



**institute of
development
studies**

IDS Annual Report and Financial Statements 2021–22

Institute of Development Studies
Annual Report and Financial Statements
31 March 2022

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 Nayyar+~^=(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=

M Roberts=

N Toyo=

*Trustees as at 31 March 2022. 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

I Pearce

Dr P Taylor

Dr P Waldman

SLG as at 31 March 2022

Registered Office	Andrew Cohen Building University of Sussex Brighton, East Sussex BN1 9RE
Telephone	01273 606261
Facsimile	01273 915835
Website	www.ids.ac.uk
Email	ids@ids.ac.uk
Company registration number	877338 (England and Wales)
Charity registration number	306371
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	Barclays Bank plc The Old Bank High Street Lewes East Sussex BN7 2JP
Investment Advisors	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	DMH 40 High Street Crawley West Sussex RH10 1BW

2. Chair's introduction

I joined IDS as Chair of the Board of Trustees in August 2020. The period since then has witnessed a perfect storm of intersecting and persisting crises – the Coronavirus pandemic, conflict situations (particularly Ukraine) and climate change – that have taken lives and lost livelihoods across societies, imposing hardship on the poor everywhere. These crises have created huge uncertainties for millions of people worldwide, reversing earlier gains in poverty reduction and environmental sustainability, while accentuating inequalities further.

Our response to these crises – old and new – and ability to prevent them in future, will depend on our understanding of such crises. Therefore, the need for engaged research and learning on development, in the national and international context, that is done at IDS, is greater than ever before. Evidence-based development research, informed by lived realities with a focus on people, is essential for more effective decision-making.

In light of this, it was devastating that the UK Government pressed on with significant cuts to aid-funded research budgets. Almost overnight, support for research on global challenges such as zoonotic diseases and the prevention of future pandemics were cut by more than half. In the process, valuable research partnerships established over years were severed, thus diminishing the UK's reputation for international research.

This challenging situation, with so many IDS projects affected by budget cuts of around 50 per cent, was compounded by continuing disruptions caused by Covid-19. In response, a five-year plan was developed to diversify funding and restore student numbers to pre-pandemic levels. Thanks to IDS's dedicated community, we were able to maintain our activities, retain our existing staff and expertise, and keep delivering on our strategic priorities.

Our impressive progress despite all the challenges, reflected in an incredibly productive year, is a source of pride. Existing partnerships and new research collaborations have helped us to address some of the world's most pressing global challenges.

My personal highlights include sharing state of the art knowledge on participatory research and enquiry and seeing how IDS researchers have applied such methods to help protect the livelihoods of pastoralists. And our collaboration with a major funder of global health research to make community engagement central to research on health inequities and complex health problems. Work to learn from Covid-19 gathered pace with two particularly successful partnerships - the Covid Collective and the Pandemic Preparedness Project – demonstrating agile partnering to tackle the most pressing development problems arising from the pandemic. I am also pleased with efforts to foster future leadership through strengthened, expanded and extended opportunities for learning through our world-renowned postgraduate degrees, PhD research programmes, and professional development and learning activities for organisations and individuals.

The quality of our research, teaching, and learning were recognised yet again by the QS University Rankings where, together with the University of Sussex, we were ranked first in the world for Development Studies for the sixth consecutive year.

As I reflect on the extraordinary challenges juxtaposed with our impressive responses over the past year, I am struck by how our people stepped up, adapted, and worked hard to deliver on our strategic priorities for 2020-25 in our quest for transforming knowledge and transforming lives around the world. In supporting our students, in maintaining research

excellence, and in building new partnerships, the IDS spirit of community and solidarity has shone through.

Our testing times will continue as the crises persist. Yet, it is comforting that we end the year in a resilient position to confront and manage this difficult conjuncture. And, despite the uncertain future, I have every confidence in the inherent strengths of IDS to accomplish its mission and realise its aspirations.

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 2022, 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 2022 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:

- Michael Anderson and Takyiwaa Manuh 31 July 2021.
- Adam Tickell and Francis Stewart 31 December 2021.
- Nkoyo Toyo 30 April 2022.

Appointed:

- Dr Tasmin Barton, Professor Jose-Antonio Ocampo-Gaviria and Professor Ernest Aryeetey appointed 1 August 2021.
- Ha-Joon Chang appointed 1 January 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 2021-22 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 Joint Directors 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 a 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

The world is in a desperate state. This has been a year marked by conflict, climate change and Covid – intersecting crises that intensify and entrench longer-term vulnerabilities. Conflict and war in Ukraine, Afghanistan, Syria, Ethiopia and elsewhere have resulted in vast displacement and accelerating humanitarian need. Climate and environmental change are devastating lives and livelihoods, exacerbating economic instability. And the ongoing impacts of the pandemic have compounded the challenges facing vulnerable people and places, such as food and fuel cost inflation. Amid all this, inequalities – across class, gender, race and place – are rising and interacting in new ways, while political instabilities and geo-political shifts create further tensions.

These converging crises reveal a world of disrupted development and deep uncertainties. Panning out across the globe, they remind us how interconnected we are. They also underline the importance of research to understand their causes and effects, and to inform transformational change. Yet uncertain times also require development research to be done differently – triangulating between multiple sources of knowledge, adapting to complexities and fast-changing issues, and responding to people's dynamic needs and realities. They require approaches to learning and knowledge exchange that engage both policy actors and

communities in all their diversity. As evidenced in this Review, much of our work at IDS in the past year has centred on navigating uncertainties and crises with research and learning that are equal to such demands.

This has been another turbulent year for IDS, as we have continued to adapt to the ongoing effects of Covid-19 on all aspects of our work and operations. The major cuts to UK Government aid funding created additional challenges, interrupting and affecting many of our research activities. But thanks to the commitment of our dedicated people, we responded with a plan of action to diversify our funding streams, maintain our staff and expertise, and invest in our strategic priorities.

Our 2020–25 strategy, with its emphasis on responding to the shocks and disruptions of our era, has again proved remarkably apt, and despite the challenges we have made exciting progress. The innovations and adaptations we made last year to sustain research, teaching, partnerships, events and communications in online and hybrid forms have stood us in good stead, enabling us now to manage a gradual transition to more in-person interactions into 2022.

This section of the Report highlights our progress during the year together with a quantitative snapshot of achievements. Stand-out emphases include contributions to climate and environmental justice in the context of the 26th United Nations Climate Change Conference of the Parties (COP26), along with work towards our other strategic commitments – reducing inequities, fostering healthy lives, and building more inclusive societies. Our capabilities and profile in innovative research methodologies and action are amply illustrated – be it championing a major handbook of participatory approaches, making community engagement central to global health research, or developing new methods that are informing policy for greater accountability in conflict-affected countries. Other stories focus on strengthening learning, such as providing vital evidence to improve humanitarian response in Afghanistan, and helping government ministries to shape policy with evidence more effectively.

As all these stories show, it has been a productive year; one in which IDS's resilience, community spirit and ability to operate under stress have all been tested but have come through positively. These experiences position us well to face the challenges ahead and to contribute actively to re-casting development for current and future times.

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

At the heart of all our research is collaboration. The intersecting crises spanning the world – global health, conflict, climate change – require research approaches that encompass complexity and uncertainty. These crises present both challenges and opportunities for progressive change – with optimal responses anchored in collaborative research.

Throughout these testing times, we have been collaborating across social, natural, medical and other sciences and disciplines, with communities, civil society, non-governmental organisations, and governments. To this end, we published a landmark new handbook on participatory methods to improve knowledge-gathering from the people most exposed to crisis impacts. We partnered with a major global health funder to make community engagement central to health inequities research. Our innovative 'citizen's-eye' method, part of our multi-year programme on accountability and empowerment, is now influencing public policy and development programming. In these examples and more, our collaborations have been generating and applying evidence in ways that ultimately make a difference to people's lives.

Impact story 1: Gleaning global lessons from the margins through participatory methods

Participatory research and inquiry is all about 'putting the people who are experiencing the problems at the heart of finding the solutions'. As interest in participatory methods has surged, IDS this year produced a highly acclaimed and comprehensive handbook aimed at social science researchers across many disciplines.

The two-volume *Sage Handbook of Participatory Research and Inquiry* is edited by two IDS research fellows – Danny Burns (whose words define participatory research just above) and Jo Howard - with Sonia M. Ospina of New York University. It has been praised as a resource that 'researchers with varied expertise in the field can use to support the type of social transformation that we need,' according to UN Deputy General Secretary Amina Mohammed, who added: 'I encourage all researchers to make full use of it.'

An international group of 150 authors wrote the 71 chapters that cover the explosion of new participatory research methods over the past two decades, the foundations of participatory research, and critical practice issues, including ethics and inclusion. Several research fellows at IDS also served as section editors and contributors.

The handbook applies to the work of a diverse spectrum of social science researchers – from health and social care, development studies, sociology, criminology, education and business, and civil society groups.

High praise and interest levels

To launch the handbook, IDS hosted a Participation Research Week in September with events facilitated by IDS contributors that attracted more than 700 people. These included a series of webinars where the handbook editors and authors shared cutting-edge approaches, practices and ideas with an audience of policymakers, practitioners, students, NGOs and development experts from around the world.

The handbook has attracted highly positive reviews. A 'landmark achievement' and a 'state-of-the-art contribution' to participatory research, was the assessment of Yoland Wadsworth,

former President of the International Action Learning Action Research and Process Management Association.

'This rich, inspiring collection is testament to the extraordinary creativity of those who have brought about a veritable revolution in research through participatory methodologies and approaches,' affirmed Professor Andrea Cornwall, Pro-Director (Research and Enterprise), SOAS University of London.

Garnering knowledge in uncertain times

Understanding rural settings and indigenous ways of knowing can be captured through participatory Photovoice approaches - visual research methods that enable participants to document and share their lived realities. These have been used by the European Research Council-funded PASTRES (Pastoralism, Uncertainty and Resilience) research programme. Working in six countries across three continents, PASTRES is learning how pastoralists – mobile livestock keepers making use of extensive rangelands - respond to uncertain environmental, market and political conditions. Using Photovoice, PASTRES PhD researchers supported pastoralists to record their own perspectives on living with uncertainty, in photo and video. Participants created an accompanying narrative to present in discussions with other community members to generate reflection and to use as a basis for future action.

An online exhibition [Seeing Pastoralism](#) ensures that the Photovoice project is gaining a global audience. Images and their accompanying stories were displayed during the COP26 climate conference in Glasgow, as well as in Brighton, Florence, Isiolo and Sardinia. Further physical exhibitions are planned in Addis Ababa, Beijing, Brussels, Rome and Stockholm.

Together with pastoral leaders from across the world, a major new report – [Are livestock always bad for the planet?](#) – was launched at COP26. The report argues that important decisions about climate mitigation, food systems and land use are being based on partial or misleading evidence.

Mobile, extensive pastoralism can offer a sustainable alternative to industrial systems, addressing climate change and enhancing biodiversity, while providing nutritious diets and livelihoods in marginal areas. Through the eyes of pastoralists, the *Seeing Pastoralism* exhibition shows the opportunities of sustainable livestock systems.

Impact story 2: Making community engagement central to global health research

As health systems around the world grapple with providing care within the 'new normal' of Covid-19, IDS has stepped up collaboration with a major funder of global health research to make community engagement central to research on health inequities and complex health problems.

The UK-based National Institute for Health and Care Research (NIHR) funds high quality research that addresses the health needs of people in low and middle-income countries. Over a three-year period, we have been supporting NIHR to build capacity to creatively embrace complexity in health research.

IDS Researcher Dr Erica Nelson led a learning programme of resources and activities to enable potential NIHR-funded researchers to integrate meaningful community engagement and involvement (known as CEI) into research proposals. NIHR sought Dr Nelson's expertise for the programme following the success of the *Resource Guide on Community Engagement and Involvement in Global Health* that she wrote for NIHR in 2019.

Through this collaboration, IDS has helped to shift the thinking and practice of this key funding body towards more inclusive, decentred and power-aware approaches to knowledge production. NIHR has since made CEI a strategic priority, has set up a learning clinic for NIHR-funded early career researchers (with the Brighton and Sussex Medical School), and has jointly authored two published journal papers – with another by Dr Nelson in the pipeline.

The work has also affirmed IDS's position as a thought-leader in supporting research processes that allow for complexity – a goal that is much talked about in global health research but not very often applied.

Sharing the learning

As well as magnifying health inequities, Covid-19 revealed the need to draw on diverse forms of knowledge to solve complex health challenges. It also underlined the intrinsic importance of trust among communities, health practitioners and researchers. Both themes have been core parts of IDS research on health equity over the years.

Through her work with the IDS Accountability for Health Equity programme, Dr Nelson drew on previous relationships to get input from experienced CEI practitioners from Latin America, Africa, Oceania and South Asia for the learning programme. It ran from July 2020 to September 2021, with webinars tailored to coincide with the NIHR global health funding cycle.

Almost two-thirds of the 206 webinar participants came from low- and middle-income research contexts. At the end of the programme, 90 per cent of participants surveyed said that they would apply their learning to future CEI work, proposal development and community collaborations.

The programme comprised three strands – how to empower meaningful CEI; ethical dimensions and considerations; and what it means to take a 'leave no one behind' approach to CEI, echoing the 2030 Global Goals. Each strand had a webinar session featuring the CEI experts from the four continents.

Wider NIHR audiences and stakeholders could access recordings of the webinars and the full set of learning resources, plus a video and podcast online: these have achieved more than 110,000 page views on the IDS Institutional Repository since publication in late 2021. To share the learning further afield, these resources were disseminated through IDS's extensive global multidisciplinary networks.

The NIHR team for CEI praised Dr Nelson and IDS colleagues for delivering such a comprehensive and value-adding programme, particularly during the pandemic. They also noted how worthwhile it was to collaborate with renowned partners such as IDS in this area.

Impact story 3: New insights on accountability and empowerment in conflict settings

The IDS-led international research programme, Action for Empowerment and Accountability (A4EA) concluded in 2021 with a powerful final report, 'Against the Odds', which shares new insights on how accountability, governance and citizen empowerment play out differently in fragile and violence-affected settings.

Over its five years in operation, A4EA involved more than 100 researchers and 25 research partners and spanned 22 countries overall, though it was primarily focused on Mozambique, Myanmar, Nigeria, Pakistan, and, initially, Egypt. A4EA aimed to explore how social and political action can contribute to empowerment and accountability in settings affected by fragility, conflict, and violence.

The 'Against the Odds' report is a showcase of A4EA's extensive collaboration and learning exchange, drawing on findings from across [over 220 programme outputs](#). One key finding draws on an innovative method, Governance Diaries, developed and rolled out by A4EA working with poor and marginalised communities, which takes a 'citizen's-eye' view of governance relationships.

Innovative 'citizen's-eye view' method widely adopted in policymaking

The [Governance Diaries methodology](#) built relationships of trust with marginalised households, documenting experiences of how they expressed grievances and sought accountability, in conflict-affected parts of Mozambique, Myanmar and Pakistan. Over time, these diaries provided a 'view from below' of how citizens interact with authority.

Key to the success of this approach was the researchers' routine of checking in with more than 160 marginalised households once a month over 12 months. Researchers asked about the issues the people faced, whether they sought help from governance actors, and how these issues were resolved. Partners in Myanmar adapted the approach in the pandemic to pursue 'Covid diaries', gauging how restrictions and policies were experienced among communities.

Inspired by the results, at least seven unrelated research projects have adapted the methodology for other issues in six new contexts. For example, the Asian Development Bank has sponsored the use of an approach that draws on the methodology to assess impacts of Covid-19 on young people in Nepal and Indonesia.

Through this innovative approach, researchers discerned significant mistrust in, and fear of authorities among people living in conflict-affected areas. Awareness of this in public policy and development programming is likely to mean interventions will respond better to the real-life complexities that people in these areas experience when accessing services, negotiating 'gatekeepers', decision-making and claiming rights.

Charting five years of change

Launched in 2016, the A4EA programme witnessed significant political and economic change and upheaval across its lifespan. Not only the impact of the worldwide pandemic in 2020, but a significant "changing of the guard" following elections (in Pakistan, the UK, the USA) and a military coup (Myanmar) which had major implications for both research and programme operations.

IDS Fellow and A4EA Director Professor [John Gaventa](#) explained how, when A4EA was launched, 'there was an optimism in many places that a governance agenda of transparency, accountability and participation was both growing and making a difference in many parts of the world.'

'Over the five years of our research, the world has changed. Rather than becoming more democratic, with more transparent and accountable institutions, we have seen democratic backsliding, growing authoritarianism and closing civic space. Rather than being fragile exceptions to an otherwise increasingly democratic world, the countries we studied increasingly represent the norm.'

Yet despite the challenging contexts in which it has worked, the A4EA programme has influenced changes in policy and practice in each study country and further afield. Perhaps the less commonly measured results may have the longest legacy – the new skills and insights learned, the relationships and networks built, and the spin-off projects that have emerged.

Strategic Priority 2: Building future leadership for development

We work to support new generations of informed and knowledgeable leaders and champions – from presidents and ambassadors to intellectuals, activists, entrepreneurs, NGO and community workers and journalists. The continued impacts of the Covid-19 pandemic have meant that both our faculty and learners have experienced previously unimaginable changes in circumstances of considerable uncertainty. Despite this, we have strengthened, expanded and extended the opportunities for learning through our world-renowned postgraduate degrees, PhD research programmes, and professional development and learning activities for organisations and individuals. Our experience with online teaching and learning has deepened and we are combining the best of on- and off-line pedagogies. Student satisfaction rates are high, our PhD cohort has grown, and we are implementing a number of well-received initiatives aimed at decolonising our curriculum, teaching and learning. In a year like no other, we are immensely proud to see how our students, alumni and professional learners have met the challenges brought by Covid-19 and flourished as development leaders.

Impact story 1: Fostering future leaders in a time of uncertainty

The impacts of Covid-19 on teaching and learning at IDS have been both challenging and radical for our postgraduate and professional learners and faculty. Making the formal decision to teach online for the 2020–21 academic year was not easy. Substantial preparation and support went into making this transition. IDS and the University of Sussex provided additional resources and training for staff. Throughout, we focused on tailoring our pedagogies to ensure a world-class learning experience for our students and to imbue a sense of IDS community and belonging. IDS teaching staff were phenomenal in rising to the challenge of online teaching, upskilling and learning new modalities for the delivery of higher education.

Teaching online has helped us to realise new benefits for our students and for IDS and our experiences have made us aware of new innovative possibilities for using technology and methods which can have pedagogical advantages. As Covid-19 restrictions in the UK began to relax over the year, we made further adaptations and welcomed some face-to-face interactions.

Student satisfaction high

Despite the disruptions caused by the pandemic, IDS students reported high levels of satisfaction. In the 2021 Postgraduate Student Experience Survey, our PhD students reported a satisfaction rate of 90%. In the 2021 IDS End of Course Evaluation, Masters students reported a satisfaction rate of 83%.

Expanding our PhD cohort

Building on our thriving PhD programme, we introduced a new PhD: Development Studies by Published Works. This degree is designed for researchers with an existing portfolio of published work who haven't had the chance yet to get a doctorate but have potential for future leadership in international development. During the academic year starting September 2021, 60 students were registered for our PhD degrees.

Postgraduate degrees

- MA Development Studies
- MA Food and Development

- MA Gender and Development
- MA Globalisation, Business and Development
- MA Governance, Development and Public Policy
- MA Poverty and Development
- MA Power, Participation and Social Change
- MSc Climate Change, Development and Policy
- MSc Sustainable Development (online)
- PhD Development Studies by Published Works (New in 2021)
- PhD Development Studies by Research

Decolonising teaching and learning at IDS

Working with staff and students, we continued to explore ways to decolonise our curriculum, learning and teaching at IDS. This is a challenging initiative given that we are a UK-based institute that works on global issues, inextricably linked with the histories of coloniality that inform today's structural inequities and inequalities. Our work has included updating and diversifying reading lists, drawing more on other forms of expression (poetry, art, performance) in our teaching, and highlighting students' experience.

Recent student feedback included: 'I also found IDS' forward-thinking, progressive ethos around decolonising development studies incredibly important and valuable'. And 'Being exposed to decolonising content was eye-opening, provocative and an emotionally engaging and necessary experience.'

Empowering our students

In 2021, we asked our students how IDS had helped them to make a development impact. They told us that their time at IDS had empowered them to make bold decisions about committing to development initiatives in their own countries; to be able to use their voice to oppose inequality and injustice. Some students spoke of IDS having developed their capacity to share a common initiative and to build a space in which to debate and contribute to development aims. Other students spoke of learning how to have the strength to complete challenging assignments with partners and other organisations.

In terms of national influence and impact in students' respective countries, one student was elected a Member of Parliament during their academic year and was able to use experience gained at IDS to better comprehend and contribute to policy processes as an MP. Another student drafted national social protection policy, applying critical takeaways from IDS teaching to organise consultations at national and subnational levels. A third student has been actively involved in the implementation of the transgender rights protection bill.

Alumni achievements in 2021-22

- Anushay Hossain (Class of 2005) authored [*The Pain Gap – How Sexism and Racism in Healthcare Kill Women*](#), which explores the health crisis in America and what we can do about it.
- Jennifer Uchendu (Class of 2020) launched [*The Eco-anxiety Africa Project*](#) to create space and support to help safeguard young people.
- Lusungu Kalanga-Malamba (Class of 2017) helped establish [*Eyala*](#) – a platform for and about African feminists.
- Nancy Okail (PhD 2009) became President and CEO of the Center for International Policy.

- Nora Khalaf-Elledge (Class of 2014) authored [*The Religion–Gender Nexus in Development*](#) which illuminates the intersection of religion and gender within the development sector, and makes recommendations for policy and practice.
- Manuj Pandey and Shashi Verma (both Class of 2017), founders of the [Policy and Development Advisory Group](#) (2018) in India contributed to the impact of a range of public policy initiatives, including mitigating armed conflict through sports, enabling social protection for migrants, and improving the delivery of government welfare programmes in Jharkhand.
- Marisa Foraci (Class of 2008) became Chief of Social Policy at UNICEF Lesotho.
- Olusola Owonikoko (Class of 2018) was [recognised by the British Council](#) as a [Study UK Global Finalist](#) for the Social Impact Award 2021.
- Pauline Koelbl (Class of 2008) founded [Shequity](#) – an initiative focused on addressing the gender funding gap in Africa.
- Roland Smith and Jessica Chapman (both Class of 2020) were awarded Leverhulme Doctoral Trust Scholarships at the University of East Anglia.
- Tanjila Mazumder Drishti (Class of 2018) was selected as an 'Ambassador in Action' by [One Young World](#) for her active contribution in designing impactful health interventions at BRAC.
- [Yoko Inhagaki](#) (Class of 2020) became a delegate for the Australian-Japan Youth Dialogue. She also established social start-up [Manasa Mora](#), a laundromat for empowering women and improving public sanitation.

Impact story 2: Professional development and learning achievements

We work with organisations and individuals at the forefront of social change to help maximise the impact of their work by providing vital research, evidence and facilitating learning.

In the past year, our professional development and learning portfolio continued to evolve, falling into three broad categories:

- specialist short courses for development professionals and practitioners
- facilitated learning opportunities for individuals and organisations
- learning processes embedded within development programmes.

Across our portfolio of learning activities, our virtual platforms have been key in helping us to facilitate a more inclusive approach to learning and extend our global reach.

The IDS specialist short course programme regained momentum after a hiatus caused by Covid-19 travel restrictions. Successful courses in 2021-22 included:

- Contribution Analysis for Impact Evaluation
- Making Trade Policy Inclusive
- Global Development and Policy
- Shaping Policy with Evidence
- Participatory Monitoring and Evaluation for Learning

We saw growth in demand for our facilitated learning for individuals and organisations. Examples from the past year include '[Organisational learning for good governance globally](#)' designed and delivered in collaboration with the Swiss Agency for Development and Cooperation, and '[Stimulating evidence uptake](#)' commissioned by the Queen Rania Foundation for Education and Development in coordination with Jordan's Ministry of Education.

We also collaborated on a range of learning activities embedded within multi-year development programmes. Our [learning component of the Covid-19 Response for Equity programme](#), with the International Development Research Centre (IDRC), met the need for ongoing, real-time reflexive learning about programming to maximise effectiveness in rapidly changing contexts of crises. And together with partners in the Social Science in Humanitarian Action Platform (SSHAP), we supported the professional development and learning of [35 new SSHAP Fellows](#) who are applying their social science expertise to humanitarian emergencies in a locally relevant way.

Impact story 3: Nurturing positive leadership through scholarships

In the past year, [O'bai Conteh](#) made an important contribution to addressing sexual and reproductive health in his home country Sierra Leone. O'bai's studies at IDS were supported by the [IDS Graduate Scholarship](#). O'bai graduated from the IDS MA Gender and Development in 2018 and is currently working as a Project Analyst at the United Nations Population Fund (UNFPA) in Sierra Leone.

The Covid-19 pandemic interrupted many dimensions of our lives. In Sierra Leone it created great uncertainty for many social services such as health and education. At UNFPA, their concern was how to address the uncertainty around the continuation of sexual and reproductive health (SRH) services for women and girls. O'bai's work as a key member of the country coordination team was to better understand uncertainty on access and utilisation of sexual and reproductive health services and navigate through it. This was done through support to communities with sexual and reproductive health and rights (SRHR) education aimed at improving knowledge and reducing risky behaviours in adolescents and young people to prevent sexually transmitted infections, including HIV, and unplanned pregnancy.

During this time, O'bai facilitated and coordinated the planning and implementation of an emergency obstetric and general surgical training programme designed to benefit rural communities. As a result, 13 surgical training students graduated with support from UNFPA. By improving the skills of mid-level healthcare personnel - such as Surgical Assistant Community Health Officers who conduct most caesarean sections in district health facilities – the programme has helped to enhance women's access to skilled health care providers and services that can help them have a fit pregnancy, safe birth and healthy baby.

Reflecting on his time at IDS, O'bai said: 'IDS provided a work-integrated learning opportunity for me to develop an awareness of workplace culture, and enhance critical workplace skills, such as positive leadership and communication. The knowledge and experience gained at IDS helped me foster collaboration to help vulnerable girls and women in Sierra Leone.'

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

Much of our work revolves around evidence: reviewing it, synthesising it, brokering it, and enabling others to use it – all with the goal of changing people's lives for the better. Our researchers produce high-quality evidence that is used by actors across the development spectrum – from local NGOs to global agencies and governments. Our courses and programmes enable practitioners and our research partners to make the links from evidence to policy to implementation to positive change. As new crises unfolded this year, the K4D programme moved swiftly to provide valuable evidence of lessons learned from past

emergencies. The successful Shaping Policy with Evidence course inspired tailor-made activities on using evidence to improve education policy-making in Jordan. Taking the long view, IDS researchers contributed to a major rethink on donor policy for microfinancing with the widest-ever review of evidence – and to improving humanitarian responses to protracted crisis situations, through the new BASIC research consortium.

Impact story 1: Influencing a rethink of donor policy on microfinance

How best to help the world's poorest people escape from poverty is being reappraised thanks to findings from the widest-ever review of evidence on the impact of financial services conducted by IDS and the University of East Anglia (UEA).

Microfinance and microenterprise interventions have been a cornerstone of financial development programming for 30 years, attracting billions of dollars from large global donors. These small-scale loans chiefly target women and the poorest people, who are disproportionately affected by socioeconomic inequalities and crises – as the Covid-19 pandemic has starkly illustrated.

Yet, after decades of substantial investment, there is scant evidence that microfinance interventions have had a lasting impact on poverty alleviation and wellbeing for the people concerned, as the IDS-UEA review showed. The findings of the review have fed into a major US government reappraisal of policy on microfinance and have informed investigations by journalists into the adverse effects of such interventions.

The IDS-UEA research has contributed to an important shift in donor policy. This moves the emphasis away from supporting women to work their way out of poverty via microenterprise loans and instead reconsiders the role of social services that provide long-lasting support and enable vulnerable people to break the poverty cycle. IDS researchers (including those from the IDS-led Centre for Social Protection), and long-term partners BRAC, have advocated for alternatives such as the 'graduation approach' for decades.

Innovations in research synthesis

In a ground-breaking approach, IDS and UEA researchers linked theory to evidence on financial inclusion from around the world, creating the first 'review of reviews' ever to be completed in international development. This meta-study, which took nearly three years to complete, represents a methodological innovation in research synthesis and is emblematic of the mixed-methods research that IDS has established.

By interrogating both qualitative and quantitative evidence, and examining the theory of change behind various financial inclusion interventions, the IDS and UEA researchers drew together the widest-ever pool of impact evidence on financial services for the poor.

Their work, and the communications activities related to it, has opened up the scope for reviews of this type in other areas – such as livelihoods approaches or poverty graduation models. The methodological lessons from this pioneering study can be applied by other researchers who will adopt or develop the meta-reviewing method further.

Sharing knowledge and building capacity

The IDS-UEA study launched at an event in April 2019 to a packed audience at the London School of Hygiene and Tropical Medicine (LSHTM), organised by the project funders 3ie (International Initiative for Impact Evaluation). Interest has since come from wide range of development professionals and media, including members of the European Research

Conference on Microfinance, the German Institute of Economic Research (DIW), the ISEAS/Yusof Shafak Institute in Singapore and several UK business schools.

The global poverty research partnership CGIAR published an 'evidence explainer' about the IDS-UEA research on the CGIAR GENDER resource hub in September 2021. In spring 2022, a paper in *The Lancet* on child and adolescent health and development referenced the research.

The researchers also provided evidence to Bloomberg journalists who undertook a multi-country investigation resulting in a series of exposé articles in May 2022 on the darker sides of microfinance, including the potential for poorly protected borrowers to be exploited.

The research is also contributing to building capacity, with its mixed methods concepts shared with cadres of professional development learners as part of IDS short courses on impact evaluation. The research was enabled through established links with researchers at the Centre for Development Impact, an initiative in which IDS, UEA and Itad are core partners.

Impact story 2: Evidence on protracted crises shapes more effective humanitarian responses

Humanitarian crises have come thick and fast in recent times – notably Ukraine, Afghanistan and situations worsened by Covid-19. While each creates urgent humanitarian needs, each also carries the risk of becoming protracted or recurrent like so many other existing global crises.

The reflex currently is to provide short-term, reactive humanitarian aid. But this response pattern is not always the most effective way of helping vulnerable people to cope. A lack of evidence and knowledge-sharing is preventing the sector from improving its approaches. Various strands of IDS research are helping to bridge this knowledge gap by providing vital insights and cross-disciplinary connections to make humanitarian responses more effective.

The dramatic return of Taliban control in Afghanistan in 2021 posed serious problems for local NGOs seeking to ensure access to humanitarian aid, particularly for women. IDS researchers at the Knowledge, Evidence and Learning for Development (K4D) Programme, which provides quick access to evidence and analysis on key development questions, were able to inform negotiating efforts with the new regime.

K4D published a Helpdesk report 'Lessons Learnt From Humanitarian Negotiations with the Taliban: 1996 – 2001', drawing on a rapid literature review of humanitarian agency reports, evaluations and academic articles, and leading experts' opinions. It highlights lessons on negotiating practices used previously with the Taliban, chiefly to try to secure women's access to aid.

The Agency Coordinating Body for Afghan Relief and Development (ACBAR) said the report was 'a very timely release as NGOs have been struggling to negotiate with the current regime on various issues'.

Increasing impact of K4D analysis

The K4D report was quickly shared on Relief Web and the UK Foreign, Commonwealth and Development Office (FCDO) Research for Development Outputs websites. ACBAR also asked the author to present the report at their monthly consortium meeting, attended by several NGOs.

After consulting with ACBAR, K4D translated the report into Dari – which was greatly appreciated by local NGOs and increased its reach among those negotiating with the Taliban. It was uploaded to the IDS institutional repository and shared directly with ACBAR for dissemination among its members.

The conflict in Ukraine has created another complex context. Within weeks of Russia's invasion, K4D established the '[Conflict, Peace and Humanitarian Resource Hub](#)'. It brings together multiple new Helpdesk Reports about Ukraine, Russia, and post-conflict rebuilding, to support those working in conflict, peace and humanitarian spaces.

Responding well to protracted crises

In January 2021, an IDS-led consortium launched BASIC (Better Assistance in Crises) Research to generate evidence on how to strengthen social assistance in the most difficult protracted crisis settings and for populations that are the hardest to reach. Yemen, Iraq and Mali are among the areas that the programme is studying. Funded by the Foreign, Commonwealth and Development Office (FCDO), the consortium includes the University of Sussex and the Centre for International Development and Training (CIDT) at the University of Wolverhampton.

IDS is also a leading partner in SHAPP – the Social Science in Humanitarian Action Platform – which in 2021 began a new fellowship programme to pair social scientists with humanitarian practitioners in the same region to encourage interdisciplinary collaboration and knowledge exchange. So far 35 fellows have benefited from the programme, with another cohort beginning in mid-2022.

Similarly, the Covid Collective programme has been linking academics and practitioners working in humanitarian responses to Covid-19, while developing new partnerships with the humanitarian sector. The Humanitarian Learning Centre also continues its work on protracted crises and agency-led inclusive responses to multiple shocks. It brings together high-quality analysis, dialogue and debate with accessible, operational learning to improve humanitarian response, practice and policy.

Impact story 3: Linking evidence to policy implementation for social change

Generating evidence is only part of achieving positive change. Using that evidence in policy and implementation is the other critical part. IDS is working to help social policy professionals to link evidence to decision-making in ways that can improve people's lives.

Through sustainable and equitable partnerships with UN agencies, philanthropic organisations, non-governmental and civil society organisations, universities, and independent consultants, IDS is supporting professional development and learning on the uptake and use of evidence from research.

Our work with Jordan's Ministry of Education is a prime example of championing evidence use for positive change. Over two years, up to late 2021, IDS led a programme of facilitated learning activities to build the capacity of Ministry of Education staff to use high-quality policy research to inform decision-making. The ultimate aim is to improve learning outcomes for children in Jordan.

The IDS-led activities have prompted increased commitment from the Ministry of Education to use evidence-informed approaches to policy development and implementation. Officials also committed to boost research capacity and connections to education researchers and practitioners.

The activities in Jordan were commissioned by the Queen Rania Foundation for Education and Development in coordination with the Ministry of Education, as part of the Evidence-Driven Results in Learning (EDRiL) project, with funding from the UK and Canada.

Stimulating research uptake

A key problem identified by EDRiL was that pockets of good practice in education research were not well linked to uptake in policy or implementation by the Jordanian Ministry of Education. To address this missing link, IDS was asked to co-design and deliver a capacity-building workshop and an evidence review for the ministry.

Thirty participants from across the ministry benefited from the week-long workshop, using a highly tailored version of the IDS short course [Shaping Policy with Evidence](#). Workshop goals included deepening understanding of the role of evidence in decision-making and improving participants' ability to apply tools and approaches to evaluate a policy context. Priority areas were agreed in advance with the ministry.

The key recommendation of the IDS work was for Jordanian officials to facilitate an evidence-for-policy event to enable cross-governmental discussions and learning. In December 2021, the Ministry of Education held its first-ever high-level Evidence Forum, including the UK Ambassador to Jordan and Jordan's Secretary General for Educational Affairs. IDS's Director of Communications and Impact, James Georgalakis, was invited to present the findings of the [IDS evidence review](#) to help frame the discussion.

Connecting power of 'unique' course

The basis of the learning programme in Jordan was IDS's Shaping Policy with Evidence course, held both online and in-person. Running since 2019, the course has helped more than 115 individuals to build their capacity to make better use of evidence for producing viable policy options.

Comments from course attendees testify to its impact. 'The course strengthened my understanding of the link between evidence and the politics of influencing social change in a complex world,' Aileen O'Donovan, Deputy Head of Development at Irish Aid Ethiopia said, praising 'the networking and interaction with people from different disciplines across the globe.'

'The course is unique in that it connects topics related to the production of evidence to the use of evidence in policymaking and influencing,' noted Henk Gilhuis, Manager of Science and Impacts at the Rainforest Alliance. UNICEF's Social Policy Specialist in Yemen, Ali Al-Agri, described the course as 'amazing, rich, informative and powerful'.

The course has produced several follow-up requests for technical support from IDS, such as from the Regional Durable Solutions Secretariat which works with displaced communities in East Africa and the Horn of Africa.

Strategic Priority 4: Expanding international research and mutual learning networks

Geo-political challenges may appear global, but their impacts are felt first and foremost at local levels. In recognition of this, IDS seeks partners at the forefront of development in all our work to expand international research and mutual learning networks. Our partnerships are central to how we think about transformation, how we challenge attitudes about whose knowledge counts, and how we shape equitable, sustainable development agendas. Despite the constraints of Covid-19, our partnership activities have gathered pace this past year - and the number of contractual knowledge, research and funding partners we worked with

around the world increased to 385. Among these are organisations collaborating with us on the Covid Collective and the Pandemic Preparedness Project – both of which demonstrate particularly successful and agile partnering to tackle the most pressing development problems arising from the pandemic. Our five International Initiatives are forging ahead with new collaborations and outputs, including high-profile talks in Pakistan, thought-provoking workshops on Brazil's Cerrado region, and new angles on China's development relations.

Impact story 1: Partnerships for Covid-19 response exceed expectations

Two years into the Covid-19 pandemic, the more complex impacts of the disease are becoming clearer. Rising to these multidimensional challenges, IDS partnerships have gone above and beyond expectations in pursuing social science research to inform policy and practice.

Despite the constraints and restrictions on working during the pandemic, many projects, programmes and centres involving IDS have made substantial progress on collaborative research over the past year. Two initiatives in particular – the [Covid Collective](#) and the [Pandemic Preparedness Project](#) – have showcased successful and agile partnering in action.

With 56 projects and 28 partners in 34 countries, the Covid Collective is a platform that offers rapid social science research to improve decision-making on the most pressing development problems emerging from the pandemic. Coordinated by IDS, the platform draws together the expertise of global partner organisations, and funds and commissions research – both on existing responses and to meet new needs arising from Covid-19.

The Covid Collection website boasts a wealth of online events, blogs, briefings, Helpdesk reports, and themed projects that is testament to the sheer diversity of outputs generated over the past year and to the energy devoted to supporting mutual learning and engagement.

These research outputs are shedding light on how pandemic impacts and responses have affected communities from Brazil to the Philippines – and on the inequities that are preventing many people from meeting basic needs, such as adequate health care and vaccines, social protection, decent work and nutritious food.

Pandemic preparedness from below

Since early 2020, the Pandemic Preparedness Project has pivoted much of its fieldwork and research to focus on Covid-19. Local-level work to examine 'preparedness from below' is conducted in Sierra Leone and Uganda, through gathering oral histories, participatory research and ethnographic fieldwork to track how people currently understand and deal with health events and threats.

The project was set up in 2019 in the aftermath of the devastating outbreak of Ebola in Africa during 2014 and 2015. As well as working locally with communities, IDS and research partners from Senegal, Sierra Leone, Uganda and France are interviewing global, regional and national actors to trace how ideas, frameworks and assumptions about health and diseases travel and flow, upwards and downwards.

Having presciently tapped into concerns about disease preparedness before Covid-19 emerged, the project is now working to find entry points and pathways for connections that can enhance and support the legitimacy and agency of communities' own preparedness for future outbreaks.

Real-time watch on civic space impacts

A major impact of the Covid-19 pandemic has been the effects of social and political restrictions on civic activism. In another successful partnership, the A4EA workstream project '[Navigating Civic Space in a Time of Covid](#)' looked at pandemic effects on the already shrinking civic space in Mozambique, Nigeria, and Pakistan. All three countries have legacies of conflict, military rule and authoritarianism.

Between June and December 2020, the project investigated the parallel trends of crackdowns on democracy and governance under the guise of Covid-19 restrictions and of increased grassroots mobilisation for community solidarity and accountability.

Research partners in the three countries set up panels of civil society leaders to monitor events and to feed into a synthesis report and country case studies. Findings from this are now influencing policymakers and those working towards protecting democratic space and improving accountability in the study countries and beyond.

Many IDS projects owed their success to the dynamism of the partnering collaboration. Deep, contextual knowledge and experience has been brought into proximity with diverse voices and views, enabling methodological adaptation and innovation, and gaining considerably through the complementarity of interdisciplinary approaches.

Impact story 2: Progressing our International Initiatives in Brazil, China, Europe, Ghana and Pakistan

Our five [IDS International Initiatives](#) in Brazil, China, Europe, Ghana and Pakistan produced a vast scope of work this year. From new thinking on Brazil's overlooked Cerrado region to a flagship human development report in Pakistan, research goals have made progress through events, networking, and publications.

Now in their second year, the Initiatives create spaces where researchers from participating countries can share, learn and work with IDS researchers, governments, civil society, communities, and the private sector to tackle development challenges.

Situated in geographies at the leading edge of development, each location this year contributed new perspectives that will further the overall aim of strengthening development thinking and practice.

Challenging agribusiness in Brazil's Cerrado

Workshops hosted by IDS and the Centre for Sustainable Development at the University of Brasília have re-evaluated agribusiness domination of Brazil's huge Cerrado region for intensive soybean and beef production. In December 2021, the Newton Researcher Links Workshop series drew 37 early career researchers from universities in Brazil and the UK to share work on agrifood systems and territories in the country.

The discussions resulted in a [Policy Brief](#) that challenges the prevailing narrative of agribusiness success in the Cerrado and demands support for traditional peoples dispossessed of territories. A collection of related working papers, journal articles, and an issue of the *IDS Bulletin*, are imminent.

Exploring China's international development relationships

In 2021, the IDS China Centre convened several events and publications that explored China's development relations with South Asian and African countries. The China and Global Development Seminar Series offered presentations from collaborators on the Belt

and Road Initiative, hydropolitics and hydropower. IDS with the London School of Economics published a Policy Briefing on China–Africa economic zones, while a special *IDS Bulletin* appeared on 'China and International Development: Knowledge, Governance and Practice'.

The 'Global Development Perspectives and Policies' online training course attracted 27 participants from China and the UK, and positive feedback. Three visiting fellows and two PhDs were confirmed under the Chinese Scholarship Council scheme, to join IDS in 2021–23.

Flagship report and high-profile talks at Pakistan Hub

The Pakistan Hub, a partnership with the [Mahbub ul Haq Research Centre \(MHRC\)](#) at the Lahore University of Management Sciences and IDS, convened a range of successful events. Five high-profile lectures, including by Professor Mariana Mazzucato (University College London) and Professor Leonard Wantchekon (Princeton), marked the inaugural 2021 [Mahbub ul Haq Distinguished](#) Lecture series, held on the LUMS Live platform with more than 200,000 views. A political economy of development webinar series and a global challenges webinar series were also held. The events complemented ongoing work to co-develop the upcoming flagship periodic South Asia Human Development Report.

Ghana Hub sets course for future work

Identifying critical research questions, and mutual strengths and expertise for future collaboration was the focus for webinars held at the Ghana Development Studies Hub, co-convened with IDS and anchor partners, the University of Ghana and the University for Development Studies. Subjects addressed so far include latest thinking on migration and mobility in Ghana and beyond; and pastoralism and climate change in West Africa.

Europe-based events champion youth political engagement

More than 30 distinguished academics, policymakers and practitioners from Europe, the Middle East and North Africa, and Africa joined the IDS-led [Youth Engagement and Politics Series](#) in June 2021. The series prompted follow-up engagements with Oxfam, the Dutch Ministry of Foreign Affairs, and the German development agency GIZ, and the International Institute of Social Studies researchers.

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

It was an exceptionally challenging year. Like many other global development organisations, we felt greatly the impact of the pandemic. This was compounded by significant cuts to the UK Government's overseas development aid spending which heavily impacted our research funding. However, our response strategy to fill gaps, diversify funding and avoid restructuring has been largely successful, reflecting the resilience we have built up in recent years, and we finished the financial year in relatively good shape. A priority for us was to adapt to protect and enhance the wellbeing of all our staff. We took a range of steps to do this, informed by our 2021 staff survey, including a review of our flexible and hybrid working policies, and initiatives to support mental health. Significant progress was made on actions to support equality, diversity and inclusion – including piloting innovative new mentoring and appraisal schemes, advancing our building and digital accessibility, and ongoing commitments to reduce inequalities relating to race, gender and disability – with further ambitious plans for the year ahead.

Impact story 1: Ensuring the wellbeing of our staff in the pandemic and beyond

Covid-19 has challenged us all to re-evaluate how we work, what we value most from our colleagues and how we can best support each other. During the past year, a priority for us has been to apply what we've learned as an organisation during the pandemic so far and adapt to protect and enhance the wellbeing of all our staff.

Our leadership and Covid response teams continued to steer us through this period with a spirit of openness, listening to concerns raised via IDS community forums and staff surveys, and regularly reviewing and adjusting IDS policies as needed. This was crucial when we began navigating the transition from homeworking to a gradual return to the IDS building as government mandated Covid restrictions eased.

The health and safety of everyone at IDS has been paramount during this time. Homeworking environment assessments continued in parallel to changes within the building. Our facilities team re-arranged our working spaces, putting in protective perspex dividers, limiting room capacity numbers and offering separate office spaces as needed. Covid-safe cleaning protocols continued, along with mask-wearing policies, regular testing and our buildings ventilation system was also tested and proven to be effective, giving everyone as much confidence as possible.

Reconnecting with colleagues

Along with some understandable caution, many relished the opportunity to be more sociable again and reap the benefits that brings to nurturing positive mental health and wellbeing. While adhering to the remaining Covid restrictions that were still in place, we found ways to bring staff and students together away from work – through cake and the IDS band at our summer picnic, walks on the South Downs, and the renowned IDS Pantomime!

The high scores from our 2021 staff wellbeing survey for positive 'relationship with team' and 'ability to connect and inspire' reflected our efforts to encourage collegiality. Survey feedback around feeling low in energy prompted the development of our new post-Covid hybrid working approach and review of our flexible working policy to help improve work-life balance. We continue to support people to balance needs such as child-care or caring responsibilities, with their responsibilities at work.

Supporting mental wellbeing

In addition to work challenges caused by Covid-19, staff working on research projects impacted by UK aid budget cuts faced additional uncertainties. We were able to keep our commitment on zero redundancies and established an internal marketplace to match colleagues affected by the cuts with work in new or expanding projects. This marketplace addressed a practical need, but we also recognised the need to make sure that support for mental wellbeing was available.

Ongoing mental health support remains a priority across the organisation but was particularly important for us over the past year. This included our active wellbeing at work staff group, which recently launched menopause awareness guidance in the workplace, including a presentation from a qualified nutritionist specialising in women's health. Our staff mental health first aiders provided the first touch point for students and colleagues feeling concerned for themselves or others. Our Employee Assistance Provider and Occupational Health Office are also on hand to provide assistance from qualified professionals, including face-to-face counselling. And in 2022, support was further bolstered through a new training programme on managing mental health in the workplace, with more sessions running in the coming months.

Individually and collectively, our people are the key to our goal of being a sustainable, resilient and equitable institution. We know the positive impact work can have on health and wellbeing and we are committed to supporting our talented and diverse community to sustain healthy and motivated employees for the years ahead.

Impact story 2: Action to reduce inequalities and foster diversity and inclusion

Eliminating discrimination and embedding a culture of equality, diversity and inclusion is central to our values and vital to our success at IDS. In the past year, we worked to strengthen our action on equality, diversity, and inclusivity for all those who work or study with us as we look to be inclusive, resourceful and respectful across all that we do.

Tackling the pay gap

A core part of IDS' work is promoting and advocating gender equalities, and as such we are committed to reducing any overall pay gap. Our pay gap analysis this year shows a mean average increase from 10 per cent in 2020, to 14 per cent in 2021, but this remains an improvement on reducing the gap from an initial starting point of 18 per cent in 2017. This mirrors the national increase in gender pay gap, and internally reflects the increase in women in our lower middle quartile, though we are also increasing women's representation in the upper and upper middle quarter. Will continue collecting and reporting on our gender pay gap data and aim to reduce this further by 2025.

We no longer ask about previous salary history during the recruitment process, as this has been shown to perpetuate the gender pay gap and other inequalities. We've introduced unconscious bias training for recruitment panels and are trialling the use of gender decoders. In 2021 we also introduced hybrid working guidelines and revised our flexible working policy. We are currently reviewing our reward practices and in 2022 will carry out a further equal pay review, focusing on our incentive scheme, salaries and grades, career development, workload equity and transparency.

Ethnicity pay gap

We've committed to a full audit of equality, diversity, and inclusion in 2022. As part of this, we'll analyse and report on the ethnicity pay gap, a measure recommended by the Business in the Community Race at Work Charter. As there is no current legislation or obligation to capture this information, we'll use guidance from the Chartered Institute of Personnel and Development to inform our approach. We're also exploring how to further understand different experiences of working or studying at IDS through qualitative data. This is likely to include working with external specialists to identify our blind spots and how to make positive changes.

Addressing other inequalities

Our recently launched Menopause Awareness Guidance will help us to provide training, support, and workplace adjustments to ensure people experiencing menopause feel comfortable at work. Alongside this, we are reviewing the provision for new and expectant parents, as well as provision for those with other caring responsibilities. In further efforts to build awareness, insights and action that directly contribute to an equitable and inclusive organisation, we are trialling a Reverse Mentoring Scheme. Mentors within this scheme are staff who are either new to IDS, in new roles within IDS, at an earlier stage of their career, or from an under-represented group, whilst mentees are all members of the Strategic Leadership Group.

Maximising accessibility

An accessibility review of our building, facilities and website in 2022 will identify priority actions to enable everyone is able to access our digital resources and use the building comfortably, whatever their needs. This will supplement existing plans to develop a Building Users Guide, to include information about what to expect when coming to IDS. As a Disability Confident Employer we provide a fully inclusive and accessible recruitment process and make reasonable adjustments as required and support employees to manage their disabilities or health conditions.

Impact story 3: Enhancing our financial sustainability

It was a year of intense funding challenges. IDS, like many other UK research institutions was significantly affected by the major reduction in UK Government spending on overseas development assistance, compounded by the ongoing disruptions brought by Covid-19 and a highly competitive funding environment. We also faced broader uncertainties relating to student numbers both due to Covid-19 and Brexit.

Funding challenges and responses

The UK government's decision to cut aid spending from 0.7 to 0.5 per cent of GDP affected many of our research projects a number of which faced significant cuts. In the context of these cuts (and other funding impacts related to Covid) we decided not to restructure or reduce our capacity, but to launch a 'call to action' to fill gaps, replenish and diversify funding and invest in our strategic priorities. So far, this approach has been successful.

Although the UK aid budget cuts will be in place at least until 2024, some positive news is beginning to filter through about restoration of cut budgets for 2022–23 and 2023–24, and re-funding of ongoing programmes. There are also many new research proposal calls emerging. Much collective work and support will be needed over the next year to ensure that our research funding continues to build.

The impacts of BREXIT continue to be felt, for example via challenges relating to eligibility for UK research institutions accessing EU research funding. To support our increased fundraising activity, we have designed and developed new processes to support our staff, which are now being piloted.

Our operational resilience and financial health demonstrate our continued ability to adapt our systems and processes to external change. This will continue to be vital into the years ahead.

At the end of the financial year end, we had a relatively small operating deficit of £548k. Of this there was a surplus on unrestricted funds of £219k and a deficit on restricted funds of £767k.

Our total income for the year was £29.1m, a decrease of £2.2m from 2021. This decrease was expected following the ODA cuts, The cuts has less of an impact on the operational surplus/deficit than expected. This was partly due to reprofiling budgets as well as reducing delivery of outputs in some areas.

Our total pipeline as at March 2022 was £70m. This has reduced from the previous March by nearly £24m due to the ODA cuts. The cuts came at a time of strength in our pipeline and a period of reprofiling and budgeting due to the pandemic. The overall effect operationally has not therefore been as damaging as expected. The pipeline is now slightly higher than 2018/19 levels. This does mean we have not delivered everything planned or hoped for in

our initial proposals and budgets but we have been able to adapt operationally to lessen the impact of the significant cuts.

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 two years into the implementation of 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-envision 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. We have carried out a gashouse gas emissions audit and are working on an action plan to reduce our carbon footprint.
- **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 that have so greatly impacted lives globally in the past year.

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.

The breadth and quality of our research, teaching and learning was recognised in 2020 by IDS sustaining its position as top International Development Policy Think Tank in the Global Go To Think Tank Index. And together with the University of Sussex, we have retained our ranking as best in the world for Development Studies in the QS University Rankings 2021, for the sixth consecutive year.

Highlights from the past financial year include:

- #1 world ranking for Development Studies in the QS World University Rankings by Subject

- #1 world ranking in the International Development Policy Think Tank category in the Global Go To Think Tank Report
- 320 Masters and PhD students learnt with us between September 2020 and September 2021, including 60 students on scholarships from across 33 countries
- 385 contractual research, learning and funding partners
- 134 published journal articles authored by IDS staff
- 100 participants from 41 countries completed IDS specialist short courses
- 1,510 items in global print, online and broadcast media
- 793,449 engagements with IDS content including website, event registrations, newsletter subscriptions and social media

Awards, honours and appointments from the past year include:

- Ian Scoones (Professorial Fellow) was included in the annual Highly Cited Researchers List compiled by Clarivate Analytics that recognises the global influence of academics within their field.
- Joy Lin (IDS student) was awarded the 2022 Development Studies Association Masters Dissertation Prize.
- Karabo Mohale (IDS student) was appointed Executive Deputy Chairperson of the Board of the National Youth Development Agency in South Africa.
- Max Gallien (Research Fellow) won the APSA MENA Politics Section Award for Best Article in MENA Politics for his paper 'Informal Institutions and the Regulation of Smuggling in North Africa'.
- Melissa Leach (Director of IDS) was elected as a Fellow of the Academy of Social Sciences, and 'Foundation Fellow' of the International Science Council.
- Mick Moore (Professorial Fellow) was appointed as a Non-Resident Fellow of independent think tank Verite Research, Sri Lanka.
- Stephany Griffith-Jones (Emeritus Fellow) was appointed to the Central Bank of Chile's Board of Directors.
- The IDS-led 'Wellbeing and Housing Infrastructures in urban Turkey' project was awarded a place in the British Academy Summer Showcase, in recognition of its outstanding social science research.

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 322,000 followers on Facebook, Twitter, LinkedIn, YouTube and Instagram. More than 21,000 individuals subscribe to our newsletters, and the IDS website has more than one million page views each year.

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 2021-22 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. For example, on issues of climate change, humanitarian response to new and protracted conflicts, and building back better post-Covid-19.
- Increasing and improving the use of pedagogies and online technologies to make our events and learning activities on important development issues more easily accessible by audiences irrespective of where they are based.
- Enabling access to our master's and professional development courses by offering scholarships and bursaries.
- Recognising and celebrating the achievements of our alumni who are working to improve the lives of communities around the world.
- Continuing to support the publication of the *IDS Bulletin* as an open access publication and the IDS open access repository, making critical development knowledge more readily accessible and available to all.

3.6 Financial report for the year

It was a 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, compounded by the ongoing

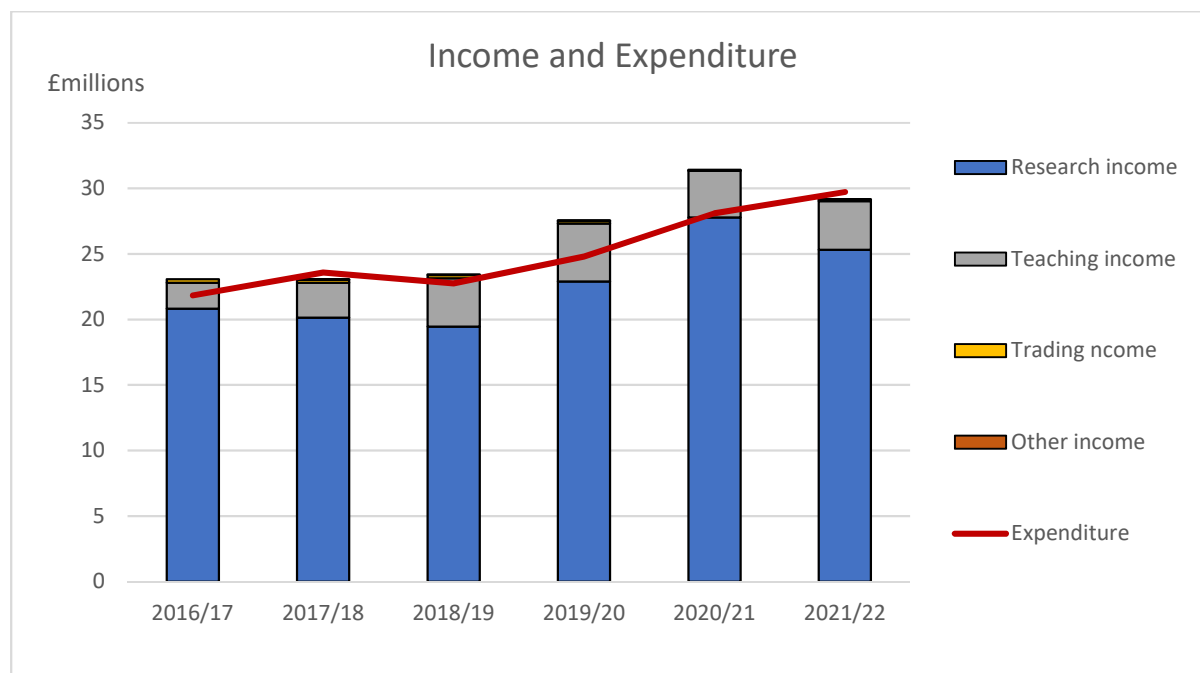
disruptions brought by Covid-19 and a highly competitive funding environment. We also faced broader uncertainties relating to student numbers both due to Covid-19 and Brexit.

Despite these challenges, IDS ended the year positively, reporting a small deficit of £548k. Of this there was a surplus on unrestricted funds of £0.2m (2021 £0.8m) and a deficit on restricted funds of £0.8m (2021 surplus £2.5m) arising from timing differences between recognition of income and actual expenditure.

The finalisation of the USS pension valuation resulted in reduced benefits for members leaving the level of contributions at the same rate as last year. This has led to some ongoing industrial action and a significant increase in the liability we carry on the balance sheet. 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 £29.2m, a decrease of £2.2m from 2021. The decrease can be broken down into a reduction of £2.5m in commissioned studies and research income offset by a rise of £0.1m in teaching income and £0.1m in trading. Despite the decrease in research income research expenditure increased by of £1.2m. Teaching costs also rose during the year by £0.2m. Trading costs rose by £0.2m which is more than the income due to costs being largely fixed and still being incurred whilst people worked from home during December and January. Support costs remained at the same level as last year. The main differences being a higher staff bonus awarded for the financial year and a decrease in the costs of VAT reverse charges of £0.2m. These costs are charged on any services procured from outside of the UK and have risen over the past couple of years. Without the exceptional staff bonus, awarded for recognition of the work everyone has done this year and to help with the cost-of-living crisis, our support cost would have been lower than last year overall. 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 14 per cent (2021 just under 16 per cent). Inflationary increases have not yet had a significant impact on our finances.

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

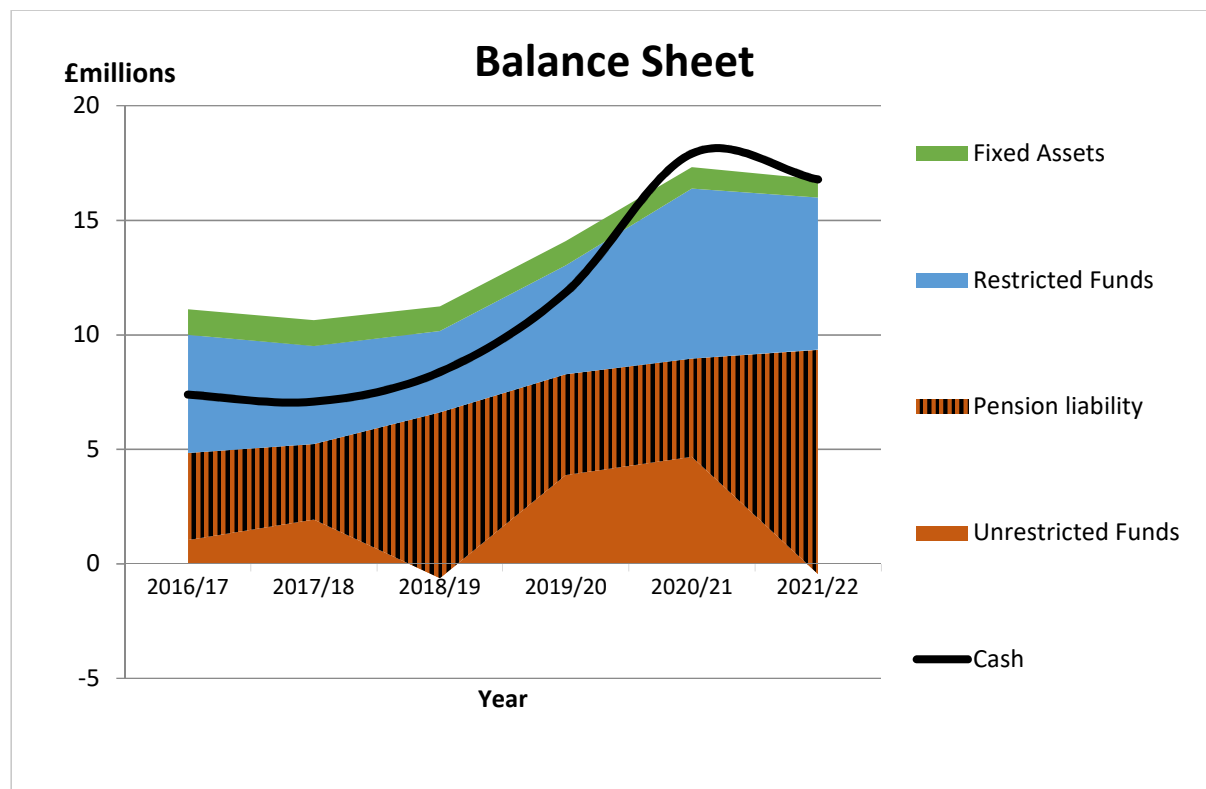


Under the charity's memorandum and articles of association no part of the income or property of the charity can be distributed to the members.

Balance sheet

Net current assets totalled £16.1m (2021 - £16.4m) with £13.1m (2021 - £13.1m) held as current asset investments. Total reserves were £7.0m (2021 - £13.1m) consisting of £0.4m (2021 - £5.7m) unrestricted (£10.2m before the pension liability) and £6.6m (2021- £7.4m) 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 during the 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 2022 were £7.4m which is made up of:

- Fixed assets £0.9m
- Investments and cash £16.8m
- Working capital £3.0m
- Less the pension liability £9.8m.

The reserves are held under several different categories:

- Unrestricted funds – General funds (free reserves) £8.6m: These are available to be spent at the discretion of the trustees, to any of the Institute's charitable purposes.
- Unrestricted funds – Designated funds £0.9m: 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 £9.8m: 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 £6.6m – 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 £0.8m – 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 2022 were £9.3m. The Trustees note the current difference between the minimum reserve and the general reserve held is significant. These reserves will be an important factor in the Institute's resilience and future sustainability when dealing with the impact of the pandemic, possible future pension cost increases, inflation and UK Government aid budget cuts. The Board had agreed a strategy for utilising these reserves if the cuts to ODA and impact of the pandemic resulted in a deficit position. However partly due to re profiling budgets and close financial monitoring of projects that situation did not arise, and the Board will be considering how to invest the difference in the future.

Investment policy

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources. The objective for investments is to achieve the best possible return whilst minimising risk. When returns are so low, this is challenging and means that capital growth is minimal.

Investment performance is regularly reviewed by the Trustees. The Trustees have continued in 2021/22 with the policy agreed in 2007/08 to use only fixed interest instruments for investment purposes.

Using agreed instruments a return of £10k (2021 - £2k) was achieved in 2022.

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 (2021/22). 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 two pension deficits 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 and it has resulted in an increase in the pension provision of £5.7m (from £3.5m to £9.2m). This reduces IDS' unrestricted reserve to £0.8m. The University of Sussex Pension and Assurance Scheme (USPAS) recovery plan has been in place for several years. The scheme has been closed to new members since 2009 and the liability has been reduced by £0.2m (from £0.8m to £0.6m).

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 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 strong return to levels pre-Covid-19. A substantial marketing campaign has been implemented to maximise student recruitment.

IDS had a relatively successful year financially in 2021/22 despite the ongoing disruption caused by the Covid-19 pandemic and the UK Government aid cuts.

The Institute increased its general reserve by £0.4m 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 2021. The most significant risks are actively managed in the following manner:

Risk	Mitigation and actions
UK Government ODA cuts.	We are worked closely with FCDO and other ODA 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. Last year 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. We are monitoring further plans for ODA spend and in particular the Governments International Development Strategy.
Issues with Digital technologies and cyber security causing us to be unable to function efficiently and effectively	The increased attacks on organisations including educational establishments has resulted an increase risk overall. We have achieved Cyber Security Essentials 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.

Report a deficit reducing our reserves causing us to become financially unsustainable.	We ensure budgeting is prudent and build in scenarios for any upcoming issues such as inflation increases. Inflation will have a significant impact this year on our costs. We review our key pipeline data regularly at RARC. Projects have regular reviews of the financial and delivery data to monitor risks, shortfalls and specific challenges and constraints.
Industrial action regarding our pensions cost increases causes damage to our work	The 2020 valuation has now been finalised, however this is still disputed. For the foreseeable future there will be no further industrial action following agreement with our Unions on our position and the release of a statement setting that out.
Safeguarding incident	We have a dedicated safeguarding lead on the Board – Kim Frost. We have reviewed and updated our safeguarding policy and are working to identify any gaps in our processes and procedures with external consultants.

The ODA cuts continue to affect projects although we have seen some funding returning to pre-cut levels. We have been actively working to diversify our funding base for a few years now. The risks regarding pensions have been around for some years now but have reduced this year. 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 Nayyar
Chair of the Board of Trustees
Approved by the Trustees on: 14 July 2022

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 2022 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 2022 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.

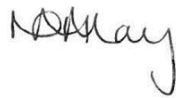
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, expenditure incurred with partners and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, Data Protection Officer, internal audit 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.



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date 28th July 2022

5. Statement of financial activities for the year ended 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Income from:					
. Donations and legacies		-	38	38	67
. Investments	2	10	-	10	2
Charitable activities:					
. Commissioned studies and research	1	5,838	19,466	25,304	27,769
. Tuition fees		3,721	-	3,721	3,577
. Publications, catering and accommodation		101	-	101	7
Total income		<u>9,670</u>	<u>19,504</u>	<u>29,174</u>	<u>31,422</u>
Expenditure on:					
Raising funds		44	-	44	52
Charitable activities:					
. Commissioned studies and research		5,039	20,228	25,267	24,026
. Teaching costs		3,981	43	4,024	3,807
. Publications, catering and accommodation		292	-	292	140
. Interest payable –re pension provision	15	95	-	95	104
Total expenditure	3	<u>9,451</u>	<u>20,271</u>	<u>29,722</u>	<u>28,129</u>
Net income		<u>219</u>	<u>(767)</u>	<u>(548)</u>	<u>3,293</u>
Transfers between funds	12	17	(17)	-	-
Actuarial (loss)/gain on defined benefit pension schemes		(5,494)	-	(5,494)	44
Net movement in funds		<u>(5,258)</u>	<u>(784)</u>	<u>(6,042)</u>	<u>3,337</u>
Fund balances at 1 April 2021		<u>5,710</u>	<u>7,422</u>	<u>13,132</u>	<u>9,795</u>
Balances carried forward at 31 March 2022		<u>452</u>	<u>6,638</u>	<u>7,090</u>	<u>13,132</u>

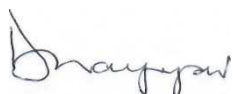
There is no difference between the net income stated above and the historical cost equivalent. All the charity's activities derived from continuing operations during the above two financial periods.

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 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	7		903		1,058
Current assets					
Debtors	8	7,530		7,833	
Current asset investments	9	13,115		13,109	
Cash at bank and in hand		3,668		4,808	
		<u>24,313</u>		<u>25,750</u>	
Creditors: amounts falling due within one year	10	<u>(8,225)</u>		<u>(9,302)</u>	
Net current assets			16,088		16,448
Creditors: amounts falling due after one year	11		<u>(106)</u>		<u>(84)</u>
Net assets excluding pension liabilities			16,885		17,422
Defined benefit pension liability	15		<u>(9,795)</u>		<u>(4,290)</u>
Total net assets			<u>7,090</u>		<u>13,132</u>
Represented by:					
funds	12				
<i>Income funds:</i>					
Unrestricted funds					
• Designated funds		898		1,037	
• General reserve		<u>9,349</u>		<u>8,963</u>	
		10,247		10,000	
• Pension reserve		<u>(9,795)</u>		<u>(4,290)</u>	
			452		5,710
Restricted funds			<u>6,638</u>		<u>7,422</u>
			<u>7,090</u>		<u>13,132</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: 14 July 2022

7. Cash flow statement for the year to 31 March 2022

	Notes	2022 £'000	2021 £'000
Net cash (outflow)/inflow from operating activities	A	(950)	6,257
Cash flows from investing activities:			
Interest received		5	2
Interest paid		(95)	(104)
Purchase of tangible fixed assets		(100)	(104)
Purchase of investments		-	(3,411)
		(190)	(3,617)
Net (decrease)/increase in cash	B	(1,140)	2,640
Cash balances at 1 April 2021	B	4,808	2,168
Cash balances at 31 March 2022	B	3,668	4,808

Notes to the cash flow statement for the year to 31 March 2022

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

	2022 £'000	2021 £'000
Net movement in funds	(6,042)	3,337
Investment income	(10)	(2)
Interest payable on pension liability	95	104
Loss on disposal of fixed assets	10	-
Depreciation	244	242
Decrease in debtors	303	967
(Decrease)/Increase in creditors	(1,055)	1,714
Increase/(Decrease) in pension liability provision	5,505	(105)
Net cash (outflow)/inflow from the Institute's activities	(950)	6,257

B *Analysis of changes in cash*

	At 1 April 2021 £'000	Cash flows £'000	At 31 March 2022 £'000
Cash at bank and in hand	4,808	(1,140)	3,668

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 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 strong return to levels pre-Covid-19. A substantial marketing campaign has been implemented to maximise student recruitment.

IDS had a relatively successful year financially in 2021/22 despite the ongoing disruption caused by the Covid-19 pandemic and the UK Government aid cuts.

The Institute increased its general reserve by £0.4m 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 buildings - period to 2029
- Furniture and equipment - five years.

Current asset investments

Investments are included at closing bid value at the balance sheet date. Any gain or loss on revaluation is included in the statement of financial activities.

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.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

At the Balance Sheet date the charity held financial assets at amortised cost of £10.9m (2021 – £12.3m). Financial assets at fair value through income or expenditure of £13.1m (2021 - £13.1m) and financial liabilities at amortised cost of £4.7m (2021 - £5.0m).

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 have a significant effect on the amounts recognised 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.

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 2.7 per cent. The rate chosen could make a material difference to the liability recognised in the financial statements.

The amounts payable in contributions to fund the deficit have been included as a charge in the statement of financial activities.

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

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:

	2022	2021
	Total	Total
	£'000	£'000
UK Government	12,109	12,321
Research Councils (UK)	3,474	4,674
Foundations	3,350	2,790
Governments (other)	2,719	3,146
NGOs	1,896	1,812
Academic Institutions	759	962
Consultancy Firms	450	544
Multilateral Organisations	404	1,383
Other	143	137
Total	25,304	27,769

- 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, Women's Empowerment and Poverty Reduction	£858,873
PO 7239	Empowerment and Accountability Research Programme	£781,488
PO7435	Evidence and Knowledge for Development (K4D)	£1,220,373
PO8373	Better Assistance in Crises (BASIC) Research	£929,864
PO 203174	China International Development Research Network (CIDRN)	£64,719
PO 300211-101	International Centre for Tax and Development	£900,046
PO 300552	Tackling the Drivers of Child Labour and Modern Slavery a Child Centred Approach	£1,621,757
PO 300055-116	Freedom of Religious Belief (FORB) for Inclusive, Interdependent and Diverse Societies	£2,151,374
PO300981	Covid-19 Learning, Evidence and Research for Bangladesh	£512,665
PO 40125653	Scoping a Strategic UK-Brazil Global Development Partnership – Design of Trilateral Cooperation Pilot Initiative on Demographic Data	£63
PO 40125799	Evidence Fund - Covid-19 Social Science Research Evidence Platform	£2,785,545

- b) Commissioned studies and research income includes: £216,239 for Building more Equitable, Legitimate and Sustainable Revenue Systems, awarded by NORAD; £164,123 for Bangladesh Initiative to Enhance Nutrition Security and Governance Challenges and Opportunities for Rural Youth Employment in Sub-Saharan Africa, awarded by the European Commission; £21,240 for Graduation Trajectories Research in Bangladesh, awarded by Concern Worldwide; £181,685 for Inclusion Works!, awarded by Sightsavers; and £156,069 for the Disability Inclusive Development Programme, awarded by Sightsavers.

2. Investment income

	2022 Total £'000	2021 Total £'000
Interest receivable on certificates of deposit	10	2

3. Analysis of total resources expended

	Direct costs £'000	Support costs £,000	2022 Total £'000	2021 Total £'000
Expenditure on raising funds				
Costs of generating voluntary income	44	-	44	52
Expenditure on charitable activities				
Commissioned studies and research	22,685	2,582	25,267	24,026
Teaching costs	2,379	1,645	4,024	3,807
Publications, catering & accommodation	247	45	292	140
Interest payable	95	-	95	104
	25,450	4,272	29,722	28,129

4. Support costs

	2022 Total £'000	2021 Total £'000
Premises	456	442
Communications	414	355
Director's office	434	362
Finance, computer and technical support	1,018	1,026
Fundraising and partnerships	255	181
Human resources	562	555
Depreciation	244	242
Governance costs	28	25
Other costs	861	1,083
	4,272	4,271

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

Resources expended include:	2022 Total £'000	2021 Total £'000
Auditor's remuneration		
Audit services		
Financial statements audit	20	21
Other audit services	31	13
Non audit services	-	11

5. Staff and Trustees

	2022 Total £'000	2021 Total £'000
Staff costs during the year:		
Wages and salaries	10,300	9,574
Social security	1,070	924
Apprenticeship levy	30	13
Other pension costs	2,120	1,839
Redundancy costs	2	-
	13,522	12,350

Redundancy costs for the year are £2k which was paid during the year ended 31 March 2022. (2021 - £0k). 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 258 (2021 – 255). The emoluments of higher paid employees (including those Trustees who are employees of IDS) fell within the following ranges:

	2022 Number	2021 Number
£60,000 to £70,000	12	11
£70,001 to £80,000	7	6
£80,001 to £90,000	5	2
£90,001 to £100,000	2	3
£100,001 to £110,000	-	1
£110,001 to £120,000	2	1
£120,001 to £130,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
	29	25

The pension contributions of the higher paid employees, who were all members of a pension scheme to which the charity contributes, amounted to £436k (2021 - £375k).

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).

Twelve 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 £263k (2021 - £248k) whilst they were Trustees. The Institute paid £43k (2021 - £42k) 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	£140k - £145k	£25k - £30k
A Joshi	£65k - £70k	£10k - £15k
M Roberts	£50k - £55k	£0 - £5k

The emoluments of the highest paid Trustee were £143k (2021 - £131k), and the accrued annual pension at 31 March 2022 was £42k (2021 - £42k); the maximum accrued lump sum was £127k (2021 - £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 £755k (2021 - £729k).

During the year ended 31 March 2022, zero Trustees (2021 – two Trustees) were reimbursed expenses amounting to a total of £0k (2021 - £0.3k) 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 building £'000	Furniture and equipment £,000	Total £'000
Cost			
At 1 April 2021	2,750	1,976	4,726
Additions	2	99	101
Disposals	(35)	(71)	(106)
At 31 March 2022	2,717	2,004	4,721
Depreciation			
At 1 April 2021	1,896	1,772	3,668
Charge for the year	139	106	245
Eliminated on disposal	(24)	(71)	(95)
At 31 March 2022	2,011	1,807	3,818
Net book values			
At 31 March 2022	706	197	903
At 31 March 2021	854	204	1,058

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*

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Sales ledger balances	1,672	2,123
Amount due from University of Sussex	78	-
Prepayments and other debtors	5,780	5,710
	7,530	7,833

9. *Current asset investments*

	Total £'000
Balance at 1 April 2021	13,109
Additions	6
Balance at 31 March 2022	13,115

	2022 £'000	2021 £'000
Investments at market value comprised		
UK deposit fund	13,115	13,109
	13,115	13,109

10. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Amount due to University of Sussex	-	208
Commissioned studies – deferred income	3,326	3,802
Accruals and other creditors	4,631	4,743
Social security and other taxes	268	549
	8,225	9,302

Reconciliation of movement deferred income

	Total
	£'000
Balance at 1 April 2021	3,802
Released during the year	(1,589)
Additional deferral	1,113
Balance at 31 March 2022	3,326

11. Creditors: amounts falling due after one year

	2022	2021
	£'000	£'000
Accruals and other creditors	106	84
	106	84

12. 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)	-	-	-
	1,037	-	(1)	(138)	-	898
General funds						
Income and expenditure account	8,963	9,670	(9,439)	155	-	9,349
Pension reserve	(4,290)	-	(11)	-	(5,494)	(9,795)
Total unrestricted funds	5,710	9,670	(9,451)	17	(5,494)	452
Restricted funds						
Other research projects	7,192	19,466	(20,227)		-	6,431
Deferred income (represented by tangible fixed assets)	122	-	-	(17)	-	105
IDS Scholarship	-	4	-	-	-	4
Ferguson Scholarship	-	34	(25)	-	-	9
Albertina Scholarship fund	52	-	(11)	-	-	41
Dudley Seers fund	41	-	-	-	-	41
Dr Purna Chander Kotagiri Scholarship	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

	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

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 2022 £138k was transferred from 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 (2021 - £125k decrease).

Building development fund

This reserve has been set up to cover any repairs which may be required in 2021/22 which are unable to be covered from the budget that has been set. The reserve has been set at £100k (2021 - £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 £17k (2021 - £14k) 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 is £52k per year for five years. During the year, the fifth and final receipt of £52k was received and the fourth year of scholarships was awarded. The payments to the end of 2021/22 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.

13. Prior Year Funds

	At 1 April 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2021 £'000
Unrestricted funds						
Designated Capital fund (represented by tangible fixed assets)	1,061	-	-	(125)	-	936
Building development fund	100	-	-	-	-	100
General donations fund	1	-	-	-	-	1
	<u>1,162</u>	<u>-</u>	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>1,037</u>
General funds						
Income and expenditure account	8,274	10,289	(9,528)	(72)	-	8,963
Pension reserve	<u>(4,395)</u>	<u>-</u>	<u>61</u>	<u>-</u>	<u>44</u>	<u>(4,290)</u>
Total unrestricted funds	<u>5,041</u>	<u>10,289</u>	<u>(9,467)</u>	<u>(197)</u>	<u>44</u>	<u>5,710</u>
Restricted funds						
Other research projects	4,519	21,066	(18,604)	211	-	7,192
Deferred income (represented by tangible fixed assets)	136	-	-	(14)	-	122
Albertina Scholarship	58	52	(58)	-	-	52
Dudley Seers fund	41	-	-	-	-	41
Dr Purna Chander Kotagiri	-	15	-	-	-	15
Total restricted funds	<u>4,754</u>	<u>21,133</u>	<u>(18,662)</u>	<u>197</u>	<u>-</u>	<u>7,422</u>
Total funds	<u>9,795</u>	<u>31,422</u>	<u>(28,129)</u>	<u>-</u>	<u>44</u>	<u>13,132</u>

Analysis of net assets between funds at 31 March 2021

	Unrestricted funds £'000	Restricted funds £'000	2021 Total Funds £'000
Tangible fixed assets	936	122	1,058
Net current assets	9,148	7,300	16,448
Creditors due in more than 1 year	(84)	-	(84)
Pension liability provision	(4,290)	-	(4,290)
Total net assets	5,710	7,422	13,132

14. Liability of members

Each of the 14 members (2021 – 13 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 2021/22 £'000	Deficit 31 March 2021 £'000	Movement Increase/ (Decrease) £'000	Deficit 31 March 2022 £'000
USS	DB	1,720	3,534	5,690	9,224
USPAS	DB	210	756	(185)	571
NEST	DC	0	N/A	N/A	N/A
SPSS	DC	104	N/A	N/A	N/A
Total		2,034	4,290	5,505	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, both schemes have put in place agreements for additional contributions to fund their past service deficits. 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 these deficit funding agreements.

At the end of the financial year the liabilities under these deficit funding agreements are valued. The valuations are 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 2022 deficit valuation was 2.7 per cent (2021 – 2.1 per cent).

In addition to the pension cost charges, the interest on the pension deficit amounted to £0.1m (2021 - £0.1m).

The Universities Superannuation Scheme (USS)

The pension charge for the year in the Statement of Financial Activities includes a debit of £7.5m (2021 – debit of £1.7m) in relation to the USS. This represents normal contributions of £1.8m (2021 - £1.7m) payable to the USS together with the debit from the increase in the deficit funding liability between the opening and closing balance sheet dates of £5.7m (2021 – decrease £62k).

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 2021 the Institute provision for the USS liability was £9.2m (2021 – £3.5m). 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 2022.

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. (This is a reduction from the shortfall of the previous valuation which estimated a shortfall of £28.3m).

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

The contribution rate required for future service benefits alone at the date of the 2021 valuation is to increase to 36.3% from the current 31.6%. The employer contribution will increase to 28% from 23.5%.

In 2009 a recovery plan was agreed by the Trustees of the pension scheme to fund a £47 million deficit over a 20 year period (with additional contributions of £2,375k per annum increasing at 3.2% per year from 1 August 2013 until 30 May 2030).

As a result of the 2012, 2015 and 2018 valuations, the Trustees agreed to reduce the period of the recovery plan so that the deficit would be recovered earlier. The deficit recovery period remained the same after the 2021 valuation. The valuation deficit (£17.2m) should be eliminated by 28 February 2025.

The additional contributions required from both employers to recover the deficit under the 2012 recovery plan from 1 April 2016 are as set out below:

£250,281 per month from 1 April 2016 until 31 March 2025 increasing at 3.2% each year from 1 August with the first such increase being applied on 1 August 2016.

It is agreed that IDS would pay a proportion of these deficit contributions based on the active number of members at 31 March 2009.

The IDS proportion of the payments to eliminate the pension liability have been accrued and appear as a liability on the balance sheet. Any gains or losses are recognised in the Statement of Financial Activities. For the year ended 31 March 2022 the USPAS liability was £0.6m (2021 – £0.8m).

The total pension cost to the charity for the year ended 31 March 2022 was £0.2m (2021- £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.

NEST Pension

The NEST pension has been offered to qualifying casual staff since 2013. It is a defined

contribution pension scheme. The qualifying limit to auto-enrol into this pension for 2021 was for casual workers earning over £10,000 per annum or £833 per month. Other casual workers also have the option to join the NEST scheme as well. IDS contributes two per cent to the NEST scheme on qualifying earnings (earnings over £490 per month). 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. From April 2019 the minimum employer contribution was three per cent.

The total pension cost to the charity for the year ended 31 March 2022 was £0 (2021 - £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 2021/22. 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 2022 was £0.1m (2021 - £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 £1.4m (2021 - £0.9m) to the University of Sussex for services provided to the Institute, and received £4m (2021 - £3.7m) from the University in respect of tuition fees and other income. The balance outstanding is £64K (2021 - £0).

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

During the year the Institute paid £0.1m (2021 - £0.1m) in respect of three subcontracts which were awarded to IDEAS and related expenses. The balance outstanding is £0 (2021 - £0).

Professor J Ocampo Gaviria received £7k in respect of a subcontract. The balance outstanding is nil.

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 2021

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

	Notes	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Income and expenditure				
Incoming Resources				
Incoming resources from generated funds				
. Donations and legacies		-	67	67
. Income from investments	2	2	-	2
Income from charitable activities				
. Commissioned studies and research	1	6,703	21,066	27,769
. Tuition fees		3,577	-	3,577
. Publications, catering and accommodation		7	-	7
Total income and endowments		10,289	21,133	31,422
Resources expended				
Expenditure on raising funds		52	-	52
Expenditure on charitable activities				
. Commissioned studies and research		5,422	18,604	24,026
. Teaching costs		3,749	58	3,807
. Publications, catering and accommodation		140	-	140
. Interest payable –re pension provision		104	-	104
Total expenditure	3	9,467	18,662	28,129
Net income		822	2,471	3,293
Transfers between funds	12	(197)	197	-
Actuarial gain/(loss) on defined benefit pension schemes		44	-	44
Net movement in funds		669	2,668	3,337
Fund balances at 1 April 2020		5,041	4,754	9,795
Balances carried forward at 31 March 2021		5,710	7,422	13,132



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