



**IDRC • CRDI**

International Development Research Centre  
Centre de recherches pour le développement international

# Quarterly Financial Report

For the period ending 30 June 2023



Canada

# Mobilizing alliances for greater impact



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Canada's International Development Research Centre (IDRC) invests in high-quality research in developing countries, shares knowledge with researchers and policymakers for greater uptake and use, and mobilizes global alliances to build a more sustainable and inclusive world.

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As part of Canada's foreign affairs and development efforts, IDRC champions and funds research and innovation within and alongside developing regions to drive global change. The Centre invests in research to build evidence, inform decisions and generate opportunities that promote an inclusive and sustainable world.

## ON THE COVER

Near the village of Melea in the Kanem Region of Chad, women irrigate seedlings on the dried bed of Lake Chad. The lake, which had spanned 26,000 square kilometres in 1963, has shrunk by 90% in recent decades. Climate change is to blame, with population growth and unplanned irrigation also contributing to what the UN calls an 'ecological disaster.'

Unless otherwise stated, all monetary amounts in this quarterly financial report are in Canadian dollars.

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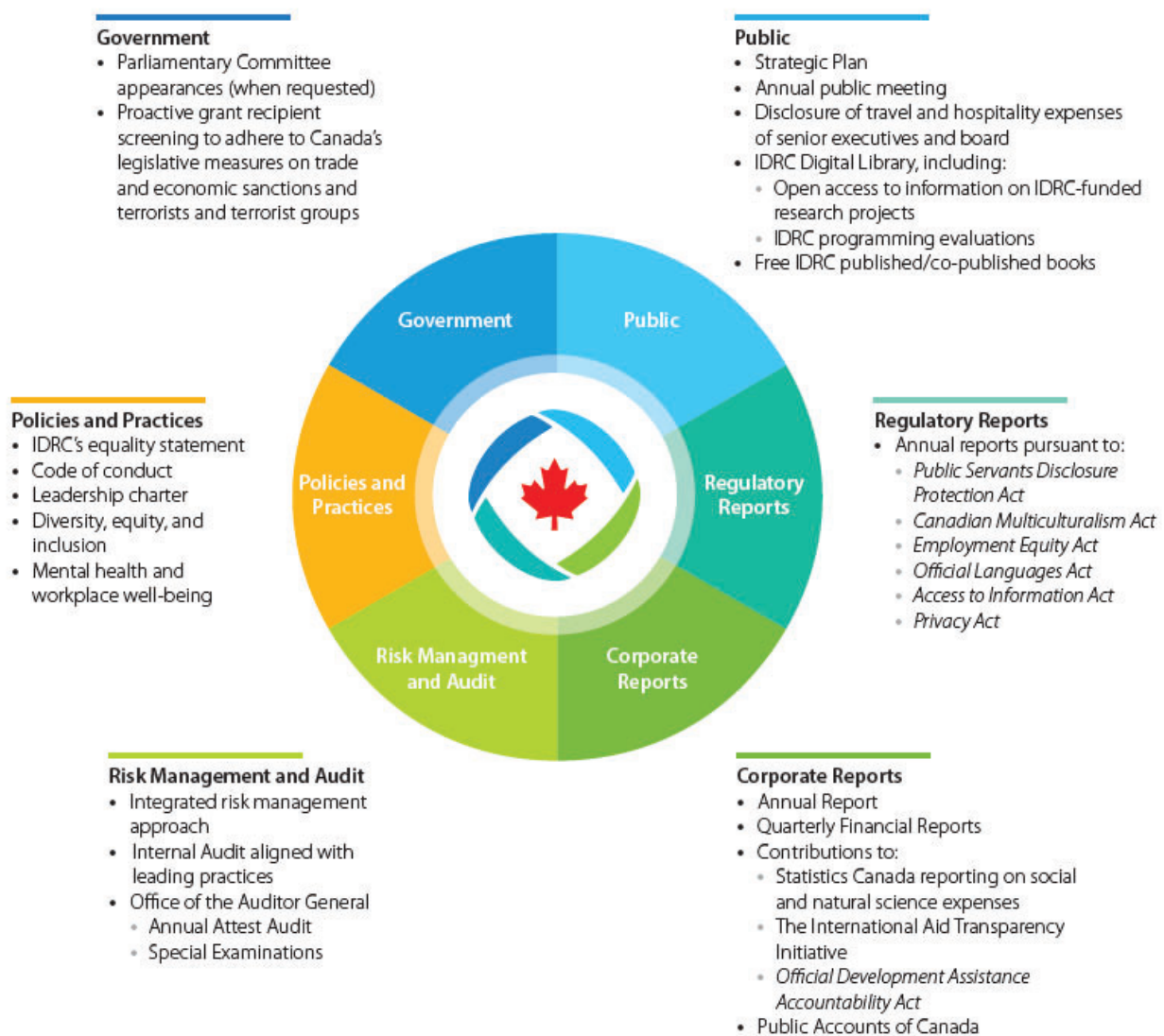


# IDRC's Commitment to Transparency and Accountability

**IDRC is accountable to Parliament and all Canadians for its use of public resources.**

IDRC is committed to transparency and, as such, provides information on its website and in its publications, reports to Parliament and conducts public outreach programs. As a research organization, IDRC also maintains transparency with the research community and the general public by making the results of its projects (studies, papers, articles, etc.) available to all.

Below are some of the measures in place that help the Centre meet the standards set by the Government of Canada for accountability and transparency.



## Management's Discussion and Analysis

In 1970, the Parliament of Canada created the International Development Research Centre (IDRC) to champion and facilitate research on the challenges facing the world's low- and middle-income regions. IDRC's work is focused on enabling and applying scientific, technical and other forms of knowledge for the advancement of developing countries.

Since its creation, IDRC has identified and responded to critical development challenges, working to help researchers in developing regions find solutions to the most pressing problems facing their communities and countries. From our five international offices in low- and middle-income regions and our head office in Ottawa, IDRC's work has helped bridge the digital divide, supported women in their recovery from the COVID-19 pandemic, addressed the world's food crises, ensured democratic transitions in emerging economies, and built resilience around the impacts of climate change.

*Strategy 2030*, IDRC's ambitious 10-year agenda, affirms the Centre's vision for a more sustainable and inclusive world. It commits the Centre to the following mission: IDRC will be a leader in research for development, investing in high-quality research and innovation, sharing knowledge and mobilizing alliances for more sustainable, prosperous and inclusive societies.

The Management's Discussion and Analysis section of this document outlines the Centre's financial results and corporate updates for the first quarter of this financial year, ended 30 June 2023. This report was prepared in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting (IAS 34) and the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports. The condensed interim financial statements included in this report have not been audited.

All monetary amounts are in Canadian dollars. The Centre recommends that this report be read in conjunction with the *Management's Discussion and Analysis and Financial Statements 2022–2023*. The disclosures and information presented in *Management's Discussion and Analysis and Financial Statements 2022–2023* continue to apply unless otherwise indicated.

Management is responsible for preparing this report, which was approved on 21 August 2023 by the Finance and Audit Committee of the Board of Governors.

## Management update

In June 2023, the chairperson of the Centre’s Board of Governors, Dr. Dorothy Nyambi, announced the appointment of Julie Delahanty as the new president and chief executive officer of IDRC. She began her mandate in July 2023.

## Risk update

IDRC is committed to implementing a continuous, proactive and systematic approach to risk management. Integrated into all areas of the Centre’s operations, risk management is a shared responsibility of Centre managers and employees and is overseen by the Board of Governors. The Centre’s risk-management processes are designed to identify risks that may affect the achievement of corporate objectives and manage these risks within an agreed-upon risk-control framework. Risk management is applied strategically and appropriately to provide reasonable assurance that the Centre will achieve its objectives.

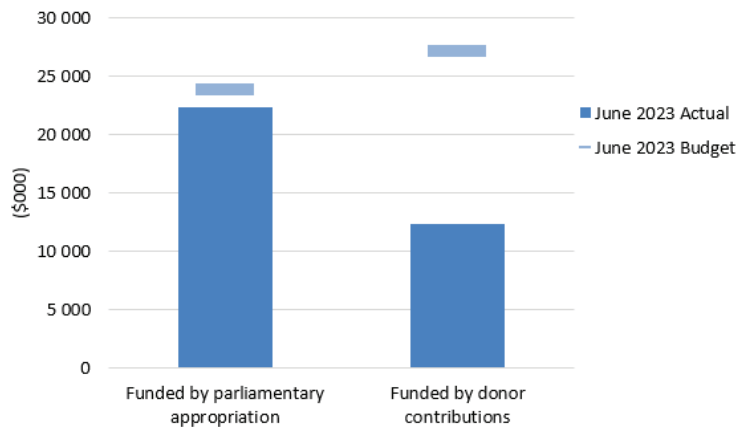
The risks section in the *Management’s Discussion and Analysis and Financial Statements 2022–2023* outlines IDRC’s main strategic and operational risks, which continue to be applicable.

## Performance indicators

### Research expenses compared to budget

Research project expenses are carefully monitored, given they represent our largest expense and are the primary means by which we fulfill our mandate. At 30 June 2023, \$34.7 million or 67.8% of the year-to-date research project expenses budget of \$51.2 million was achieved. The lower expenses are primarily due to updated timeframes for several large donor-funded projects including the Knowledge and Innovation Exchange (KIX) and the Science Granting Councils Initiative (SGCI) (see Figure 1).

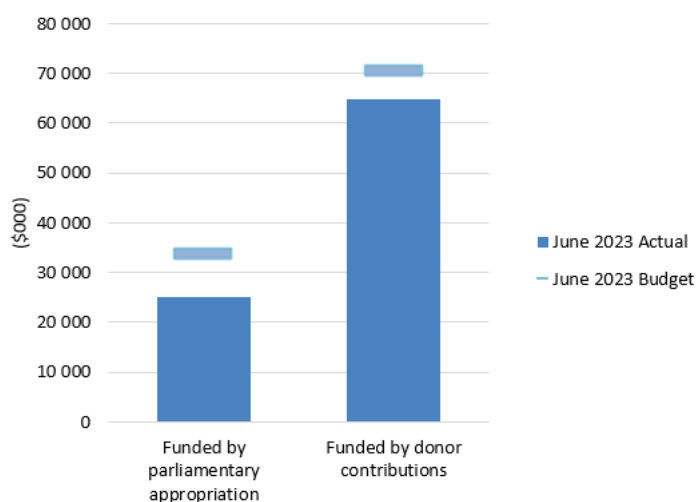
**FIGURE 1: RESEARCH PROJECT EXPENSES**



## Program allocations

Program allocations represent funds approved and reserved for new research projects with disbursements over the project duration. Allocations can be funded by parliamentary appropriation alone or through a combination of parliamentary appropriation and donor contributions. The overall allocations funded by parliamentary appropriation of \$25.0 million are below the year-to-date budget of \$33.9 million at the end of June 2023. The allocations funded by donor contributions of \$64.9 million are below the year-to-date budget of \$70.7 million at the end of June 2023 (see figure 2). Management is taking corrective action so that program allocations will be aligned with budget at the end of the financial year.

**FIGURE 2: PROGRAM ALLOCATIONS**

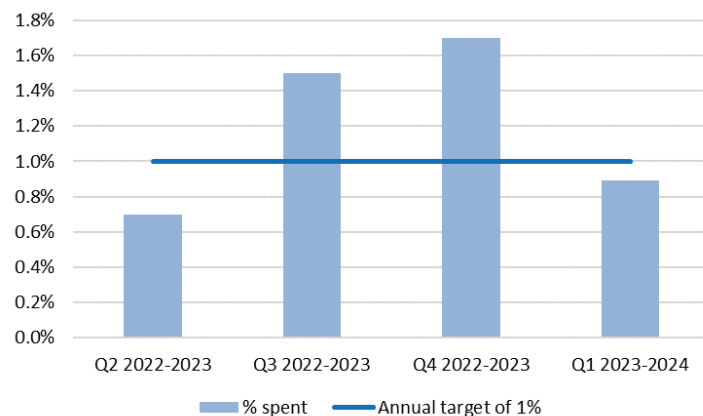


## Investment in learning and professional development

IDRC must invest sufficiently in learning and professional development to ensure staff have the required skills to deliver on IDRC's ambitious mandate. IDRC's performance indicator for learning and professional development is based on the direct expenditures for learning and development activities, expressed as a percentage of base salary cost. The Centre invested 0.9% of its payroll in employee learning and professional development during the first quarter ended 30 June 2023, slightly lower than its annual target of 1.0%. Management is confident that with appropriate planning, the target of 1.0% will be achieved by the end of the financial year (see Figure 3).



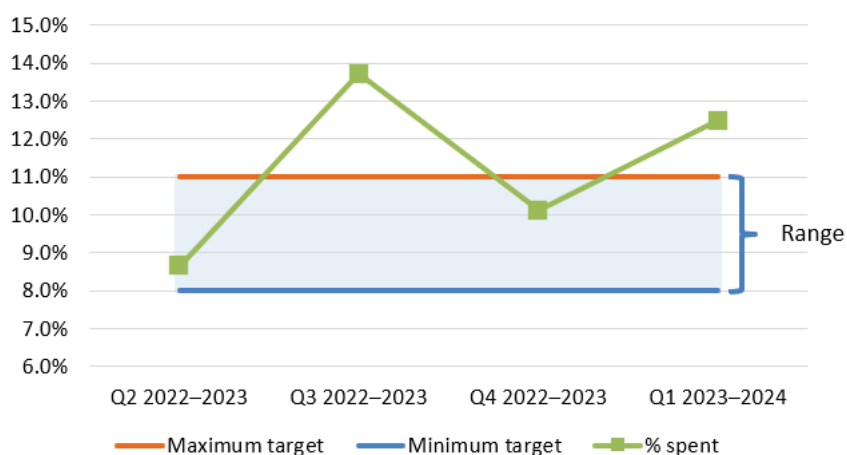
**FIGURE 3: LEARNING AND PROFESSIONAL DEVELOPMENT**



### Corporate and administrative expense ratio

IDRC continuously ensures that the majority of funds received go towards directly fulfilling its mandate. Consequently, the Centre monitors its corporate and administrative expense ratio (i.e. corporate and administrative expenses as a % of total expenses) in order to ensure operations are efficient and provide maximum value to taxpayers and external donors. The percentage of corporate and administrative expenses for the quarter ending 30 June 2023 increased to 12.5%. This is higher than the desired target range of 8% to 11% and is attributable to the timing of research expenses funded by donor contributions. The ratio is forecasted to be within the target range at the end of the financial year as the projected spending for large donor-funded projects is expected to ramp up during the remainder of the financial year (see Figure 4).

**FIGURE 4: CORPORATE AND ADMINISTRATIVE EXPENSES RATIO**



## Overall financial summary

The 2023–2024 financial year is a year of growth as expenses and related revenues from donor-funded projects are expected to be higher than in the previous financial year due to the project cycles of Phase I and II of the Knowledge and Innovation Exchange (KIX) program and Phase II of the Climate Adaption and Resilience (CLARE) program. These funds are used to invest in high-quality research in developing countries, thereby building a more sustainable and inclusive world. The pace of spending, particularly on research projects, is anticipated to increase during the remainder of the financial year.

Expenses of \$51.2 million  
(\$55.4 million in 2022–2023)

Revenues of \$50.5 million  
(\$45.5 million in 2022–2023)

**TABLE 1: SUMMARY OF EXPENSES AND REVENUES**

(\$000)	For the three months ended 30 June				
	2023–2024	2022–2023	\$ change	% change	
	Actual	Actual	actual <sup>a</sup>	actual <sup>a</sup>	
<b>Development research programming</b>					
Research projects funded by parliamentary appropriation	22 360	21 310	1 050	4.9%	1
Research projects funded by donor contributions	12 309	18 954	(6 645)	(35.1%)	2
Enhancing research capabilities	10 177	9 181	996	10.8%	3
	<b>44 846</b>	<b>49 445</b>	<b>(4 599)</b>	<b>(9.3%)</b>	
<b>Corporate and administrative services</b>	<b>6 390</b>	<b>5 935</b>	<b>455</b>	<b>7.7%</b>	4
<b>Total expenses</b>	<b>51 236</b>	<b>55 380</b>	<b>(4 144)</b>	<b>(7.5%)</b>	
<b>Total revenues</b>	<b>50 462</b>	<b>45 469</b>	<b>4 993</b>	<b>11.0%</b>	5
<b>Net results of operations</b>	<b>( 774)</b>	<b>(9 911)</b>	<b>9 137</b>	<b>(92.2%)</b>	
<sup>a</sup> \$ and % change actual in 2023–2024 over 2022–2023.					

## Variances

①	<b>Research projects funded by parliamentary appropriation</b>	<b>Year-over-year increase</b> of \$1.1 million due to higher expenses to support Canada-developing country research on the health and economic wellbeing of women in the global recovery from COVID-19 as compared to last year.
②	<b>Research projects funded by donor contribution</b>	<b>Year-over-year decrease</b> of \$6.6 million is mainly due to delays in programming activities relating to large new projects. Research project expenses fluctuate from year to year based on the project portfolio.
③	<b>Enhancing research capabilities</b>	<b>Year-over-year increase</b> of \$1.0 million is primarily due to the gradual resumption of travel activities and unrealized foreign exchange losses.
④	<b>Corporate and administrative services</b>	<b>Year-over-year increase</b> of \$0.5 million is due to greater use of professional services relating to diversity, equity and inclusion (DEI) activities and unrealized foreign exchange losses.
⑤	<b>Total revenues</b>	<b>Year-over-year increase</b> in revenue is due to an increase in parliamentary appropriation partly offset by lower donor contributions.

## Expenses

The Board of Governors approved the 2023–2024 budget prior to the start of the financial year. The results from this exercise are incorporated throughout the Quarterly Financial Report.

We report expenses under two principal headings: development research programming and corporate and administrative services. The direct costs of ongoing scientific and technical research projects that we funded in **development research programming** are presented by source of funding (see Table 1). Most of these projects are carried out by independent institutions with the support of research grants. Projects also include research activities undertaken by individuals with the support of individual training grants, scholarships, fellowships, internships and individual research and research-related grants. Research project expenses fluctuate annually based on the project portfolio. Research project payments are based upon the recipient's progress on research activities and the submission of satisfactory grant deliverables.

Development research programming includes **enhancing research capabilities**, which is an important advisory and knowledge-brokerage function that is central to IDRC's business and overall corporate performance.

**Corporate and administrative services** provide a variety of functions that support the Centre's overall operations and corporate responsibilities. These expenses include services such as information governance and digital solutions, human resources, finance and administration, legal, risk management and internal audit.

Total year-over-year expenses for the three months ended 30 June 2023 decreased by \$4.1 million or 7.5% due primarily to a decrease in expenses for research projects (see Table 2).

**TABLE 2: YEAR-OVER-YEAR EXPENSES BY CATEGORY**

(\$000)	For the three months ended 30 June			
	2023 Actual	2022 Actual	\$ change actual	% change actual
Research projects	34 669	40 264	(5 595)	(13.9%)
Salaries and benefits	11 189	11 092	97	0.9 %
Professional services	1 028	846	182	21.5 % ①
Accommodations	656	859	( 203)	(23.6%) ②
Travel	655	47	608	1296.9 % ③
Software services	565	414	151	36.4 %
Furniture, equipment and maintenance	338	105	233	221.6 % ④
Amortization	163	242	( 79)	(32.8%)
Insurance	197	208	( 11)	(5.3%)
Interest on lease liabilities	367	68	299	439.8 % ⑤
Depreciation of right-of-use assets	413	753	( 340)	(45.2%) ⑥
Other	996	482	513	106.4 % ⑦
<b>Total expenses</b>	<b>51 236</b>	<b>55 380</b>	<b>(4 145)</b>	<b>(7.5%)</b>

## Variances

①	<b>Professional services</b>	<b>Year-over-year increase</b> is due primarily to consulting fees to strengthen diversity, equity and inclusion (DEI) efforts across the Centre.
②	<b>Accommodations</b>	<b>Year-over-year decrease</b> is due to lower rent, utility payments maintenance and property taxes for new IDRC head office location compared to previous location.
③	<b>Travel</b>	<b>Year-over-year increase</b> as the prior year actuals were minimal due to travel restrictions associated with the COVID-19 pandemic.
④	<b>Furniture, equipment and maintenance</b>	<b>Year-over-year increase</b> is due to the timing purchases of furniture and technological equipment.
⑤	<b>Interest on lease liabilities</b>	<b>Year-over-year increase</b> in interest expenses on the lease liability relating to the new lease agreements of the head office in Ottawa, Montevideo and Delhi.
⑥	<b>Depreciation on right-of-use assets</b>	<b>Year-over-year decrease</b> in depreciation expenses relating to the terms of new lease agreements for the head office in Ottawa, Montevideo and Delhi.
⑦	<b>Other</b>	<b>Year-over-year increase</b> is due foreign exchange losses.

## Revenues

IDRC's revenues include a parliamentary appropriation, donor contributions and revenues from other sources.

The parliamentary appropriation funding is part of Canada's international assistance envelope and allocated to the Centre to support the delivery of our mandate. IDRC also receives donor contributions to either research programs or specific projects which are recognized as donor-contribution revenue over the life of the co-funding agreement when the related expenses are incurred. Consequently, while projects funded by donor contributions significantly contribute to advancing our mandate, their impact on net results and year-end equity is limited (see table 3 below).

**TABLE 3: REVENUES**

(\$000)	For the three months ended 30 June				
	2023	2022	\$ change actual	% change actual	
	Actual	Actual			
Parliamentary appropriation — recurring	32 900	23 200	9 700	41.8 %	①
Parliamentary appropriation — non-recurring	2 264	130	2 134	1635.5 %	②
Total parliamentary appropriation	35 164	23 330	11 834	50.7 %	
Donor contributions	15 017	21 768	(6 751)	(31.0%)	③
Investment and other income	281	371	(90)	(24.2%)	④
<b>Total revenues</b>	<b>50 462</b>	<b>45 469</b>	<b>4 993</b>	<b>11.0 %</b>	

<sup>a</sup> \$ and % change actual in 2023–2024 over 2022–2023.

<sup>a</sup> \$ and % change actual in 2023–2024 over 2022–2023.

## Variances

①	<b>Parliamentary appropriation – recurring</b>	<b>Year-over-year increase</b> of \$9.7 million due to the Centre drawing down more of its parliamentary appropriation compared to the same period last year. This is attributable to variations in funding needs, which is primarily driven by research expenses.
②	<b>Parliamentary appropriation – non-recurring</b>	<b>Year-over-year increase</b> due to the recognition of transfers from the Canadian Institutes of Health Research (CIHR) and the Social Sciences and Humanities Research Council (SSHRC) totalling \$2.2 million to support Canada-developing country research on the health and economic wellbeing of women in the global recovery from COVID-19. The balance is from annual non-recurring transfers from other government organizations.
③	<b>Donor contributions</b>	<b>Year-over-year decrease</b> as donor-contribution revenue fluctuates year-over-year. These fluctuations are linked to the phase in the lifecycle of the programs.

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**4 Investment  
and other  
income**

**Year-over-year decrease** is due to lower foreign exchange gains.

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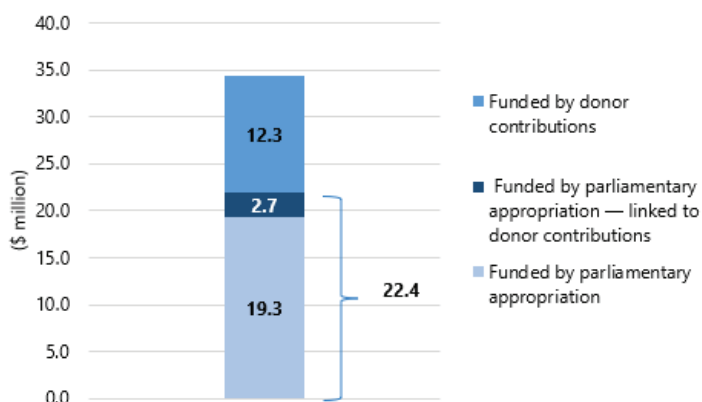
## Donor funding

IDRC partners with external donors to undertake high-value research projects that allow it to further its mandate. Often, these partnerships are amplified by combining donor funds with IDRC's own internal funds, resulting in projects that deliver a greater impact. IDRC's funders include bilateral aid organizations, philanthropic foundations, emerging development research funders in the Global South and private sector actors.

For the 3 months ended 30 June 2023, IDRC contributed \$2.7 million of our internal funds towards agreements linked to donor contributions. This represents 12.1% of the total Parliament-funded research project expenses (see figure 5).

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**FIGURE 5: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2023–2024**



Through the use of strategic partnerships with donors, IDRC is currently funding the following projects which would otherwise not have been feasible if IDRC were to rely solely on its own internal funds:

- Step Change Accelerating Adaptation to Climate Change (STEP CHANGE): A Canada-Netherlands partnership that accelerates equitable and inclusive locally led adaptation by focusing on priority adaptation areas and responding to critical capacity-strengthening needs.
- Knowledge and Innovation Exchange (KIX) Phases I and II: A joint venture with the Global Partnership for Education (GPE) to strengthen national education systems and accelerate educational progress in the Global South.
- Partnership for Evidence and Equity in Responsive Social Systems (PEERSS) Phases I and II: A partnership with the William and Flora Hewlett Foundation which aims to promote, amplify, facilitate and strengthen the use of evidence to inform decision-making in health and social policies in Africa, Latin America and the Caribbean, and Asia.

Since 1 April 2023, \$16.7 million in new co-funding agreements have been signed towards the annual target of \$45.0 million. Management is actively negotiating additional co-funding agreements that are expected to be signed before the end of the financial year. Consequently, the Centre is on track to meet or exceed its annual target for the 2023–2024 financial year.

## Financial position

At 30 June 2023, the majority of assets consist of cash and investments derived from the cycle of funding received from donor contributions (see table 4). Total **assets** on 30 June 2023 increased by 9.5% (from \$136.5 to \$149.5 million) compared to 31 March 2023. The increase is mostly coming from accounts receivable and prepaid expenses as a result of increased receivables from external donors. The Centre invests excess liquidities not required in the short-term to earn higher interest earnings than can be generated in bank accounts. The investments consist of bonds and guaranteed investment certificates (refer to Note 2 of the financial statements).

**TABLE 4: SUMMARY OF ASSETS**

(\$000)	Actual		\$ change actual	% change actual
	June 2023	March 2023		
Cash and cash equivalents	41 419	48 081	(6 662)	(13.9%)
Investments	48 132	43 079	5 053	11.7 %
Accounts receivable and prepaid expenses	27 909	13 317	14 592	109.6 %
Right-of-use assets	26 471	26 884	( 413)	(1.5%)
Property, equipment and intangible assets	5 531	5 122	409	8.0 %
	<b>149 462</b>	<b>136 483</b>	<b>12 979</b>	<b>9.5 %</b>

Liabilities contain a large portion of deferred revenue, which represents donor funds received but not yet recognized as revenue. Total **liabilities** increased by 11.5% (from \$119.1 to \$132.8 million) compared to 31 March 2023. This is primarily due to an increase in deferred revenue liabilities for projects and programs funded by donor contributions. The employee benefits amount represents the non-current portion; the current portion is included within accrued liabilities (see table 5).

**TABLE 5: SUMMARY OF LIABILITIES**

(\$000)	Actual		\$ change actual	% change actual
	June 2023	March 2023		
Deferred revenue	85 193	70 937	14 256	20.1 %
Accounts payable and accrued liabilities	19 244	19 579	( 335)	(1.7%)
Lease liabilities	27 336	27 497	( 161)	(0.6%)
Employee benefits	1 063	1 070	( 7)	(0.6%)
	<b>132 836</b>	<b>119 083</b>	<b>13 753</b>	<b>11.5 %</b>

The Centre's equity consists of four classes: restricted, reserved, unrestricted and net investments in capital assets. The equity amount in each class is established in accordance with the Centre's equity policy.

**TABLE 6: EQUITY**

(\$000)	Actual	
	June 2023	March 2023
Unrestricted	851	1 442
Restricted	1 296	1 296
Net investments in capital assets	5 531	5 122
Reserved	8 948	9 540
<b>Total equity</b>	<b>16 626</b>	<b>17 400</b>

The **restricted** equity is stable at \$1.3 million and represents funds received as bequests and donations to be used to support young researchers through fellowships, scholarships or internships.

The **reserved** equity is intended to be used to absorb fluctuations in the disbursement of outstanding research program commitments, which are dependent on the performance of recipients, and to fund future purchases of property, equipment, intangibles and future initiatives. At 30 June 2023, an amount of \$6.0 million was reserved to absorb fluctuations in the disbursements of outstanding research project commitments and a total of \$2.9 million was set aside in the reserved equity for the fit-up of regional office leased premises.

The balance of \$0.9 million in **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity (see table 6). This balance reflects all variances from expenses and revenues.

The \$5.5 million **net investments in capital assets** segregates the portion of the equity representing our net investments in capital assets. The balance increased in June 2023 as capital asset purchases exceeded amortization and depreciation, due to expenses for leasehold improvements of the Centre's regional offices (see table 7).

**TABLE 7: CAPITAL ASSETS**

(\$000)	Balance 1 April 2023	Net changes	Balance 30 June 2023
Leasehold improvements	3 226	522	3 748
Computer equipment	286	( 30)	256
Office furniture, equipment and vehicles	1 610	( 83)	1 527
<b>Total property, equipment and intangible assets</b>	<b>5 122</b>	<b>409</b>	<b>5 531</b>

## Actual performance versus budget

There were no significant changes in the operating environment since the publication of the *Management's Discussion and Analysis and Financial Statements 2022–2023*, available on the Centre's website.



In *Strategy 2030*, the Centre is committed to being fit for purpose. Management continues to operate and undertake activities that advance the achievement of the objectives established under *Strategy 2030* while ensuring the efficient use of financial resources to create impact and add value.

The Board of Governors approved the 2023–2024 budget prior to the start of the financial year. The Centre’s operations are subject to seasonal fluctuations and vary from quarter to quarter (see table 8).

**TABLE 8: ACTUALS COMPARED TO BUDGET**

(\$000)	For the three months ended 30 June 2023				2023–2024
	Actual	Budget	Variance	% Variance	Budget
<b>Statement of comprehensive income items</b>					
<b>Expenses</b>					
Development research programming					
Research projects funded by parliamentary appropriation	22 360	23 953	(1 593)	(6.7%)	107 440 ①
Research projects funded by donor contributions	12 309	27 230	(14 921)	(54.8%)	94 356 ②
Enhancing research capabilities	10 177	11 648	(1 471)	(12.6%)	47 571 ③
Corporate and administrative services	6 390	5 669	721	12.7%	22 757 ④
	<b>51 236</b>	<b>68 500</b>	<b>(17 264)</b>	<b>(25.2%)</b>	<b>272 124</b>
<b>Revenues</b>					
Parliamentary appropriation	35 164	35 768	( 604)	(1.7%)	156 885 ⑤
Donor contributions	15 017	32 207	(17 190)	(53.4%)	113 527
Investment and other income	281	127	154	120.8%	598
	<b>50 462</b>	<b>68 102</b>	<b>(17 641)</b>	<b>(25.9%)</b>	<b>271 010</b>
<b>Net results of operations</b>	<b>( 774)</b>	<b>( 398)</b>	<b>( 376)</b>	<b>94.6%</b>	<b>(1 114)</b>

## Variances

①	<b>Research projects funded by parliamentary appropriation</b>	<b>Budget variance</b> of \$1.6 million relating to lower than budgeted project payments attributed to the expense patterns in the 2023–2024 financial year.
②	<b>Research projects funded by donor contributions</b>	<b>Budget variance</b> of \$14.9 million is due to delays in expenses for a few new large donor-funded agreements signed late in 2022–2023. Donor contributions are received in advance and recognized as revenue when the related project expenses are incurred. The fact that payments did not occur as per the projected timing, especially in large and complex multi-year programs, reflects the inherent unpredictability related to the conduct of research activities.
③	<b>Enhancing research capabilities</b>	<b>Budget variance</b> of \$1.5 million is primarily due to lower salaries and benefits, less travel than planned at the time of budgeting and the timing of ongoing activities.

4	<b>Corporate and administrative services</b>	<b>Budget variance</b> of \$0.7 million is mostly due to the timing of professional services relating to fees to strengthen diversity, equity and inclusion (DEI) efforts across the Centre as well as for the of ongoing activities.
5	<b>Total revenues</b>	<b>Budget variance</b> of \$17.6 million due primarily to lower donor contributions for the same reason mentioned in variance 2, "Research projects funded by donor contributions," above.



# Unaudited Condensed Interim Financial Statements

## Statement of Management Responsibility

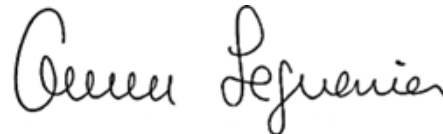
Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting (IAS 34) and the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of condensed interim financial statements that are free from material misstatements. Management is also responsible for ensuring that all other information in this quarterly financial report is consistent, where appropriate, with the condensed interim financial statements.

Based on our knowledge, these unaudited condensed interim financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Centre, as at the date of, and for the periods presented in, the condensed interim financial statements.

On behalf of management,

A blue ink signature of Julie Delahanty, consisting of a stylized 'JD' followed by a horizontal line.

Julie Delahanty  
President

A blue ink signature of Geneviève Leguerrier, written in a cursive style.

Geneviève Leguerrier, CPA  
Vice-President, Resources,  
and Chief Financial Officer

Ottawa, Canada  
21 August 2023

## Condensed Interim Statement of Financial Position

(In thousands of Canadian dollars)  
as at

	<i>(unaudited)</i> <b>30 June 2023</b>	<i>(audited)</i> <b>31 March 2023</b>
<b>Assets</b>		
Current		
Cash	41 419	48 081
Investments (Note 2)	15 808	15 676
Accounts receivable and prepaid expenses (Note 3)	27 909	13 317
	<u>85 136</u>	<u>77 074</u>
Non-current		
Investments (Note 2)	32 324	27 403
Property and equipment	5 531	5 122
Right-of-use assets (Note 4)	26 471	26 884
	<u><b>149 462</b></u>	<u><b>136 483</b></u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	19 244	19 579
Lease liabilities (Note 5)	933	862
Deferred revenue (Note 6)	76 653	63 318
	<u>96 830</u>	<u>83 759</u>
Non-current		
Deferred revenue (Note 6)	8 540	7 619
Employee benefits	1 063	1 070
Lease liabilities (Note 5)	26 403	26 635
	<u>132 836</u>	<u>119 083</u>
<b>Equity</b>		
Unrestricted	851	1 442
Restricted	1 296	1 296
Net investments in capital assets	5 531	5 122
Reserved	8 948	9 540
	<u>16 626</u>	<u>17 400</u>
	<u><b>149 462</b></u>	<u><b>136 483</b></u>
Commitments (Note 7)		
Contingencies (Note 8)		

*The accompanying notes form an integral part of these condensed interim financial statements.*

## Condensed Interim Statement of Comprehensive Income

(Unaudited — in thousands of Canadian dollars)  
for the three months ended 30 June

	30 June 2023	30 June 2022
<b>Expenses</b>		
Development research programming (Note 9)		
Research expenses funded by parliamentary appropriation	22 360	21 310
Research expenses funded by donor contributions	12 309	18 954
Enhancing research capabilities	10 177	9 181
	<u>44 846</u>	<u>49 445</u>
Corporate and administrative services (Note 9)	6 390	5 935
<b>Total expenses</b>	<u><b>51 236</b></u>	<u><b>55 380</b></u>
<b>Revenues</b>		
Donor contributions (Note 10)	15 017	21 768
Investment income	229	80
Other income	52	291
	<u>15 298</u>	<u>22 139</u>
Cost of operations before parliamentary appropriation	(35 938)	(33 241)
Parliamentary appropriation (Note 11)	<u>35 164</u>	<u>23 330</u>
<b>Net results of operations</b>	<u><u><b>(774)</b></u></u>	<u><u><b>(9 911)</b></u></u>

*The accompanying notes form an integral part of these condensed interim financial statements.*

## Condensed Interim Statement of Changes in Equity

(Unaudited — in thousands of Canadian dollars)  
for the three months ended 30 June

	30 June 2023	30 June 2022
<b>Unrestricted equity</b>		
Beginning of period	1 442	12 590
Net results of operations	(774)	(9 911)
Net transfers from other classes of equity	183	242
Balance end of period	851	2 921
<b>Restricted equity</b>		
Beginning of period	1 296	1 285
Net increase	—	—
Balance end of period	1 296	1 285
<b>Net investments in capital assets</b>		
Beginning of period	5 122	1 692
Net increase	409	640
Balance end of period	5 531	2 332
<b>Reserved equity</b>		
Beginning of period	9 540	15 189
Net transfers to other classes of equity	(592)	(882)
Balance end of period	8 948	14 307
<b>Equity, end of period</b>	<b>16 626</b>	<b>20 845</b>

*The accompanying notes form an integral part of these condensed interim financial statements.*

## Condensed Interim Statement of Cash Flows

(Unaudited — in thousands of Canadian dollars)  
for the three months ended 30 June

	30 June 2023	30 June 2022
<b>Operating activities</b>		
Net results of operations	(774)	(9 911)
Adjustments to determine net cash from/(used in) operating activities		
Depreciation of property and equipment	163	242
Depreciation of right-of-use assets	413	753
Amortization of investment premiums/discounts	(53)	22
Employee benefits	(7)	31
	<b>516</b>	<b>1 048</b>
Change in non-cash operating items		
Accounts receivable and prepaid expenses	1 748	1 723
Accounts payable and accrued liabilities	(61)	2 069
Deferred revenue	(2 084)	(10 855)
	<b>(397)</b>	<b>(7 063)</b>
<b>Cash flows used in operating activities</b>	<b>(655)</b>	<b>(15 926)</b>
<b>Investing activities</b>		
Purchase of investments	(8 000)	—
Maturity of investments	3 000	—
Acquisition of property and equipment	(846)	(1 292)
<b>Cash flows used in investing activities</b>	<b>(5 846)</b>	<b>(1 292)</b>
<b>Financing activities</b>		
Payment of lease liabilities	(161)	(757)
<b>Cash flows used in financing activities</b>	<b>(161)</b>	<b>(757)</b>
<b>Decrease in cash</b>	<b>(6 662)</b>	<b>(17 975)</b>
<b>Cash and cash equivalents beginning of period</b>	<b>48 081</b>	<b>65 075</b>
<b>Cash and cash equivalents end of period</b>	<b>41 419</b>	<b>47 100</b>

Supplementary Information (Note 12)

*The accompanying notes form an integral part of these condensed interim financial statements.*



# Notes to the Condensed Interim Financial Statements

(Unaudited — in thousands of Canadian dollars unless otherwise stated)  
For the three months ended 30 June 2023

## 1. Basis of preparation

### A) General Information

The International Development Research Centre (the Centre or IDRC), a Canadian Crown corporation without share capital, is not an agent of His Majesty and was established as a registered charity in 1970 by the Parliament of Canada through the International Development Research Centre Act.

The Centre is funded primarily through an annual appropriation received from the Parliament of Canada. In accordance with section 85(1.1) of the Financial Administration Act, the Centre is exempt from Divisions I to IV of Part X of the Act, except for sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

The mandate of the Centre is “to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.”

### B) Basis of Preparation

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting and the Treasury Board of Canada’s Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports based on the recognition and measurement standards applicable under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These statements have not been audited or reviewed by the Centre’s statutory auditors.

These condensed interim financial statements are prepared on a historical cost basis, except for investments, which are measured at amortized cost and certain other financial instruments, which are measured at fair value through profit and loss.

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Centre. All values are rounded to the nearest thousand (\$000), except where otherwise indicated.

### C) Material Accounting Policies

Significant accounting policies used in these condensed interim financial statements are disclosed in the notes of the Centre’s annual financial statements for the year ended 31 March 2022.

### D) Significant Judgements and Estimates

Material accounting policies used in these condensed interim financial statements are disclosed in the notes of the Centre’s annual financial statements for the year ended 31 March 2023.

### E) Taxation

The Centre is exempt from the payment of income tax, as per section 149 of the *Income Tax Act*.

### F) Application of New Accounting Standards

#### I. New standards, amendments and interpretations that took effect in 2023

During the first three months of the financial year, there were no new standards, amendments or interpretations issued by the International Accounting Standards Board or the IFRS Interpretation Committee that had an impact on the current financial statements.

#### II. Standards, amendments and interpretations not yet in effect

There are no future accounting standards or amendments issued by the IASB that are expected to have a significant impact on the Centre’s financial statements.

## 2. Investments and cash equivalents

### Supporting information

The Centre's investment portfolios consist of Canadian federal, provincial, municipal, corporate, schedule I and II bank financial instruments. The bonds have effective interest rates ranging from 0.53% to 4.24% (coupon rates ranging from 1.40% to 7.35%) and guaranteed investment certificates (GICs) have fixed interest rates ranging from 0.50% to 4.50%. The maturity dates of the bonds vary from September 2023 to March 2031 and those of the GICs vary from September 2023 to May 2028. Management intends to hold all investments to maturity.

The net book value, measured at the amortized cost, and fair value of these investments are shown in the following tables. The fair values of the investments can be determined by (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices) (Level 2); or (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The fair values of the Centre's investments are not quoted in an active market, but rather are determined from quoted prices in a decentralized, over-the-counter market, which is considered Level 2 in the fair value hierarchy.

	Net book value at amortized cost 30 June 2023	Fair Value 30 June 2023	Net book value at amortized cost 30 June 2022	Fair Value 30 June 2022
Bonds:				
Federal	3 013	2 637	3 001	2 602
Provincial	22 275	21 225	10 236	9 259
Corporate	3 948	3 541	3 959	3 544
Municipal	896	828	902	835
Total bonds	30 132	28 231	18 098	16 240
Guaranteed investment certificates	18 000	18 222	12 000	12 020
Treasury bills – less than 90 days (cash equivalents)	—	—	5 002	5 002
Treasury bills – more than 90 days	—	—	5 000	5 008
	<b>48 132</b>	<b>46 453</b>	<b>40 100</b>	<b>38 270</b>

### Effective interest rates and maturity terms

	Effective interest rate	Within one year	After one year but no more than five years	More than five years	Total
Bonds:					
Federal	1.85%	—	—	3 013	3 013
Provincial	0.53% to 4.24%	7 708	6 684	7 883	22 275
Corporate	1.84% to 3.20%	—	3 014	934	3 948
Municipal	2.31%	—	—	896	896
Total Bonds		7 708	9 698	12 726	30 132
Guaranteed investment certificates	0.50% to 4.50%	8 100	9 900	—	18 000
		<b>15 808</b>	<b>19 598</b>	<b>12 726</b>	<b>48 132</b>

### 3. Accounts receivable and prepaid expenses

	30 June 2023	31 March 2023
Accounts receivable		
Parliamentary appropriation	1 000	2 845
Donor contributions	23 385	6 550
Other	1 687	2 444
	26 072	11 839
Prepaid expenses	1 837	1 478
Total accounts receivable and prepaid expenses	<b>27 909</b>	<b>13 317</b>

### 4. Right-of-use assets

	30 June 2023	31 March 2023
<b>Cost</b>		
Leases beginning of year	38 658	13 168
Additions	—	25 490
	38 658	38 658
<b>Accumulated depreciation</b>		
Beginning of year	(11 774)	(9 419)
Depreciation expense	(413)	(2 355)
	(12 187)	(11 774)
<b>Net book value end of period</b>	<b>26 471</b>	<b>26 884</b>

During the first three months of the financial year, the Centre incurred \$33 of expenses related to leases of low-value assets for which the recognition exemption was applied.

The Centre has a one-year lease for office space in Jordan that commenced on 1 November 2022 for which the recognition exemption for short-term leases was applied. The total value of the lease was \$44, and the Centre incurred \$30 of expenses related to this short-term lease.

The Centre also has an eleven-month lease for office space in India that commenced on 1 March 2023, for which the recognition exemption for short-term leases was also applied. The total value of this lease is \$275 and the Centre incurred \$100 of expenses related to this short-term lease.

### 5. Lease liabilities

	30 June 2023	31 March 2023
Beginning of year	27 497	4 160
Additions	—	25 405
Interest expense	367	678
Lease payments	(528)	(2 746)
	27 336	27 497
<b>Lease liabilities included in the statement of financial position</b>		
Current	933	862
Non-current (after one year, but not more than five)	4 328	4 189
Non-current (more than five years)	22 075	22 446
	<b>27 336</b>	<b>27 497</b>
<b>Maturity analysis of contractual undiscounted cash flows</b>		
Current	2 363	2 307
Non-current (after one year, but not more than five)	9 418	9 347
Non-current (more than five years)	29 457	30 112
	<b>41 238</b>	<b>41 766</b>

## 6. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor contribution activities and the unspent portion of certain parliamentary appropriations received for specific projects and programs.

### a. Donor contribution funding for development research programming

	30 June 2023	31 March 2023
Current	71 432	55 933
Non-current	8 540	7 619
	<b>79 926</b>	<b>63 552</b>

Of the total deferred donor contribution funding, Global Affairs Canada accounts for \$11 881 (31 March 2023: \$12 224) of which \$11 881 (31 March 2023: \$11 349) was received and \$0 (31 March 2023: \$875) is receivable at 30 June 2023.

### b. Parliamentary appropriations – projects and programs

	30 June 2023	31 March 2023
Current	5 221	7 385

### c. Total deferred revenues

	30 June 2023	31 March 2023
Current	76 653	63 318
Non-current	8 540	7 619
	<b>85 193</b>	<b>70 937</b>

## 7. Commitments

### Research project-related

The Centre is committed to making payments of up to \$286.1 million (31 March 2023: \$269.1 million) during the next six years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, \$178.1 million (31 March 2023: \$185.4 million) is expected to be funded from future parliamentary appropriations and \$108 million (31 March 2023: \$83.7 million) from donor contribution agreements.

	30 June 2023	31 March 2023
Within one year	132 750	112 719
After one year, but not more than five	153 311	156 258
More than five years	—	150
Total future payments	<b>286 061</b>	<b>269 127</b>

### Other

The Centre has entered into various agreements for goods and services in Canada and abroad. These agreements expire at various dates up to 2042. Future payments related to these commitments are as follows:

	30 June 2023	31 March 2023
Within one year	6 131	7 521
After one year, but not more than five	12 149	12 960
More than five years	38 970	39 646
Total future payments	<b>57 250</b>	<b>60 127</b>

## 8. Contingencies

The Centre may, from time to time, be involved in legal proceedings, claims and litigation that arise in the normal course of business. Based on the advice of legal counsel, management does not expect the outcome of any of these proceedings to have a material effect on the statement of financial position or on the statement of comprehensive income.

As at 30 June 2023, there were two ongoing claims totalling \$1.2 million, whose provisions have been recorded as a liability (31 March 2023: \$1.1 million).

## 9. Schedule of expenses

	30 June 2023	30 June 2022
<b>Development research programming</b>		
Contributions to institutions and individuals	33 501	39 296
Core salaries and benefits	5 916	6 073
Co-funded project salaries and benefits <sup>a</sup>	1 582	1 244
Professional services	993	1 065
Travel	469	29
Accommodations	424	544
Depreciation of right-of-use assets	281	504
Co-funded project expenses <sup>a</sup>	256	147
Interest on lease liabilities	250	46
Meetings and conferences	195	(2)
Depreciation of property and equipment	118	172
Other	861	327
	<b>44 846</b>	<b>49 445</b>
<b>Corporate and administrative services</b>		
Salaries and benefits	3 691	3 775
Professional services	871	730
Software expenses	536	381
Furniture, equipment, and maintenance	251	83
Depreciation of right-of-use assets	132	249
Interest on lease liabilities	117	22
Accommodations	108	199
Travel	86	3
Depreciation of property and equipment	45	70
Other	553	423
	<b>6 390</b>	<b>5 935</b>
<b>Total expenses</b>	<b>51 236</b>	<b>55 380</b>

<sup>a</sup> Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of \$1,838 (30 June 2022: \$1 391). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser and knowledge broker. This means that IDRC is a research funder and builds recipient capacity throughout the research process.

## 10. Donor contributions

A breakdown of the revenue and expense recognition for donor contributions is provided below.

	30 June 2023	30 June 2022
Global Partnership for Education Fund (GPE)	6 932	11 660
Foreign, Commonwealth & Development Office (FCDO)	3 588	81
Swedish International Development Cooperation Agency (SIDA)	1 242	1 652
Global Affairs Canada (GAC)	1 141	1 724
Bill & Melinda Gates Foundation	920	1 660
Australian Centre for International Agricultural Research	232	158
The William and Flora Hewlett Foundation	224	389
Rockefeller Foundation	220	291
The Secretary of State for Health and Social Care (DHSC)	161	312
Ministry of Foreign Affairs Netherlands	49	336
Azrieli Foundation	—	3 119
Other donor agencies	308	386
	<b>15 017</b>	<b>21 768</b>

## 11. Parliamentary appropriation

	30 June 2023	30 June 2022
Annual parliamentary appropriation recognized	33 000	23 200
Deferred appropriation recognized – projects and programs	2 164	130
Parliamentary appropriation recognized in the statement of comprehensive income	<b>35 164</b>	<b>23 330</b>
	30 June 2023	30 June 2022
Annual parliamentary appropriation	152 798	153 701
Annual appropriation recognized	(33 000)	(23 200)
Appropriation available for the remainder of the year	<b>119 798</b>	<b>130 371</b>

## 12. Supplemental cash flow information

	30 June 2023	30 June 2022
Interest charges on lease obligations	367	68
Interest received from bank deposits	288	32
Interest received from investments	286	50

The change accounts receivables and prepaid expenses excludes an amount of \$16.3 million (30 June 2022: \$3.9 million), as the amount relates to deferred revenue.

The change in accounts payable and accrued liabilities excludes an amount of \$0.3 million (30 June 2022: \$0.4 million), as the amount relates to acquisition of property and equipment, within investing activities.

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