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INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Quarterly Financial Report

For the period ending
30 June 2013

Canada

Putting research to work

IDRC funds practical research in developing countries to increase prosperity and security, and to foster democracy and the rule of law, in support of Canada's international development efforts. We promote growth and development and encourage sharing knowledge with policymakers, other researchers, and communities around the world. The result is innovative, lasting solutions that aim to bring change to those who need it most.

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Introduction

This Management's Discussion and Analysis (MD&A) provides a narrative discussion outlining the financial results and corporate updates of the International Development Research Centre (IDRC, the Centre) for the first quarter ended on 30 June 2013. This report was prepared as required under section 131.1 of the *Financial Administration Act* and it is in compliance with the standard issued by the Comptroller General of Canada (Treasury Board Secretariat).

The financial information contained herein, as well as the unaudited condensed interim financial statements, was prepared in accordance with International Financial Reporting Standards (IFRS). All monetary amounts are in Canadian dollars unless otherwise stated. IDRC recommends that this report be read in conjunction with the unaudited financial statements (beginning on page 11). Disclosures and information presented in IDRC's *Annual Report 2012-2013* apply to the current quarter unless otherwise stated.

2013-2014 Budget

The 2013-2014 original budget was established and approved prior to the beginning of the fiscal year. It corresponds to the budget amounts presented in IDRC's *Annual Report 2012-2013*. The original budget was revised in June, as shown in Table 1, to reflect the actual opening financial position and estimates based upon updated information. The June revised budget is the reference budget for all cost centre managers. The decrease in revenues is a result of the new estimates in expected investment income. The expense budget was also adjusted to reflect updated expense estimates, primarily for the Development Innovation Fund (DIF).

TABLE 1: REVISED BUDGET

($000)	Original budget 2013-2014	Revised budget 2013-2014	Budget amendments
Revenues	54 636	53 935	(701)
Minus: Expenses	256 164	251 953	(4 211)
Cost of operations	(201 528)	(198 018)	(4 912)
Plus: Parliamentary appropriation	201 705	201 705	0
Net results of operations	**177**	**3 687**	**(4 912)**

Performance

Financial highlights

(for the three months ended 30 June)

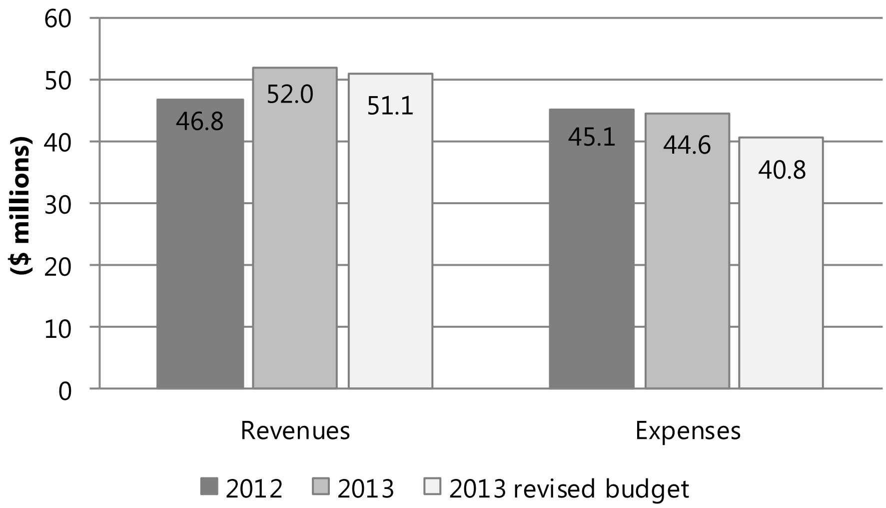

TABLE 2: FINANCIAL HIGHLIGHTS

($000)	For the three months ended 30 June Actual 2012	Actual 2013	Year-over-year % change	Revised budget 2013-2014[a]
Revenues	6 941	11 176	61.0%	53 935
Expenses	45 079	44 598	-1.1%	251 953
Cost of operations	(38 138)	(33 422)	-12.4%	(198 018)
Parliamentary appropriation	39 834	40 795	2.4%	201 705
Net results of operations	**1 696**	**7 373**	**334.7%**	**3 687**

[a] *See Table 1 for explanations of revised budget.*

Consolidated overview

Revenues

TABLE 3: REVENUES

($000)	For the quarter ended 30 June 2012 Actual	2013 Revised budget	2013 Actual	Year-over-year % change	Revised budget 2013-2014[a]
Total revenues	**46 774**	**51 109**	**51 971**	**11.1%**	**255 640**
Parliamentary appropriation	39 834	40 947	40 795	2.4%	201 705
Donor contributions	6 432	9 977	10 836	68.5%	53 208
Investment and other income	508	185	340	-33.1%	727

[a] *See Table 1 for explanations of revised budget.*

The Centre is funded from a Parliamentary appropriation, donor contributions, and other income (which includes investment income and other miscellaneous income).

TABLE 4: PARLIAMENTARY APPROPRIATION

Parliamentary appropriation	For the quarter ended 30 June Actual 2012	Actual 2013	Year-over-year % change	Revised budget 2013-2014[a]
Recurring portion	37 995	27 726	-27.0%	142 873
Non-recurring portion	1 560	12 991	732.8%	58 517
Appropriation received	**39 555**	**40 717**	**2.9%**	**201 390**
Appropriation amortized	279	78	-72.0%	315
Appropriation recognized	**39 834**	**40 795**	**2.4%**	**201 705**
Appropriation to drawdown	116 668	160 673	37.7%	-

[a] *See Table 1 for explanations of revised budget.*

During the first quarter of fiscal 2013-2014, the **Parliamentary appropriation** drawdown rose by 2.9% to $40.7 million from $39.6 million in the first quarter of 2012-2013. The Centre's **recurring** portion of the Parliamentary appropriation decreased by $10.3 million (27%) compared to the same period last year. The reduction is caused by two distinct factors: first, it reflects the implementation of the year 2 reductions announced in the Government's *Budget 2012: Economic Action Plan*; second, it reflects the implementation of a new appropriation drawdown strategy by the Centre, whereby seasonal variations in funding needs are taken into account. The increase in the **non-recurring** Parliamentary appropriation is mainly due to the rescheduling of the portion of the appropriation for the DIF ($11.7 million as at 30 June 2013 versus zero for the same period last year).

The following table shows how the appropriation was used during the first quarter.

TABLE 5: RECONCILIATION OF THE AMOUNT OF APPROPRIATION RECEIVED TO THE AMOUNT OF APPROPRIATION USED

	For the three months ended 30 June		Revised
($000)	Actual 2012	Actual 2013	Budget 2013-2014 [a]
Total expenses	**45 079**	**44 598**	**251 953**
Minus:			
Donor-funded expenses	6 432	10 836	53 208
	38 647	33 762	198 745
Replenishment of financial reserve	291	5 720	3 663
Used for purchase of property, equipment and intangibles	-	-	1 676
Total funding requirement	**38 938**	**39 482**	**204 084**
Parliamentary appropriation received	39 834	40 795	201 705
Unused appropriation	**896**	**1 313**	**(2 379)**

[a] *See Table 1 for explanations of revised budget.*

During the first quarter, the financial reserve was replenished to compensate for the depletion that occurred with the 2012-2013 year-end accruals of additional research project expenses. The unused appropriation as at 30 June 2013 is expected to be fully utilized within the next quarter. The appropriation shortfall projected for fiscal year 2013-2014 will be funded from other revenues generated by the Centre as well as funds accounted for in equity at this time (see Table 8).

In the first quarter, **donor contribution funding for development research programming** increased year-over-year 68.5% to $10.8 million from $6.4 million. Donor contributions, received in advance, are recognized as revenue when the related expenses are incurred (see explanation of the variance in the Expenses section below). The year-over-year variance is directly linked to the increase in donor contribution funding for development research programming.

Expenses

Expenses are tracked under two main headings: development research programming and corporate and administrative services.

TABLE 6: EXPENSES

($000)	For the quarter ended 30 June 2012 Actual	2013 Revised budget	2013 Actual	Year-over-year % change	Revised budget 2013-2014[a]
Total expenses	**45 079**	**40 770**	**44 598**	**-1.1%**	**251 953**
Development research programming					
Research projects					
Funded by Parliamentary appropriation	22 667	15 956	19 447	-14.2%	140 725
Funded by donor contributions	5 101	7 818	8 914	74.8%	42 904
	27 768	23 774	28 361	2.1%	183 629
Capacity building					
Enhancing research capabilities	9 449	9 357	8 899	-5.8%	37 689
Research complements	2 224	2 342	2 385	7.2%	9 648
	11 673	11 699	11 284	-3.3%	47 337
	39 441	**35 473**	**39 645**	**0.5%**	**230 966**
Corporate and administrative services	**5 638**	**5 297**	**4 953**	**-12.1%**	**20 987**

[a] *See Table 1 for explanations of revised budget.*

First quarter **research project expenses funded by Parliamentary appropriation** are higher than targeted but lower when compared to the same period last year. The year-over-year decrease is attributable to the expense reductions mandated by the Government's *Budget 2012: Economic Action Plan* as well as the realignment of DIF expenditures through to 2016-2017. The variance compared to the budget is due to the timing of remittances, themselves linked to the delivery of research project milestones. When delays occur in the delivery of those milestones, the associated remittances are also delayed, causing a negative variance relative to budget. Positive variances occur when remittances on new projects are faster than planned because there are more new project commitments than envisaged during the quarter, or because remittances have *slipped* from the previous period. For the first quarter, the positive variance is due to the former (higher commitments). At this time, it is expected that the budget variance in research project expenses funded by Parliamentary appropriation will diminish over the course of the fiscal year.

The actual first quarter **expenses on research projects funded by donor contributions** are higher than budget due to timing differences. The year-to-date results show an increase when compared to the same period last year. This increase was anticipated as this year's budget was higher than last year's actuals. The increase in donor funded research projects relates to the ramping up of a number of large programs approved during 2012-2013.

The first quarter year-over-year decline in expenses for **enhancing research capabilities** is directly linked to the reduction in the appropriation related to the Government's *Budget 2012: Economic Action Plan*. Higher donor-funded expenses incurred as part of new agreements signed in 2012-2013 have partially offset the Parliament-funded reduction. The lower expenses compared to budget reflects, among other things, less travel and professional services being procured.

The **research complements** included in the capacity building for the three months ended 30 June 2013 increased by 7.2% compared to the previous year. The small variance of the actuals against the year-to-date budget is related to the timing of ongoing activities. The current budget for research complements is the same as a year ago and reflects the reductions made during 2012-2013.

The decrease in **corporate and administrative services** in the first quarter over the same period in 2012 is due principally to the consolidation of the original six regional offices into four as part of the Centre's strategy to reduce its expenses as per the reduction of its appropriation. The variance against budget reflects the reduced use of professional services and less travel.

Financial position

TABLE 7: SUMMARY OF ASSETS AND LIABILITIES

($000)	June 2013	March 2013	% change
Total assets	**74 827**	**65 380**	**14.4%**
Current	64 965	55 104	17.9%
Non-current	9 862	10 276	-4.0%
Total liabilities	**55 302**	**53 228**	**3.9%**
Current	48 285	48 249	0.1%
Non-current	7 017	4 979	40.9%

Total **assets** at 30 June 2013 increased by 14.4% (from $65.4 million to $74.8 million) as compared to 31 March 2013. The increase in current assets reflects principally higher accounts receivable from donors and the maturing of investments.

Liabilities increased by $2.1 million from 31 March 2013 (or 3.9%) which is due both to higher advances being received on donor contributions (recorded as deferred revenue) and a reduction in grant accruals.

The level of working capital at 30 June 2013 increased to $16.7 million compared to $6.9 million at 31 March 2013. The increase in the working capital is directly related to contributions received from donors.

TABLE 8: EQUITY

($000)	For the three months ended 30 June 2012 Actual	2013 Revised budget[a]	2013 Actual	Year-over-year % change	Revised budget 2013-2014 [a]
Total equity	**105 529**	**22 490**	**19 525**	**-81.5%**	**15 839**
Unrestricted	13 830	5 034	2 080	-	-
Internally restricted	73 857	1 159	1 157	-98.4%	1 169
Net investments in capital assets	11 074	10 002	9 862	-10.9%	10 301
Reserved	6 768	6 295	6 426	-5.1%	4 369

[a] *See Table 1 for explanations of revised budget.*

The **internally restricted** equity decreased as a result of the funds for the African Adaptation Research Centres (AARC), the Adaptation Measures to Climate Change (AMCC) and the DIF being fully utilized as at 31 March 2013. The **net investment in capital assets** of $9.7 million segregates the portion of the equity representing the Centre's net investments in capital assets. This class of equity funds offsets future amortization and depreciation expenses for capital assets — it is not a cash account. The **reserved** equity remains relatively stable year–over-year and as compared to the budgeted level. The reserved equity as at 30 June 2013 includes an amount for the future purchase of property, equipment and intangibles which is expected to be fully utilized by the end of the fiscal year. The **unrestricted** equity represents the residual balance of equity after the allotments are made to internally restricted and reserved equity.

Cash flows

TABLE 9: SUMMARY OF CASH FLOWS

($000)	For the quarter ended 30 June Actual 2012	 Actual 2013	Year-over-year change
Net results of operations	1 695	7 373	5 678
Changes in items other than cash and cash equivalents	37 316	(11 531)	(48 847)
Cash flows (used in)/from operating activities	**39 011**	**(4 158)**	**(43 169)**
Purchase of investments	(50 622)	(15 430)	35 192
Maturity of investments	33 808	34 498	690
Other	(123)	(8)	115
Cash flows from/(used in) investing activities	**(16 937)**	**19 060**	**35 997**
Increase in cash and cash equivalents	**22 074**	**14 902**	**(7 172)**
Cash and cash equivalents, beginning of period	**9 494**	**581**	**(8 913)**
Cash and cash equivalents, end of period	**31 568**	**15 483**	**(16 085)**

For the quarter ended 30 June 2013, the **operating activities** reduced cash flows by $4.2 million (from a contribution of $39 million for the same period in 2012-2013). The **changes in items other than cash and cash equivalents** are due largely to fluctuations in receivables and the decline in deferred revenue.

The cash flows from **investing activities** as at 30 June 2013 show a year-over-year increase of $36 million which is due to an overall net redemption of investments used to finance ongoing activities in the upcoming quarter.

Corporate developments

Developments relating to IDRC's Board of Governors

The terms of the following governors came to an end on 27 May 2013: Margaret Biggs of Ottawa, Ontario; Faith Mitchell of Washington, D.C.; Elizabeth Parr-Johnston of Chester Basin, Nova Scotia; Gordon Shirley of Kingston, Jamaica; and The Honourable Monte Solberg of Calgary, Alberta.

On 6 June 2013 the Governor in Council appointed the following individuals to serve as governors: Sarah Fountain Smith of Ottawa, Ontario; Gordon Houlden of Edmonton, Alberta;

Nadir Patel of Ottawa, Ontario; and Cindy Termorshuizen of Ottawa, Ontario. The Honourable Monte Solberg of Calgary, Alberta was also appointed to serve as a governor for a second term.

On 19 July 2013, Ahmed Galal of Cairo, Egypt resigned as a governor, following his appointment to public office in Egypt.

Other developments

An agreement negotiated with the Canadian International Development Agency (now Foreign Affairs, Trade and Development Canada) took effect during the quarter. The agreement confirms a second phase of funding, totalling $62.5 million over a five-year period, for the IDRC-administered Canadian International Food Security Research Fund. IDRC is contributing $12.5 million.

Just before going to press with this report, the Centre entered into a new lease agreement for its Regional Office for Sub-Saharan Africa. This will result in a relocation of the office, within the city of Nairobi, Kenya, by 31 January 2014. Note 8.b. to the Condensed interim financial statements does not reflect this subsequent event.

Risk management

There has not been any material change in the risks to performance reported in the "Management's Discussion and Analysis" in the *Annual Report 2012-2013*.

Outlook

The remaining aspects of the context in which IDRC operates remain the same as they were at the time of the *Annual Report 2012-2013*.

Unaudited condensed interim financial statements

Statement of management responsibility

Management is responsible for the preparation and fair presentation of these condensed quarterly financial statements, which, we confirm, have been prepared in accordance with the International Accounting Standard 34, *Interim Financial Reporting* and the *Standard on Quarterly Financial Reports for Crown Corporations* as issued by the Treasury Board of Canada.

Management has implemented internal controls that aim to keep condensed quarterly financial statements free from material misstatements. Management is also responsible for ensuring that all other information in this condensed quarterly financial report for the period ending 30 June 2013 is consistent, where appropriate, with the condensed quarterly financial statements.

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

Jean Lebel, PhD	Sylvain Dufour, Eng., M.Sc., CPA, CMA
President	Vice-President, Resources, and CFO

Ottawa, Canada
14 August 2013

Condensed Interim Statement of Financial Position

as at
(in thousands of Canadian dollars)
(unaudited)

	30 June 2013	31 March 2013
Assets		
Current		
Cash and cash equivalents	15 483	581
Investments	31 665	50 795
Accounts receivable	15 939	1 984
Prepaid expenses	1 878	1 744
	64 965	55 104
Non-current		
Property and equipment	7 184	7 423
Intangible assets	2 678	2 852
	74 827	**65 379**
Liabilities		
Current		
Accounts payable and accrued liabilities	12 338	25 094
Provision for restructuring	240	292
Deferred revenue (Note 5)	35 707	22 862
	48 285	48 248
Non-current		
Deferred revenue (Note 5)	2 526	615
Employee benefits	4 491	4 364
	55 302	53 227
Equity		
Unrestricted	2 080	—
Internally restricted	1 157	1 171
Net investments in capital assets	9 862	10 275
Reserved	6 426	706
	19 525	12 152
	74 827	**65 379**

Commitments (Notes 8 and 11)
Contingencies (Note 9)

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

Condensed Interim Statement of Comprehensive Income

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

	2013	2012
Revenues		
Donor contributions (Notes 6 and 12)	10 836	6 432
Investment and other income (Note 12)	340	508
	11 176	6 940
Expenses		
Development research programming (Note 10)		
Research projects		
Funded by Parliamentary appropriation	19 447	22 667
Funded by donor contributions	8 914	5 101
Capacity building		
Enhancing research capabilities	8 899	9 449
Research complements	2 386	2 224
	39 646	39 441
Corporate and administrative services (Note 10)		
Corporate services	4 099	4 272
Regional office administration	853	1 366
	4 952	5 638
Total expenses	**44 598**	**45 079**
Cost of operations before Parliamentary appropriation	(33 422)	(38 139)
Parliamentary appropriation (Note 7)	40 795	39 834
Net results of operations	**7 373**	**1 695**

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

Condensed Interim Statement of Changes in Equity

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

	2013	2012
Unrestricted equity		
Beginning of period	—	10 996
Net results of operations	7 373	1 695
Transfers (to) from other classes of equity	(5 293)	1 139
Balance end of period	2 080	13 830
Internally restricted equity		
Beginning of period	1 171	74 996
Net decrease	(14)	(1 139)
Balance end of period	1 157	73 857
Net investments in capital assets		
Beginning of period	10 275	11 365
Net decrease	(413)	(291)
Balance end of period	9 862	11 074
Reserved equity		
Beginning of period	706	6 768
Net increase	5 720	—
Balance end of period	6 426	6 768
Equity, end of period	**19 525**	**105 529**

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

Condensed Interim Statement of Cash Flows

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

	2013	2012
Operating activities		
Net results of operations	7 373	1 695
Items not affecting cash		
Amortization and depreciation of property and equipment and intangible assets	422	414
Amortization of bond premium	61	408
Gain on disposal of property and equipment	—	(1)
Employee benefits	127	109
	610	930
Change in non-cash operating items		
Accounts receivable	(13 955)	6 250
Prepaid expenses	(134)	(368)
Accounts payable and accrued liabilities	(12 808)	(4 464)
Deferred revenue	14 756	34 968
	(12 141)	36 386
Cash flows (used in)/from operating activities	**(4 158)**	**39 011**
Investing activities		
Purchase of investments	(15 430)	(50 622)
Maturity of investments	34 498	33 808
Acquisition of property and equipment and intangible assets	(8)	(124)
Proceeds from disposition of property and equipment	—	1
Cash flows from/(used in) investing activities	**19 060**	**(16 937)**
Increase in cash and cash equivalents	**14 902**	**22 074**
Cash and cash equivalents, beginning of period	**581**	**9 494**
Cash and cash equivalents, end of period	**15 483**	**31 568**
Composition of cash and cash equivalents		
Cash	15 483	24 070
Cash equivalents	—	7 498
	15 483	**31 568**

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

Notes to the Condensed Interim Financial Statements

For the period ended 30 June 2013 (unaudited)

(in thousands of Canadian dollars unless otherwise stated)

1. Corporate information

The International Development Research Centre (the Centre), a Canadian Crown corporation without share capital, was established in 1970 by the Parliament of Canada through the *International Development Research Centre Act*. The Centre is a registered charity and is exempt under section 149 of the *Income Tax Act* from the payment of income tax.

The Centre's head office is located at 150 Kent Street, Ottawa, Canada.

2. Authority and objective

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 subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

The objective 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.

3. Basis of preparation

The condensed interim financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000) except when otherwise indicated.

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

The condensed interim financial statements were prepared on the basis of historical cost unless otherwise indicated and do not include all the information and disclosures required for full annual financial statements,. These should be read in conjunction with the Centre's audited financial statements as at 31 March 2013.

The Centre's operations consist of funding research projects in the developing regions of the world. It receives most of its funding from the Parliament of Canada. Parliamentary revenue is recognized when it is received, whereas donor contributions are recognized when expended for their intended purpose. The Centre's operations are seasonal. Research project expenditures are driven by several different cycles (academic, climatic, and agricultural) and tend not to be evenly distributed during the year.

4. Summary of significant accounting policies

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Centre's annual financial statements as at 31 March 2013.

a. Recent accounting pronouncements

The International Accounting Standards Board has a number of projects underway, some of which will affect standards relevant to the Centre. The Centre is closely monitoring the progress of these projects. Revisions and additions to the standards could potentially have an impact on the financial statements and may require revisiting the Centre's conclusions. The Centre is currently assessing the impact of the following amendment:

- IAS 32 – *Financial Instruments: Presentation* – was amended to provide further guidance to the criteria for offsetting financial assets and financial liabilities and presenting the net amount in the statement of Financial Position. This amendment is effective for annual periods beginning on or after 1 January 2014.

5. 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.
Details of these balances are as follows:

	30 June 2013	31 March 2013
Current		
Donor contribution funding for development research programs	35 258	22 335
Parliamentary appropriations – projects and programs	449	527
Total current	35 707	22 862
Non-current		
Donor contribution funding for development research programs	2 526	615
	38 233	23 477

6. Donor contributions

Donor contribution funding is directed toward development research programming and relates specifically to projects conducted or managed by the Centre on behalf of other organizations. A breakdown of the revenue recognition including administrative cost recovery for donor contributions is provided below:

	30 June 2013	31 June 2012
Foreign Affairs, Trade and Development*	5 674	4 034
Department for International Development (UK)	2 824	213
William and Flora Hewlett Foundation	1 229	689
Bill & Melinda Gates Foundation	771	664
Other donor agencies	338	828
Other Government of Canada entities	—	4
	10 836	6 432

* formerly The Canadian International Development Agency

7. Parliamentary appropriation

	30 June 2013	30 June 2012
Approved annual Parliamentary appropriation	225 390	241 646
Re-profiled, unused, and lapsed appropriations	—	(79 209)
Frozen allotment	(24 000)	(6 214)
Total appropriation available	201 390	156 223
Appropriation received as of June 30	40 717	39 555
Amortization of deferred Parliamentary appropriation – projects and programs	78	279
Parliamentary appropriation recognized in the statement of comprehensive income	40 795	39 834

8. Commitments

a. Program-related

The Centre is committed to making payments of up to $369.2 million (31 March 2013: $345.4 million) during the next five years, subject to funds being provided by Parliament or donors, and subject to compliance by recipients with the terms and conditions of grant agreements. Of this amount, $290.2 million (31 March 2013: $294.4 million) is expected to be funded from future Parliamentary appropriations and the balance of $79.0 million (31 March 2013: $51.0 million) by donor contribution agreements.

	30 June 2013	31 March 2013
Within one year	113 741	124 325
After one year, but not more than five	255 416	221 073
Total future payments	369 157	345 398

b. Operating leases

The Centre has entered into various contractual commitments for leases of office premises in Canada and abroad and for staff accommodation in various countries. The Centre is currently in negotiations for its Nairobi office accommodations. Once settled, operating lease commitments will be adjusted accordingly. The lease agreements expire at different dates up to 2022. Future payments related to these contractual commitments as at 30 June 2013 are as follows:

	30 June 2013	31 March 2013
Within one year	7 483	7 395
After one year, but not more than five	30 776	30 712
More than five years	36 119	38 116
Total future payments	74 378	76 223

9. Contingencies

Various claims have been asserted or instituted against the Centre. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. Based on the advice of legal counsel, management is of the opinion that these claims are unlikely to materialize.

10. Schedule of expenses

	30 June 2013	30 June 2012
Development research programming		
Contributions to research projects	27 462	26 598
Core salaries and benefits	6 766	7 298
In-house project salaries and benefits[a]	1 536	1 164
Travel	1 066	1 201
Accommodations	941	994
Professional services	622	838
Amortization and depreciation	263	267
In-house project expenses[a]	462	358
Other	528	723
	39 646	39 441

	30 June 2013	30 June 2012
Corporate and administrative services		
Salaries and benefits	3 359	3 564
Accommodations	610	724
Office supplies and expenses	293	262
Amortization and depreciation	159	148
Furniture, equipment, and maintenance	142	267
Professional services	97	162
Communication	73	106
Other	219	405
	4 952	5 638
Total expenses	44 598	45 079

[a] In-house projects include the Centre-administered portions of projects funded for a finite period of time, over and above ordinary operations. They represent total expenses of $1 998 (30 June 2012: $1 522).

11. Adjustment to program-related commitments

During the preparation of the 30 June 2013 financial statements, management discovered a problem in the calculation of the balance of program-related commitments reported in the notes of the financial statements for fiscal years 2012 and 2013. Program-related commitments funded by donor contributions were overstated with the inclusion of a closed project that had been completed by 31 March 2012. However, the balance of outstanding commitments was not reduced. The effects of the changes to the Centre's notes to the financial statements are summarized in the tables below:

Program-related commitments

	31 March 2013 as previously stated	Effect of change	31 March 2013 Restated
To be funded by Parliament	294 376	—	294 376
To be funded by donor contributions	67 299	(16 277)	51 022
Total	361 675	(16 277)	345 398
Within one year	130 510	(6 185)	124 325
After one year, but not more than five	231 165	(10 092)	221 073
Total future payments	361 675	(16 277)	345 398

	31 March 2012 as previously stated	Effect of change	31 March 2012 Restated
To be funded by Parliament	359 646	—	359 646
To be funded by donor contributions	94 327	(16 277)	78 050
Total	453 973	(16 277)	437 696
Within one year	154 563	—	154 563
After one year, but not more than five	299 410	(16 277)	283 133
Total future payments	453 973	(16 277)	437 696

12. Reclassification

To streamline and enhance reporting, two changes were made to the statement of comprehensive income. Donor contributions now include all funding for development research programs and the related recovery of administrative costs. Investment income and other income are now reported under "Investment and other income".

Previous presentation method

	30 June 2013	30 June 2012
Revenues		
Donor contributions		
Funding for development research programs	9 869	5 918
Recovery of administrative costs	967	514
Investment income	86	354
Other income	254	154
	11 176	6 940

Reclassified

	30 June 2013	30 June 2012
Revenues		
Donor contributions	10 836	6 432
Investment and other income	340	508
	11 176	6 940

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