m in teaching income, £0.3m in investments and £0.2m in trading and the same in donations. Correspondingly costs have risen in research expenditure by £1.7m. Teaching costs also fell slightly during the year by less than £0.1m. Trading costs rose by £0.2m offset by the increased income as people return to the building following the COVID lockdowns. Support costs remained at the same level as last year. A lot of work has been done to remain efficient and effective whilst controlling our support costs. Overall, as a percentage of total costs, our support costs are just over 13 per cent (2021 just over 14 per cent). Inflationary increases have increased costs and we have made some non-consolidated payments to our staff to help with the cost of living crisis as well as the UCEA recommended pay increases.

The graph below shows the growth in terms of income and expenditure over the last six years.

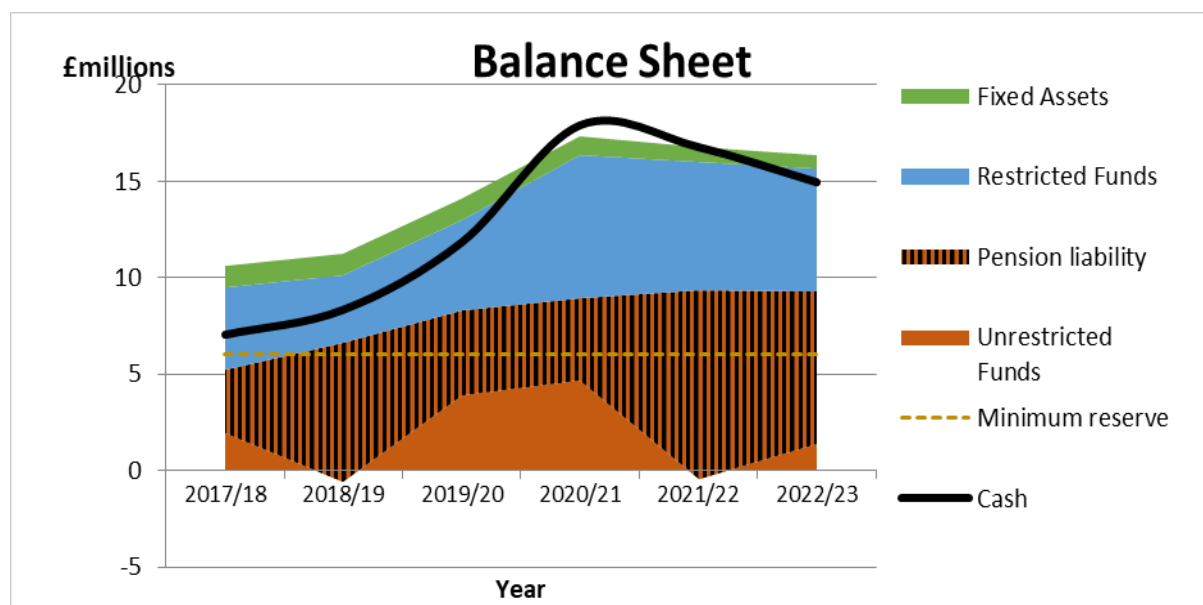


Under the charity's memorandum and articles of association no part of the income or property of the charity can be distributed to the members.

Balance sheet

Net current assets totalled £15.7m (2022 - £16.1m) with £12.2m (2022 - £13.1m) held as current asset investments. Total reserves were £8.6m (2022 - £7.0m) consisting of £2.1m unrestricted (2022 - £0.4m), £10.0m before the pension liability, and £6.4m (2022- £6.6m) restricted funds.

The graph below shows the growth in the balance sheet over the last six years.



Financial reserves policy

The Board of Trustees reviews the level of reserves regularly in line with its Reserves Policy. The policy was reviewed and updated last year.

The aim of IDS' Reserves Policy is to ensure that its ongoing and future activities are reasonably protected from unexpected short-term variances in income and expenditure. Total funds at 31 March 2023 were £7.4m which is made up of:

- Fixed assets £0.8m

- Investments and cash £15.0m
- Working capital £3.5m
- Less the pension liability £7.9m.

The reserves are held under several different categories:

- Unrestricted funds – General funds (free reserves) £9.3m: These are available to be spent at the discretion of the trustees, to any of the Institute's charitable purposes.
- Unrestricted funds – Designated funds £0.8m: These funds have been designated by the Trustees to meet a specific purpose of the Charity in the future. See below for further detail.
- Pension reserve liability £7.9m: The pension liability represents the discounted value of the deficit funding requirements over seventeen years for the USS pension and three years for USPAS and does not imply a significant constraint over the use of the reserves for the foreseeable future other than to ensure monthly contributions are met which are budgeted for accordingly.
- Restricted funds £6.4m – These funds are used in accordance with the specific restrictions imposed by the funders. These funds are set out in the notes to the financial statements.

The Institute has two designated funds which are held separately from the general funds. Each of these has a specific purpose as designated by the Trustees. An explanation of each reserve and when it would be expected to be spent:

- Capital fund £0.7m – This fund is used to reflect the purchase and depreciation of tangible fixed assets when they are purchased out of the general income of the Institute. The fund is equal to the net book value of the Institute's fixed assets (less the restricted deferred income reserve).
- Building development fund £0.1m – The building development fund exists to enable the Institute to complete any emergency or essential building works or repairs which may be necessary and cannot be funded from that year's capital budget.

The general funds of the Institute are held to meet the cash flow of the Institute should there be an unexpected fall in its income or funding.

The RARC and the Board of Trustees reviewed the level of reserves and the policy. It is their view that a minimum of £6m should be held in reserve to ensure the work of the organisation can continue without disruption in adverse circumstances. This amount has been calculated after reviewing the organisation's risk register and determining the greatest threats to income, expenditure and assets and considering costs if the Institute was closed. Total general reserves (excluding the pension liability) at 31 March 2023 were £9.3m. The Trustees note the current difference between the minimum reserve and the general reserve held at the moment. These reserves will be an important factor in the Institute's resilience and future sustainability when dealing with the impact of inflation, reduced student numbers and UK Government and other aid budget cuts.

Investment policy

Investment performance is regularly reviewed by the Trustees. The Trustees approved a new investment policy in December 2022. The new investment policy has two main objectives which are to preserve the capital value of its reserves, whilst ensuring there is sufficient cash to meet short term needs.

Using agreed instruments a return of £298k (2022 - £10k) was achieved in 2023.

Fundraising

All IDS fundraising activity is carried out by IDS staff. IDS does not use external professional

fundraisers or have any commercial participators. All fundraising activities are managed by the Head of Fundraising and Development with oversight by the Director of Research and the Board of Trustees. All who work in fundraising receive training on a regular basis from organisations such as British Overseas NGOs for Development (BOND), Council for Advancement and Support of Education (CASE) and Institute of Fundraising.

No complaints relating to fundraising activities have been received by the Institute during this financial period (2022/23). IDS is a member of the Fundraising Regulator which is an independent non-statutory body that regulates fundraising across the charitable sector in England, Wales and Northern Ireland. IDS sets appropriate standards for the operation and management of its fundraising activities in line with the Code of Fundraising Practice. In respect of fundraising, the guidance on the implication of the Covid-19 pandemic suggests that charities ought to review how the pandemic has impacted on the charity's ability to fundraise. As such, our plans are to continue to diversify our level of fundraising including through innovative online events. IDS would not approach any person that it had reasonable grounds to believe, in the course of its engagement with the individual, was a vulnerable person.

Accounting for pensions

The charity SORP requires that charities make provision for the value of their pension fund liabilities on their balance sheet. IDS has one pension deficit to account for which have significant effect on the accounts. The Universities Superannuation Scheme (USS) pension was revalued again in 2020 and the total deficit of the scheme increased from £3.6bn in 2018 to £63.3bn. The Institute has used the 2020 valuation to calculate its share of the pension deficit. Due to an increase in the discount rate being used and the repayment of a year of the deficit during 2022/23 there was a reduction in the pension provision of £1.3m (from £9.2m to £7.9m). This increases IDS' unrestricted reserve to £2.2m. The University of Sussex Pension and Assurance Scheme (USPAS) recovery plan had been in place for several years. The scheme has been closed to new members since 2009. The valuation of the pension scheme was updated in September 2022 and there was no deficit on the scheme. The provision for the USPAS scheme at the 31 March 2022 was £0.6m and this has now been removed from the accounts.

More detail on pensions is provided in note 15 to the accounts.

Going concern

The Institute is funded through income from charitable activities in relation to commissioned studies and research, together with teaching income.

The Trustees have assessed the Institute's ability to continue as a going concern. The Trustees considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of the Institute's operations (including Covid-19 and UK and other Government aid cuts), the current pipeline, a review of the budget and forecasts including scenarios based on differing levels of inflation.

The two monetary risks to IDS are UK Government aid research funding cuts and inflation.

The Institute's student numbers were affected during the pandemic and are showing signs of a return to levels pre-Covid-19 but are still under pressure. A substantial marketing campaign has continued to maximise student recruitment.

IDS had a relatively successful year financially in 2022/23 despite the ongoing disruption caused by the Covid-19 pandemic, Brexit and the UK Government aid cuts.

The Institute decreased its general reserve by £0.1m with total free reserves of £9.3m at the year end. This is more than the target free reserves level and provides a solid foundation for

the Institute. We expect there to be ongoing impacts due to the ODA cuts and inflation in particular and the Board will be reviewing the use of these reserves. We would look to invest in future capacity building and diversifying funding whilst not baking in costs that impact our competitiveness in the future.

Having regard to the above, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.7 Principal risks

The Trustees are responsible for the effective management of risk including approving the overall risk management policy and ensuring that a sound system of internal financial controls is in place and operating as designed. This will safeguard the charity's assets including its reputation.

IDS has established an ongoing process for identifying, evaluating and managing the charity's key risks and systems that have been established to mitigate those risks. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

In particular there are clear procedures, roles and responsibilities for:

- Identifying and monitoring key strategic risks.
- Identifying, monitoring and managing key financial risks.
- Detailed appraisal and authorisation of proposals prior to submission for funding.
- Project management and post-completion research outputs.
- Financial accounting and management reporting.
- An annual review of the control environment.

The Resources, Audit and Risk Committee (RARC), on behalf of the Trustees, keeps the key strategic and operational risks IDS faces under regular review, the control environment and the systems and procedures in place to mitigate the risks. The Committee is supported in this work through access to expert advice and internal audit review from Crowe U.K. LLP. Internal audit findings are reported directly to the RARC and Trustees.

Financial risk management covers areas such as price risk, exchange risk, credit control risk, liquidity and interest rate cash flow risk. Each year, the RARC considers a report that details major areas of financial strategy and progress in addressing key financial issues.

The RARC highlighted a range of risks at the Institute level in its report and discussion in March 2023. The most significant risks are actively managed in the following manner:

Risk	Mitigation and actions
UK Government ODA reduction and reduction in other funder availability.	We have worked closely with FCDO and other funders to ensure activities and budgets are re-profiled within the reduced budgets. We are actively seeking to secure new funds and diversify our funding base. In prior years we earmarked £2m of reserves to deal with the impact of the cuts. We have not had to use these funds, but the ongoing changes are expected to have an impact going forward. We will continue to monitor forecast and budgets particularly our pipeline and diversity of funding.
Issues with Digital technologies and cyber security causing us to be unable to	The increased attacks on organisations including educational establishments has

function efficiently and effectively.	resulted an increase risk overall. We have achieved Cyber Security Essentials plus certification and our Cyber Security workplan is regularly reviewed by RARC and the Board. We have implemented a plan to ensure all operating systems are up to date and have put in place insurance to assist with recovery from any IT security issue.
If IDS is unable to undertake research across sciences, sectors and communities through interdisciplinary and collaborative approaches, its contributions to progressive change may be very limited.	We are monitoring our pipeline and learn systematically from proposal success and failure. There is a system of internal risk registers for projects for reporting and spotting patterns. We have a pool of consultants who go through a through due diligence process. Our ethic policy has been reviewed. We are undertaking work on decolonisation of development with partners world wide.
IDS is damaged by allegations in the media or social media around inequitable or unethical behaviour, not living our values or our work is presented as a poor use of ODA funding resulting in donor concern, staff and partner concern and damage to brand.	Equalities and equity review has been carried out and an action developed to address concerns. We monitor social media. Our new fundraising ethics policy has been approved and our Comms crisis response processes has been reviewed.

The ODA and other Governments cuts continue to affect projects and there is increased uncertainty around contracts. We have been actively working to diversify our funding base for a few years now. The Risk Subcommittee, SLG and RARC keep the risks under close watch, attempting to combine an appropriate level of risk appetite with proportionate responses that do not restrict our work or academic freedom, and good communication with staff and partners which we have learned is so critical to maintaining IDS' culture and collegiality.

This Annual Report of the Trustees under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 14 July 2022, including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Deepak Nayar
Chair of the Board of Trustees
Approved by the Trustees on: 20 July 2023

4. Independent auditor's report

Opinion

We have audited the financial statements of The Institute of Development Studies ('the charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material mis-statements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page ...], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material mis-statement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material mis-statement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations was the Office for Student Regulations, General Data Protection Regulations, health and safety legislation and employment legislation. We also considered compliance with local legislation for the charity's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

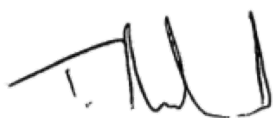
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, expenditure incurred with partners and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, Data Protection Officer and the Resource, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reviewing due diligence assessment performed on partners and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the

inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date 14 September 2023

5. Statement of financial activities for the year ended 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income from:					
. Donations and legacies		-	195	195	38
. Investments	2	293	5	298	10
Charitable activities:					
. Commissioned studies and research	1	5,845	21,050	26,895	25,304
. Tuition fees		4,062	-	4,062	3,721
. Publications, catering and accommodation		312	-	312	101
Total income		10,512	21,250	31,762	29,174
Expenditure on:					
Raising funds		53	-	53	44
Charitable activities:					
. Commissioned studies and research		5,648	21,388	27,036	25,267
. Teaching costs		3,932	62	3,994	4,024
. Publications, catering and accommodation		567	-	567	292
. Interest payable –re pension provision	15	249	-	249	95
Total expenditure	3	10,449	21,450	31,899	29,722
Net income		63	(200)	(137)	(548)
Transfers between funds	12	16	(16)	-	-
Actuarial (loss)/gain on defined benefit pension schemes		1,654	-	1,654	(5,494)
Net movement in funds		1,733	(216)	1,517	(6,042)
Fund balances at 1 April 2022		452	6,638	7,090	13,132
Balances carried forward at 31 March 2023		2,185	6,422	8,607	7,090


There is no difference between the net income stated above and the historical cost equivalent. All the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

6. Balance sheet as at 31 March 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	7		777		903
Current assets					
Debtors	8	7,456		7,530	
Current asset investments	9	12,261		13,115	
Cash at bank and in hand		2,707		3,668	
		<u>22,424</u>		<u>24,313</u>	
Creditors: amounts falling due within one year	10	<u>(6,639)</u>		<u>(8,225)</u>	
Net current assets			15,785		16,088
Creditors: amounts falling due after one year	11		<u>(90)</u>		<u>(106)</u>
Net assets excluding pension liabilities			16,472		16,885
Defined benefit pension liability	15		(7,865)		(9,795)
Total net assets			<u>8,607</u>		<u>7,090</u>
Represented by:					
funds	12				
<i>Income funds:</i>					
<i>Unrestricted funds</i>					
• Designated funds		788		898	
• General reserve		<u>9,262</u>		<u>9,349</u>	
		10,050		10,247	
• Pension reserve		<u>(7,865)</u>		<u>(9,795)</u>	
			2,185		452
Restricted funds			<u>6,422</u>		<u>6,638</u>
			<u>8,607</u>		<u>7,090</u>

Approved by the Trustees
and signed on their behalf by:




D Nayyar
Trustee

N Clayton
Trustee

Company registration number 877338 (England and Wales)

Approved on: 20 July 2023

7. Cash flow statement for the year to 31 March 2023

	Notes	2023 £'000	2022 £'000
Net cash outflow from operating activities	A	(1,743)	(950)
Cash flows from investing activities:			
Interest received		298	5
Interest paid		(249)	(95)
Purchase of tangible fixed assets		(121)	(100)
Purchase of investments		(1,746)	-
Sale of investments		2,600	-
		782	(190)
Net decrease in cash	B	(961)	(1,140)
Cash balances at 1 April 2022	B	3,668	4,808
Cash balances at 31 March 2023	B	2,707	3,668

Notes to the cash flow statement for the year to 31 March 2023

A Reconciliation of net movement in funds to net cash outflow from the Institute's activities

	2023 £'000	2022 £'000
Net movement in funds	1,517	(6,042)
Investment income	(298)	(10)
Interest payable on pension liability	249	95
Loss on disposal of fixed assets	1	10
Depreciation	246	244
Decrease in debtors	74	303
Decrease in creditors	(1,602)	(1,055)
(Decrease)/increase in pension liability provision	(1,930)	5,505
Net cash outflow from the Institute's activities	(1,743)	(950)

B Analysis of changes in cash

	At 1 April 2022 £'000	Cash flows £'000	At 31 March 2023 £'000
Cash at bank and in hand	3,668	(961)	2,707

8. Notes to the financial statements

Status of the company / charity

The company/charity was incorporated on 16 April 1966 in England and Wales, as The Institute of Development Studies and is limited by the guarantee of its members. The guarantee of each member is restricted to £1 sterling. The address of the registered office is: Andrew Cohen Building, University of Sussex, Brighton BN1 9RE and its registration number is 877338.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of the current asset investments, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 (effective 1 January 2015) – (Charities SORP (FRS 102))), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute of Development Studies meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in pounds sterling which is also the functional currency of the charity.

Going concern

The Institute is funded through income from charitable activities in relation to commissioned studies and research, together with teaching income.

The Trustees have assessed the Institute's ability to continue as a going concern. The Trustees considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of the Institute's operations (including Covid-19 and UK and other Government aid cuts), the current pipeline, a review of the budget and forecasts including scenarios based on differing levels of inflation.

The two monetary risks to IDS are UK Government aid research funding cuts and inflation.

The Institute's student numbers were affected during the pandemic and are showing signs of a return to levels pre-Covid-19 but are still under pressure. A substantial marketing campaign has continued to maximise student recruitment.

IDS had a relatively successful year financially in 2022/23 despite the ongoing disruption caused by the Covid-19 pandemic, Brexit and the UK Government aid cuts.

The Institute decreased its general reserve by £0.1m with total free reserves of £9.3m at the year end. This is more than the target free reserves level and provides a solid foundation for the Institute. We expect there to be ongoing impacts due to the ODA cuts and inflation in particular and the Board will be reviewing the use of these reserves. We would look to invest in future capacity building and diversifying funding whilst not baking in costs that impact our competitiveness in the future.

Having regard to the above, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Income

Incoming resources are recognised when the Institute becomes entitled to the income, the

amount can be measured reliably, and it is probable that the Institute will receive the funds.

Incoming resources receivable under contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grant income is recognised in full when the Institute becomes entitled to the income, it is probable that the income will be received, and the amount can be measured reliably.

Investment income is recognised when receivable.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational functions on the basis of their use of central support services.

Support costs, which include the central office functions such as governance, general management, payroll administration, budgeting and accounting, information technology, human resources and financing are allocated across the categories of charitable expenditure. The basis of the cost allocation is explained in note 4 to the financial statements.

Redundancy and settlement payments are recognised once the member of staff has been informed. The cost is measured at the best estimate of expenditure required to settle the obligation at the reporting date.

Incentive scheme

Any payments due to staff under incentive schemes are provided for as research costs in the financial year in which they are earned. The amounts are not disclosed as staff costs until the financial year in which they are paid.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction for income received and at the closing rate for the month in which other transactions take place. Exchange differences are taken into account in the net movement in funds.

Tangible fixed assets and depreciation

Tangible fixed assets are included at cost and only furniture and equipment greater than £500 are capitalised.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their estimated useful lives.

The periods generally applicable are:

- Leasehold improvements - period to 2029
- Furniture and equipment - five years.

Current asset investments

Investments are included at amortised cost at the balance sheet date.

Basic financial instruments

IDS has financial assets and financial liabilities of a kind that qualify as basic financial

instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

At the Balance Sheet date the charity held financial assets at amortised cost of £22.0m (2022 – £24.0m) and financial liabilities at amortised cost of £3.7m (2022 - £4.7m).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity’s accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects the current and future periods.

The key sources of estimation uncertainty that involve areas of significant judgement in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – the charity recognises its liability to its defined benefit pension schemes which involve a number of estimations as disclosed in note 15 to the accounts.

Contributions to pension funds

The charity participates in four pension schemes: a National Employment Savings Trust Scheme (NEST), the IDS Pension and Savings Scheme (SPSS), the Universities Superannuation Scheme (USS) and the University of Sussex Pension and Assurance Scheme (USPAS).

The IDS’ casual workers are auto enrolled into a National Employment Savings Trust Scheme (NEST) which is a defined contribution scheme. During the year there were £0 contributions (2022- £0).

In November 2018, a new pension scheme was implemented for new professional services staff. All new professional service staff are auto enrolled into the IDS Pension and Savings Scheme (SPSS) which is a defined contribution scheme.

IDS participates in Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. IDS is therefore exposed to actuarial risks associated with other institutions’ employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 “Employee benefits”, IDS therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since IDS has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, IDS recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The other scheme, the University of Sussex Pension and Assurance Scheme, (USPAS) is a multi-employer defined benefit pension scheme providing benefits based on final pensionable pay and career revalued benefits.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group

plan consists of a collection of entities under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 or FRS 102. The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

IDS accounted for USS and USPAS by charging all contributions to the statement of financial activities (SOFA) as incurred.

IDS' share of the deficit for USS has been calculated using a specific modeller. The discount rate used in the modeller was selected as it was representative of the return the Institute could expect on a high-quality bond over the repayment period of the pension liability. The rate selected was 4.8 per cent. The rate chosen could make a material difference to the liability recognised in the financial statements.

IDS' share of the deficit for USPAS is deemed to be the deficit contributions payable by the Institute. This deficit was recorded as a liability on the balance sheet until it was eliminated.

Fund accounting

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs where permitted by the fund.

Unrestricted funds are incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds, which have been designated for specific purposes by the Trustees.

1. Commissioned studies and research

Commissioned studies and research income was received in the following areas of activity:

	2023	2022
	Total	Total
	£'000	£'000
UK Government	10,921	12,109
Research Councils (UK)	3,669	3,474
Foundations	4,007	3,350
Governments (other)	4,070	2,719
NGOs	1,505	1,896
Academic Institutions	856	759
Consultancy Firms	550	450
Multilateral Organisations	1,167	404
Other	150	143
Total	26,895	25,304

- a) Commissioned studies and research income includes the following values for accountable grants awarded by UK Aid – The UK Foreign Commonwealth and Development Office (FCDO)

PO 7195	Agricultural Policy Research in Africa (APRA) Commercialisation, Womens Empowerment and Poverty Reduction	£242,480
PO 7239	Empowerment and Accountability Research Programme	£219,735
PO 7435	Evidence and Knowledge for Development (K4D)	£544,785
PO 8373	Better Assistance in Crises (BASIC) Research	£1,840,583
PO 300211-101	International Centre for Tax and Development	£1,703,774
PO 300552	Tackling the Drivers of Child Labour and Modern Slavery a Child Centred Approach	£2,310,767
PO 300055-116	Freedom of Religious Belief (FORB) for inclusive, interdependent and diverse societies/ CREID	£1,298,771
PO 300161-107	Zambia Social Protection Expansion Programme Phase II	£26,709
PO 300981	Covid-19 Learning, Evidence and Research for Bangladesh (CLEAR)	£487,335
PO 40125799	Evidence Fund Covid-19 Social Science Research Evidence Platform	£1,878,819

- b) Commissioned studies and research income includes: £1,395,922 for Building more Equitable, Legitimate and Sustainable Revenue Systems, awarded by NORAD; £257,284 for Irish Aid Strategic Partnership for Social Protection, awarded by Irish Aid, £155,398 for the Disability Inclusive Development Programme, awarded by Sightsavers; £143,481 for Bangladesh Initiative to Enhance Nutrition Security and Governance, awarded by World Vision UK, £39,045 for Graduation Trajectories Research in Bangladesh, awarded by Concern Worldwide; £17,590 for DRC Graduation Programmes in Conflict Contexts, awarded by Concern Worldwide, - £6,099 for Challenges and Opportunities for Rural Youth Employment in Sub-Saharan Africa, awarded by IFAD and -£32,183 for Inclusion Works!, awarded by Sightsavers.

2. *Investment income*

	2023	2022
	Total	Total
	£'000	£'000
Interest receivable on certificates of deposit	298	10

3. *Analysis of total resources expended*

	Direct costs £'000	Support costs £,000	2023 Total £'000	2022 Total £'000
Expenditure on raising funds				
Costs of generating voluntary income	53	-	53	44
Expenditure on charitable activities				
Commissioned studies and research	24,597	2,439	27,036	25,267
Teaching costs	2,316	1,678	3,994	4,024
Publications, catering & accommodation	438	129	567	292
Interest payable	249	-	249	95
	<u>27,653</u>	<u>4,246</u>	<u>31,899</u>	<u>29,722</u>

4. *Support costs*

	2023 Total £'000	2022 Total £'000
Premises	563	456
Communications	414	414
Director's office	581	434
Finance, computer and technical support	750	1,018
Fundraising and partnerships	313	255
Human resources	693	562
Depreciation	246	244
Governance costs	27	28
Other costs	659	861
	<u>4,246</u>	<u>4,272</u>

Central support costs are all allocated by income generated by each activity.

Resources expended include:

	2023 Total £'000	2022 Total £'000
Auditor's remuneration		
Audit services		
Financial statements audit	25	20
Other audit services	19	31
Non audit services	-	-
	<u>-</u>	<u>-</u>

5. *Staff and Trustees*

	2023 Total £'000	2022 Total £'000
Staff costs during the year:		
Wages and salaries	11,079	10,300
Social security	1,151	1,070
Apprenticeship levy	37	30
Other pension costs	1,629	2,120
Redundancy costs	23	2
	<u>13,919</u>	<u>13,522</u>

Redundancy costs for the year are £23k which was paid during the year ended 31 March

2023. (2022 - £2k). All redundancy costs are accounted for in the year in which the individual is notified of their redundancy.

The average number of employees of the charity, including the Trustees who are also paid employees, during the year was 260 (2022 – 258). The emoluments of higher paid employees (including those Trustees who are employees of IDS) fell within the following ranges:

	2023	2022
	Number	Number
£60,000 to £70,000	19	12
£70,001 to £80,000	9	7
£80,001 to £90,000	6	5
£90,001 to £100,000	2	2
£100,001 to £110,000	2	-
£110,001 to £120,000	2	2
£120,001 to £130,000	-	-
£130,001 to £140,000	-	-
£140,001 to £150,000	1	1
	41	29

The pension contributions of the higher paid employees, who were all members of a pension scheme to which the charity contributes, amounted to £634k (2022 - £436k).

The emoluments of the higher paid employees also include any one-off sums on top of basic pay as part of the settlement of the Accumulated Individual Surplus (AIS).

Thirteen members of staff are included in the table or appear in a higher band than their basic pay because of the AIS payments.

The Trustees received no remuneration for their services as Trustees. In accordance with Clause 4 of the Memorandum of Association, Trustees who are also employees received remuneration for their services as employees.

The aggregate emoluments of those Trustees who are also employees of the Institute were £277k (2022 - £263k) whilst they were Trustees. The Institute paid £46k (2022 - £43k) pension contributions on their behalf to one of the charity's defined benefit pension schemes.

The details of the emoluments and pension contributions for Trustees who are also employees of the Institute are shown below:

Employee	Emoluments	Pension
M Leach	£145k - £150k	£30k - £35k
A Joshi	£70k - £75k	£15k - £20k
M Roberts	£55k - £60k	£0 - £5k

The emoluments of the highest paid Trustee were £149k (2022 - £143k), and the accrued annual pension at 31 March 2023 was £49k (2022 - £42k); the maximum accrued lump sum was £148k (2022 - £127k).

The key management personnel of the Institute comprise the members of the Strategic Leadership Group: the Director, Director of Finance and Operations, Director of Teaching and Learning, Director of Research, Director of Communications and Impact, and Directors of Human Resources. The total employee benefits of the key management personnel of the Institute were £804k (2022 - £755k).

During the year ended 31 March 2023, five Trustees (2022 – zero Trustees) were reimbursed expenses amounting to a total of £2k (2022 - £0k) for travelling to attend Trustees' meetings.

6. Taxation

The charity is a registered charity and therefore not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

7. Tangible fixed assets

	Leasehold improvements £'000	Furniture and equipment £,000	Total £'000
Cost			
At 1 April 2022	2,717	2,004	4,721
Additions	59	62	121
Disposals	-	(54)	(54)
At 31 March 2023	<u>2,776</u>	<u>2,012</u>	<u>4,788</u>
Depreciation			
At 1 April 2022	2,011	1,807	3,818
Charge for the year	148	98	246
Eliminated on disposal	-	(53)	(53)
At 31 March 2023	<u>2,159</u>	<u>1,852</u>	<u>4,011</u>
Net book values			
At 31 March 2023	<u>617</u>	<u>160</u>	<u>777</u>
At 31 March 2022	<u>706</u>	<u>197</u>	<u>903</u>

The charity has an agreement with the University of Sussex for the occupation of the buildings until 2068. The charity is depreciating the buildings over the period until 2029 as this corresponds to the period covered by an agreement with the University of Sussex as regards certain occupancy rights.

8. Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	2,450	1,672
Amount due from University of Sussex	147	78
Prepayments and accrued income	4,859	5,780
	<u>7,456</u>	<u>7,530</u>

9. Current asset investments

	Total £'000
Balance at 1 April 2022	13,115
Additions	1,500
Disposals	(2,600)
Investment income	246
Balance at 31 March 2023	<u>12,261</u>

	2023 £'000	2022 £'000
Investments at market value comprised		
UK deposit fund	12,261	13,115
	12,261	13,115

10. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Commissioned studies – deferred income	2,737	3,326
Accruals and other creditors	3,638	4,631
Social security and other taxes	264	268
	6,639	8,225

Reconciliation of movement deferred income

	Total £'000
Balance at 1 April 2022	3,326
Released during the year	(1,808)
Additional deferral	1,219
Balance at 31 March 2023	2,737

11. Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Accruals and other creditors	90	106
	90	106

12. Funds

	At 1 April 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2023 £'000
Unrestricted funds						
<i>Designated</i>						
Capital fund (represented by tangible fixed assets)	798	-	-	(110)	-	688
Building development fund	100	-	-	-	-	100
	898	-	-	(110)	-	788
<i>General funds</i>						
Income and expenditure account	9,349	10,512	(10,725)	126	-	9,262
Pension reserve	(9,795)	-	276	-	1,654	(7,865)
Total unrestricted funds	452	10,512	(10,449)	16	1,654	2,185
Restricted funds						
Other research projects	6,431	21,052	(21,389)	-	-	6,094
<i>Deferred income (represented by tangible fixed assets)</i>						
IDS Scholarship	105	-	-	(16)	-	89
Ferguson Scholarship	4	3	(6)	-	-	1
Albertina Scholarship fund	9	34	(30)	-	-	13
Dudley Seers fund	41	-	(22)	-	-	19
Singer, Seers, Jolly fund	41	-	-	-	-	41
Frances Knox bequest	-	130	(3)	-	-	127
Dr Purna Chander Kotagiri Scholarship	-	31	-	-	-	31
	7	-	-	-	-	7
Total restricted funds	6,638	21,250	(21,450)	(16)	-	6,422
Total funds	7,090	31,762	(31,899)	-	1,654	8,607

Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	2023 Total Funds £'000
Tangible fixed assets	688	89	777
Net current assets	9,452	6,333	15,785
Creditors due in more than 1 year	(90)	-	(90)
Pension liability provision	(7,865)	-	(7,865)
Total net assets	2,185	6,422	8,607

Designated funds

The designated funds represent monies that have been set aside by the Trustees for specific purposes, as follows:

Capital fund

This is used to account for the purchase and depreciation of tangible fixed assets when they are purchased out of general income of the Institute. Amounts are transferred to or from capital fund so that the balance of the capital fund plus the deferred income reserve is equal to the net book value of tangible fixed assets. During the year ended 31 March 2023 £110k was transferred to the income and expenditure account from the capital account in respect of the decrease in net book value of the fixed assets during the year (2022 - £138k decrease).

Building development fund

This reserve has been set up to cover any repairs which may be required in 2022/23 which are unable to be covered from the budget that has been set. The reserve has been set at £100k (2022 - £100k).

Restricted funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant fund.

Other research projects

All other restricted grants have for the purposes of these accounts been grouped under one heading. These balances represent restricted grants where all income is recognised in the year in which IDS is entitled to the grant even though the activity extends to future years.

Deferred income fund

A government grant received to fund capital expenditure was credited to a restricted fund and was recognised in the SOFA in the year of entitlement. An amount equivalent to the depreciation on the assets acquired is released to the income and expenditure account for each period. During the year depreciation of £16k (2022 - £17k) was charged against assets which had been purchased using restricted grant funding. A corresponding amount was therefore transferred out of the deferred income reserve and into the income and expenditure account.

IDS Scholarship fund

The IDS Scholarships fund has been established to help students from diverse backgrounds study at IDS.

Ferguson Scholarship fund

This fund is provided by the Allan and Nesta Ferguson Charitable Trust. It is used to match fund three annual scholarships. Recipients of the scholarship are to be usually resident in low- or lower-middle income countries (as defined by the World Bank) and, ideally, scholars are to come from low-income households.

Albertina Scholarship fund

This fund has been established by a donor who wishes to remain anonymous. It is to be used to provide scholarships to students from the Global South who wish to address poverty and social inequality in the Global South. The donation was £52k per year for five years. All income was received prior to this financial year. The payments to the end of 2022/23 are reflected in the fund.

Dudley Seers memorial fund

This fund has been established by a generous bequest from the Seers family. The funds will be used for educational purposes.

Dr Purna Chander Kotagiri scholarship fund

Dr Purna Chander Kotagiri was established to provide \$20k to the IDS Scholarships fund. Awards from the fund will help talented individuals with genuine and demonstrable financial need and preference given to a woman from an African or Asian region.

Singer, Seers, Jolly fund

The Singer, Seers, Jolly fund was established to award scholarships towards fees and essential living costs for taught full time masters degree students and to talented individuals with genuine and demonstrable financial need.

Frances Knox bequest

Frances Knox left a bequest to the Institute to be spent on the advancement and improvement of land use population employment and geography.

13. Prior Year Funds

	At 1 April 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2022 £'000
Unrestricted funds						
<i>Designated</i>						
Capital fund (represented by tangible fixed assets)	936	-	-	(138)	-	798
Building development fund	100	-	-	-	-	100
General donations fund	1	-	(1)	-	-	-
	<u>1,037</u>	<u>-</u>	<u>(1)</u>	<u>(138)</u>	<u>-</u>	898
General funds						
Income and expenditure account	8,963	9,670	(9,439)	155	-	9,349
Pension reserve	<u>(4,290)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>(5,494)</u>	(9,795)
Total unrestricted funds	<u>5,710</u>	<u>9,670</u>	<u>(9,451)</u>	<u>17</u>	<u>(5,494)</u>	452
Restricted funds						
Other research projects	7,192	19,466	(20,227)	-	-	6,431
Deferred income (represented by tangible fixed assets)	122	-	-	(17)	-	105
Albertina Scholarship	52	-	(11)	-	-	41

Dudley Seers fund	41	-	-	-	-	41
Dr Purna Chander Kotagiri	15	-	(8)	-	-	7
Total restricted funds	7,422	19,504	(20,271)	(17)	-	6,638
Total funds	13,132	29,174	(29,722)	-	(5,494)	7,090

Analysis of net assets between funds at 31 March 2022

	Unrestricted funds £'000	Restricted funds £'000	2022 Total Funds £'000
Tangible fixed assets	798	105	903
Net current assets	9,555	6,533	16,088
Creditors due in more than 1 year	(106)	-	(106)
Pension liability provision	(9,795)	-	(9,795)
Total net assets	452	6,638	7,090

14. Liability of members

Each of the 14 members (2022 – 14 members) has undertaken to contribute £1 in the event of the charity being wound up.

15. Pension schemes

The charity participates in four pension schemes summarised below.

Scheme	Type	Cost 2022/23 £'000	Deficit 31 March 2022 £'000	Movement Increase/ (Decrease) £'000	Deficit 31 March 2023 £'000
USS	DB	1,298	9,224	(1,359)	7,865
USPAS	DB	161	571	(571)	-
NEST	DC	0	N/A	N/A	N/A
SPSS	DC	170	N/A	N/A	N/A
Total		1,629	9,795	1,930	9,795

IDS participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the University of Sussex Pension and Assurance Scheme (USPAS). Both schemes include contributory multi-employer defined benefit arrangements with assets being held in separate trustee-administered funds and are subject to formal valuations every three years by actuaries using the projected unit method.

Due to insufficient information being available to enable the Institute to use defined benefit accounting for these schemes, in accordance with the provisions of FRS 102 both schemes are accounted for as if they were defined contribution schemes. However, in addition to the current benefit contributions being paid, USS has put in place an agreement for additional contributions to fund a past service deficit. In accordance with the provisions of FRS 102 the Institute has recognised a liability for the future contributions that it estimates will be payable as a result of this deficit funding agreement.

At the end of the financial year the liability under the deficit funding agreement is valued. The valuation is based on the amounts that IDS estimates will be paid discounted to reflect the time value of money. The discount rate selected reflects the opportunity cost of the investment income forgone. The rates selected by the Institute reflect the return that would be available from a high quality (low risk) corporate bond and this is compared to similar organisations to check it is reasonable. The rate for 2023 deficit valuation was 4.8 per cent (2022 – 2.7 per cent).

In addition to the pension cost charges, the interest on the pension deficit amounted to £0.2m (2022 - £0.1m).

The Universities Superannuation Scheme (USS)

The pension charge for the year in the Statement of Financial Activities includes a credit of £2.4m (2022 – debit of £7.5m) in relation to the USS. This represents normal contributions of £1.3m (2022 - £1.8m) payable to the USS together with the credit from the decrease in the deficit funding liability between the opening and closing balance sheet dates of £1.1m (2022 – increase £5.7m).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities was carried out as at 31 March 2020.

The March 2020 valuation showed a shortfall of £14.1bn in the USS with the scheme assets being sufficient to cover 82.5% of its 'technical provisions' liabilities. This is compared to 2018 when a £3.6bn shortfall sufficient to cover 95% of its liabilities.

As a result of the March 2020 valuation there were benefit structure and covenant support measures implemented. This resulted in the following employer contribution rates being put into place:

- For the period to March 2022, 21.4 per cent of salary,
- From April 2022 - March 2024, 21.6 per cent of salary,
- From 1 April 2024, 21.4 per cent of salary.

These employer rates include the following in respect of deficit contributions:

- From April 2022 - March 2024, 6.2% salary,
- From April 2024 onwards, 6.3% of salary.

The past service deficit contributions are expected to correct the deficit by 30 April 2038. This expectation is based on the following assumptions:

- The technical provisions will be calculated according to the method and assumptions set out in the Statement of Funding Principles dated 28 March 2022.
- The return on existing assets and the return on new contributions during the period will be as set out in the Statement of Funding Principles dated 28 March 2022 in the section headed "Assumptions used in calculating contributions payable under the recovery plan" in the paragraph headed "Investment return on existing assets and future deficit recovery contributions".
- Total employer and employee contributions will be paid in accordance with the Schedule of Contributions dated 28 March 2022, which accompanies this recovery plan.

To reflect the liability for these contributions the Institute has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. For the year ended 31 March

2023 the Institute provision for the USS liability was £7.9m (2022 – £9.2m). This liability is not payable immediately but is collected via the normal course of business through contributions to the scheme.

The USPAS scheme

Until 1 April 2009, when the scheme was closed to new members, IDS staff were eligible to participate in USPAS, a defined benefit scheme operated by the University of Sussex, whose members are predominantly University employees. It is not possible to identify the IDS share of the scheme's underlying assets and liabilities, on a reasonably and consistent basis and so the Institute's contributions are accounted for as a defined contribution scheme. The cost recognised in the statement of financial activities is equal to the contribution payable for the year to 31 March 2023.

The latest formal triennial actuarial valuation of this scheme was at 31 March 2021. In preparing the valuation the main assumptions made by the actuary were:

- an investment return of 3.26% per annum pre-retirement and 1.76% per annum post retirement,
- salary scale increases of 2.79% and in line with Consumer Prices Index thereafter,
- a pension increase assumption of 2.81% per annum for pension increasing in line with inflation up to a maximum of 6% for service before 6 April 2009 and a pension increase assumption of 2.25% per annum for pension increasing in line with inflation up to a maximum of 3% for service post 6 April 2009.

At the date of the valuation there was a shortfall in the assets when measured against the Scheme's technical provisions of £17.2m. An interim valuation in September 2022 has stated that there is no deficit in the scheme.

The next formal triennial actuarial valuation is due at 31 March 2024.

At 31st March 2022 the IDS proportion of the payments to eliminate the pension liability were accrued and appeared as a liability on the balance sheet (5.4% of the total liability). Any gains or losses are recognised in the Statement of Financial Activities. For the year ended 31 March 2023 there is no USPAS liability (2022 – £0.6m).

The total pension cost to the charity for the year ended 31 March 2023 was £0.2m (2022- £0.2m); this included the additional contributions but not the amounts relating to the revaluation of the pension liabilities.

The closure of the scheme to new members left open the possibility of S75 of the Pensions Act 1995 being triggered. The enrolment of a new member to the scheme has reduced this risk.

It is not certain what specific amounts will be payable in the future or what the timing of the payments will be, although in the short term it is envisaged that the Institute will continue to adhere to the recovery plan described above.

The Institute has no further payment obligations once the contributions have been paid. From April 2019 the minimum employer contribution was three per cent.

The total pension cost to the charity for the year ended 31 March 2023 was £0 (2022- £0).

Institute of Development Studies Pension & Savings Scheme

The Institute of Development Studies Pension & Savings Scheme (IDSPSS) was introduced to professional staff joining the Institute from November 2018. The scheme is a defined contribution scheme which is available to professional staff who are aged 22 or over and earning at least £10,000 per annum in 2022/23. IDS will contribute 10% towards the pension for all employees enrolled in the scheme and it will pay 12% for employees who contribute 6% or more of their salary. The minimum employee contribution is 3%. The costs of the

pension are charged to the statement of financial activities in the year in which they are incurred. The assets of the scheme are held separately from the Institute in an independent and separately administered fund. The Institute has no further payment obligations once the contributions have been paid.

The total pension cost to the charity for the year ended 31 March 2023 was £0.2m (2022 - £0.1m).

16. Related party transactions

University of Sussex

The Vice Chancellor of the University of Sussex is an ex-officio member of the Board of Trustees. In the past year, IDS paid £1.2m (2022 - £1.4m) to the University of Sussex for services provided to the Institute, and received £4.4m (2022- £4.0m) from the University in respect of tuition fees and other income. The balance outstanding is £147K (2022 - £64k).

Dr A Cheema, Senior Research Fellow at Institute of Development and Economic Alternatives ("IDEAS")

During the year the Institute paid £0.0m (2022 – £0.1m) in respect of three subcontracts which were awarded to IDEAS and related expenses. The balance outstanding is £0 (2022 - £0).

All amounts paid and received were in the normal course of the Institute's activities.

17. Post balance sheet events

There have been no post balance sheet events.

18. Comparative SOFA for year ended 31 March 2022

The detailed SOFA for the previous financial year is set out below.

	Notes	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income and expenditure				
Incoming Resources				
Incoming resources from generated funds				
. Donations and legacies		-	38	38
. Income from investments	2	10	-	10
Income from charitable activities				
. Commissioned studies and research	1	5,838	19,466	25,304
. Tuition fees		3,721	-	3,721
. Publications, catering and accommodation		101	-	101
Total income and endowments		9,670	19,504	29,174
Resources expended				
Expenditure on raising funds				
		44	-	44
Expenditure on charitable activities				
. Commissioned studies and research		5,039	20,228	25,267
. Teaching costs		3,981	43	4,024
. Publications, catering and accommodation		292	-	292
. Interest payable –re pension provision		95	-	95
Total expenditure	3	9,451	20,271	29,722
Net income		219	(767)	(548)
Transfers between funds	12	17	(17)	-
Actuarial gain/(loss) on defined benefit pension schemes		(5,494)	-	(5,494)
Net movement in funds		(5,528)	(784)	(6,042)
Fund balances at 1 April 2021		5,710	7,422	13,132
Balances carried forward at 31 March 2022		452	6,638	7,090