

# DCAF - Geneva Centre for Security Sector Governance Geneva

Report of the statutory auditor  
to the Foundation Council

on the financial statements 2020



# Report of the statutory auditor

## to the Foundation Council of DCAF - Geneva Centre for Security Sector Governance

Geneva

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of DCAF - Geneva Centre for Security Sector Governance, which comprise the balance sheet, profit and loss statement, cash flow statement, statement of changes in organizational funds and notes, for the year ended 31 December 2020. As permitted by Swiss GAAP FER 21 the information in the performance report is not required to be subject to audit.

#### Foundation Council's responsibility

The Foundation Council is responsible for the preparation of the financial statements in accordance with the requirements of Swiss GAAP FER, Swiss law and the foundation's deed and internal regulations. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Council is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the foundation's deed and internal regulations.

### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 83b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Foundation Council.

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We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Marc Secretan  
Audit expert  
Auditor in charge

Alexandre Meugnot

Geneva, 4 May 2021

Enclosure:

- Signed financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in organizational funds and notes)

**Balance sheet as at 31 December 2020**

		<b>2020</b>	<b>2019</b>
		<b>CHF</b>	<b>CHF</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	18 130 963	15 973 492
Donor funding receivables	7	926 955	1 447 671
Other receivables	8	211 798	244 721
Other current assets	9	28 784	36 015
<b>TOTAL CURRENT ASSETS</b>		<b>19 298 500</b>	<b>17 701 899</b>
<b>NON-CURRENT ASSETS</b>			
Tangible and intangible fixed assets	10	302 970	261 498
<b>TOTAL NON-CURRENT ASSETS</b>		<b>302 970</b>	<b>261 498</b>
<b>TOTAL ASSETS</b>		<b>19 601 470</b>	<b>17 963 396</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Operating liabilities	11	1 484 530	824 288
Other current liabilities	12	1 679 225	1 192 197
Deferred income on donor funding	13	13 475 884	13 459 821
Provisions	14	894 426	811 000
<b>TOTAL CURRENT LIABILITIES</b>		<b>17 534 065</b>	<b>16 287 306</b>
<b>ORGANIZATIONAL FUNDS</b>			
Organization initial capital		50 000	50 000
<b>RESTRICTED FUNDS</b>			
Dedicated Stepping Forward fund	15	40 000	175 000
Dedicated Risk Management, Knowledge Generation, Information & Knowledge Sharing fund		600 166	75 000
Dedicated Foreign Exchange fund		-	35 000
<b>UNRESTRICTED FUNDS</b>			
Free funds		1 344 480	1 333 378
Cumulative Translation Adjustment	2f	(62 301)	(3 390)
Net surplus (deficit) for the year		95 060	11 102
<b>TOTAL ORGANIZATIONAL FUNDS</b>		<b>2 067 405</b>	<b>1 676 090</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>19 601 470</b>	<b>17 963 396</b>

**Profit and loss statement**  
**For the year ended 31 December 2020**

		<b>2020</b>	<b>2019</b>
		<b>CHF</b>	<b>CHF</b>
<b>INCOME</b>			
Income from public contributions	16.1, 16.2	29 375 021	31 429 741
Income from private contributions	16.2	299 905	622 175
Other income	16.2	26 690	1 093
<b>TOTAL INCOME</b>		<b>29 701 616</b>	<b>32 053 008</b>
<b>EXPENDITURE</b>			
Programme and project implementation	16.3, 16.4	(17 631 975)	(20 252 454)
Core mandate implementation	16.3, 16.4	(6 042 995)	(6 060 943)
<b>Mandate-related expenditure</b>		<b>(23 674 970)</b>	<b>(26 313 398)</b>
<b>Management and administration</b>	<b>16.3, 16.4</b>	<b>(5 329 084)</b>	<b>(4 970 098)</b>
<b>TOTAL OPERATING EXPENDITURE</b>		<b>(29 004 054)</b>	<b>(31 283 495)</b>
<b>RESULT OF OPERATING ACTIVITIES</b>		<b>697 562</b>	<b>769 512</b>
Net financial result	20	(66 974)	(369 123)
Non-operating result	21	(10 362)	(104 287)
<b>ANNUAL RESULT BEFORE CHANGE IN FUNDS</b>		<b>620 226</b>	<b>296 102</b>
Change in dedicated Stepping Forward fund	15	-	(175 000)
Change in dedicated Risk Management, Knowledge Generation, Information & Knowledge Sharing fund	15	(525 166)	(75 000)
Change in dedicated Foreign Exchange fund	15	-	(35 000)
<b>RESULT FOR THE FINANCIAL YEAR</b>		<b>95 060</b>	<b>11 102</b>

<b>Cash flow statement as at 31 December 2020</b>	<b>2020</b>	<b>2019</b>
	<b>CHF</b>	<b>CHF</b>
<b>RESULT BEFORE CHANGE IN FUND CAPITAL</b>	<b>620 226</b>	<b>296 102</b>
Depreciation and amortization	136 008	60 340
Provisions and valuation adjustments	83 426	532 500
Change in CTA	(58 911)	(42 241)
<b>RESULT FOR THE YEAR (BEFORE CHANGE IN WORKING CAPITAL)</b>	<b>780 749</b>	<b>846 701</b>
Change in donor funding receivables	520 716	681 807
Change in deferred income on donor funding	16 063	497 703
Change in other assets	40 154	234 225
Change in other liabilities	977 270	(688 294)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2 334 952</b>	<b>1 572 143</b>
Investment in building and fixtures	-	-
Acquisition of furniture and computer equipment	(170 273)	(76 240)
Investment in intangible assets	(7 207)	(116 389)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(177 480)</b>	<b>(192 628)</b>
FINANCING ACTIVITIES	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2 157 471</b>	<b>1 379 514</b>
Cash and cash equivalents, beginning of year	15 973 492	14 593 978
Effect of foreign currency conversions on cash and cash equivalents	-	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>18 130 963</b>	<b>15 973 492</b>

**Statement of changes in organizational funds**

	Stepping Forward Fund	Risk Management / Knowledge Generation / Information & Knowledge Sharing Fund	Foreign Exchange Fund	Total Restricted Funds	Organization Initial Capital	Free Funds	Cumulative Translation Adjustment	Net Surplus (Deficit)	Total Unrestricted Funds	Total Organizational Funds
<b>Reserves as of 31 December 2018</b>	-	-	-	-	50 000	1 314 642	38 851	18 736	1 372 229	1 422 229
<b>2019</b>										
Surplus (Deficit)	-	-	-	-	-	18 736		(18 736)	-	-
Annual result before change in funds								296 102	296 102	296 102
Allocation of Dedicated Funds	175 000	75 000	35 000	285 000				(285 000)	(285 000)	-
Use of Dedicated Funds										-
Change in Cumulative Translation Adjustment				-			(42 241)		(42 241)	(42 241)
<b>Reserves as of 31 December 2019</b>	<b>175 000</b>	<b>75 000</b>	<b>35 000</b>	<b>285 000</b>	<b>50 000</b>	<b>1 333 378</b>	<b>(3 390)</b>	<b>11 102</b>	<b>1 341 090</b>	<b>1 676 090</b>
<b>2020</b>										
Allocation of Prior Year's Surplus (Deficit)				-		11 102		(11 102)	-	-
Annual result before change in funds	-	-	-	-	-	-		620 226	620 226	620 226
Allocation of Dedicated Funds		525 166		525 166				(525 166)	(525 166)	-
Use of Dedicated Funds	-	-	-	-	-	-		-	-	-
Adjustment of Dedicated Funds	(135 000)	-	(35 000)	(170 000)	-	-		-	-	(170 000)
Change in Cumulative Translation Adjustment				-			(58 911)		(58 911)	(58 911)
<b>Reserves as of 31 December 2020</b>	<b>40 000</b>	<b>600 166</b>	<b>-</b>	<b>640 166</b>	<b>50 000</b>	<b>1 344 480</b>	<b>(62 301)</b>	<b>95 060</b>	<b>1 377 239</b>	<b>2 067 405</b>

## **Notes to the financial statements**

### **1. General information**

DCAF - Geneva Centre for Security Sector Governance is one of the world's leading institutions in security sector governance and reform. The Centre provides in-country advisory support and practical assistance programs, develops and promotes appropriate democratic norms at the international and national levels, advocates good practices and makes policy recommendations to ensure effective democratic governance of the security sector.

In 2019 the foundation's name was changed from the 'Geneva Centre for the Democratic Control of Armed Forces', to 'DCAF - Geneva Centre for Security Sector Governance'.

DCAF is a Geneva-based foundation with broad international support, established in 2000 on the initiative of the Swiss government. DCAF's Foundation Council brings together representatives of 60 states and the Canton of Geneva. Combining strong operational capabilities and field presence with the weight of a world-renowned think tank, DCAF has 210 staff, 13 field offices and has operated in more than 80 countries worldwide.

The principal accounting policies applied in the preparation of these financial statements are set out below.

### **2. Significant accounting policies**

#### **2a Presentation**

To conform to the presentation adopted in the current year, certain amounts from the prior year have been reclassified.

#### **2b Accounting conventions**

DCAF's financial statements have been prepared in accordance with the statutes of DCAF and the policies described in the notes that follow.

As recommended by the Swiss Federal Audit Office the accounting policies applied are in compliance with the entire Swiss GAAP FER (Swiss Accounting and Reporting Recommendations), revised in 2014.

Information required by Swiss GAAP FER on the performance of DCAF, and not disclosed in the financial report, is included in the annual report.

The financial statements have been prepared using the historical cost convention, and are presented in Swiss francs (CHF), being the currency of the primary economic environment in which DCAF operates. The income statement is presented using the classification of expenses by function. The statements are based on economic values and present a true and fair view of DCAF's assets, financial position and results of operations.



## 2c Valuation principles

Accounts receivable are amounts due from parties for services performed in the ordinary course of business and are stated at their nominal value. Fixed assets are stated at their historical cost, less accumulated depreciation. Current liabilities are stated at their nominal value. Accounts payable are classified as current liabilities if payment is due within one year or less; if not, they are presented as non-current liabilities.

DCAF is a member of a collective occupational pension that fully insures the risks with an insurance company. This pension scheme is financed by employer and employee contributions.

## 2d Scope of the financial statements

The scope of the financial statements of DCAF includes:

- The accounts of DCAF Geneva, a foundation governed by Swiss law
- The accounts of DCAF field offices located overseas, and under the control of DCAF Geneva
- From 2018, consolidation of the accounts of DCAF Ljubljana

DCAF Ljubljana, while controlled by DCAF Geneva, operates as an independent legal entity, under the jurisdiction of the European Union (EU). DCAF Ljubljana neither acts as a subsidiary of DCAF Geneva, nor subcontracts activities to DCAF Geneva. EU funds donated to DCAF Ljubljana are fully controlled and managed by DCAF Ljubljana.

## 2e Cash and cash equivalents

Cash and cash equivalents comprise bank balances including cash on hand and deposits held with banks, which are available on demand.

## 2f Foreign exchange

Monetary assets and liabilities denominated in currencies other than CHF, are converted to CHF using the exchange rate at the end of the year. The main year-end exchange rates are shown in the table below (equivalent in CHF for one currency unit).

	2020	2019
Euro	1.087	1.093
Norwegian Krone	0.104	0.092
Pound Sterling	1.216	1.289
United States Dollar	0.890	0.972

Foreign currency transactions are translated to CHF using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the year-end translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Translation of the assets and liabilities of DCAF Ljubljana from Euro, to the DCAF functional currency of CHF, result in a Cumulative Translation Adjustment (CTA) which is reflected under 'Organizational Capital and Funds' in the balance sheet.

## 2g Donor funding receivables

Donor funding receivables arise from contractual commitments signed with donors.

## 2h Fixed assets

The tangible and intangible assets held by DCAF are considered to be fixed assets when they:

- Are held to be used for the activity or for administrative purposes
- Are expected to be used over more than one year

As an exception to this principle, DCAF charges the full cost in the year of acquisition, of all tangible and intangible assets used on projects. This situation can be justified due to the difficulty in determining, in a reliable way, their useful life.

## 2i Depreciation and amortization

Depreciation and amortization are calculated on a straight-line basis over the expected useful life of the assets. All assets are assumed to have no residual value.

	Period
Computer equipment	3 to 5 years
Computer software & installations	3 to 5 years
Furniture & equipment	3 to 5 years
Other intangible assets	3 to 5 years

## 2j Deferred income on donor funding

Outstanding grant amounts at year-end, to be used in future years, are recognized under the section "Deferred income on donor funding", where there are contractual provisions stating that the asset may be returned to the donor.

## 2k Provisions

Provisions are recognized if an event in the past gives rise to a justified, likely obligation, which is of uncertain timing or amount, but which can be reliably estimated.

Provisions are measured on the basis of the estimated amount of money required to satisfy the obligation.

## 2l Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will transfer to DCAF and can be reliably estimated.

Income from donor funding contracts signed between donors and DCAF, is recognized in the year in which the financed expenditure is incurred.

## 2m Expenditure classification

**Mandate-related expenditure** comprises programme and project, and core mandate implementation expenditure.

- **Programme and project implementation** expenditure represents expenses directly associated with specific activities of DCAF either in the field, internationally, or at headquarters, funded through a specific programme or project grant. These expenses include local expenses as well as those incurred at headquarters in connection with a specific programme or project.
- **Core mandate implementation** expenditure represents expenses incurred for operational activities in pursuit of DCAF's mandate, including costs incurred by country and thematic divisions and departments to:
  - Lead and oversee the implementation of core-funded programmes and projects
  - Provide technical support, support for developing strategies, and monitor and evaluate projects.

This category of expenses includes activities which cannot typically be funded through dedicated programme or project grants, but which are nevertheless essential for the delivery of DCAF's mandate, such as lessons identification, knowledge management, and outreach.

**Management and administration** expenditure represents the management and running costs of the foundation, which have not been apportioned to a specific programme and project budget. This includes cost elements such as management and human resources support, corporate finance and accounting, facilities, safety and security, communications, and organizational development.

Within DCAF management and administration, management and corporate support services include the salaries of all members of the Director's Office, two members of DCAF's senior management team and the salaries of all members of DCAF's Resources Department.

## 2n Consolidation

As mentioned in Note 2d above, from 2018 these financial statements include the accounts of DCAF Ljubljana. Balances of DCAF Ljubljana have been consolidated using the acquisition method.

## **2o In-kind contributions**

In-kind contributions are not recorded in the financial statements but are disclosed in the notes to the financial statements for information purposes.

The in-kind contributions are listed based on the principle that the services rendered to DCAF must be free and excluding the involvement of a monetary transfer.

## **3. Tax exemption**

DCAF Geneva qualifies for exemption from local and federal income and capital taxes, according to Article 9.1 (f) of the law on taxation of legal persons (LIPM), as well as complete exemption from inheritance tax and registration duties.

The direct federal tax exemption was obtained in 2006 and renewed in 2016.

## **4. Performance report**

In accordance with Swiss GAAP FER 21, DCAF produces a separate performance report which is validated by the Bureau and approved by the Foundation Council.

## **5. Management of financial risks**

We draw your attention to the following items:

### **5a Foreign exchange risk**

DCAF Geneva is exposed to exchange rate fluctuations on the portion of its income and expenses denominated in foreign currencies. DCAF has no foreign exchange risk hedging policy and converts currencies as and when required.

### **5b Banking risk**

The majority of DCAF's bank accounts are with Credit Suisse in Switzerland, which has a low risk of default. In the countries in which it has local offices, DCAF works with several local banks. The policy is to limit the level to that required for running costs and operational needs.

### **5c Counterparty risk**

Counterparty risk is limited, as most third party receivables are due from governments or public bodies.

<b>6 Cash and cash equivalents</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Petty cash	33 130	32 914
Post Finance	-	5 773
Bank accounts	18 097 833	15 934 805
<b>Total cash and cash equivalents</b>	<b>18 130 963</b>	<b>15 973 492</b>

Bank account balances are significantly influenced by the timing of receipts from donors, therefore this note should be read in conjunction with Note 13 Deferred income on donor funding.

<b>7 Donor funding receivables</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
<b>Total donor funding receivables</b>	<b>926 955</b>	<b>1 447 671</b>

Per note 2g, donor funding receivables arise from contractual commitments signed with donors.

<b>8 Other receivables</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Accounts receivable	193 006	179 108
WMO rentals receivable	32 326	43 811
Allowance for doubtful WMO rentals receivable	(31 891)	-
Funds advanced	6 523	6 556
Bank guarantees	11 834	15 246
<b>Total receivables</b>	<b>211 798</b>	<b>244 721</b>

<b>9 Other current assets</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Prepaid expenses	28 784	36 015
<b>Total other current assets</b>	<b>28 784</b>	<b>36 015</b>

<b>10 Tangible and intangible fixed assets</b>	<b>Furniture &amp; equipment</b>	<b>Computer hardware</b>	<b>Computer software &amp; installations</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>Gross value as of 1.1.2020</b>	<b>7 263</b>	<b>129 063</b>	<b>90 310</b>	<b>123 250</b>	<b>349 885</b>
Disposals	(23)	-	(9 865)	-	(9 887)
Acquisitions	19 569	150 704	7 207	-	177 480
<b>Gross value as of 31.12.2020</b>	<b>26 809</b>	<b>280 262</b>	<b>87 652</b>	<b>123 250</b>	<b>517 973</b>
<b>Accumulated depreciation as of 1.1.2020</b>	<b>(4 062)</b>	<b>(36 475)</b>	<b>(31 417)</b>	<b>(16 433)</b>	<b>(88 387)</b>
Reversals	23	-	9 370	-	9 392
Depreciation	(5 847)	(76 616)	(28 895)	(24 650)	(136 008)
<b>Accumulated depreciation as of 31.12.2020</b>	<b>(10 382)</b>	<b>(113 091)</b>	<b>(50 447)</b>	<b>(41 083)</b>	<b>(215 003)</b>
<b>Net value as of 1.1.2020</b>	<b>3 200</b>	<b>92 588</b>	<b>58 893</b>	<b>106 817</b>	<b>261 498</b>
<b>Net value as of 31.12.2020</b>	<b>16 428</b>	<b>167 172</b>	<b>37 204</b>	<b>82 167</b>	<b>302 970</b>

<b>11 Operating liabilities</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Accounts payable	1 407 077	759 295
Accrued salaries	27 238	7 364
Staff expenses	50 215	57 629
<b>Total operating liabilities</b>	<b>1 484 530</b>	<b>824 288</b>

<b>12 Other current liabilities</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Pension fund Geneva	135 377	429 914
Other social charges Switzerland	439 281	166 491
Accrued annual leave and overtime	329 262	360 880
Short term accruals	228 498	136 381
Funds to be repaid to donors	491 903	66 008
Other	12 803	-
Pension fund Ramallah	42 101	32 524
<b>Total other current liabilities</b>	<b>1 679 225</b>	<b>1 192 197</b>

<b>13 Deferred income on donor funding</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
<b>Total deferred income on donor funding</b>	<b>13 475 884</b>	<b>13 459 821</b>

Per note 2j, deferred income represents outstanding grant amounts at year-end, to be used in future years; notes 16.1, 16.2.

<b>14 Provisions</b>	<b>Social Provisions</b>	<b>Legal Provisions</b>	<b>TV/VAT</b>	<b>Other</b>	<b>Total</b>
<b>Balance at 01.01.2019</b>	<b>81 000</b>	<b>197 500</b>	<b>-</b>	<b>-</b>	<b>278 500</b>
Creation	241 000	96 166	300 000	50 000	687 166
Use	(81 000)	(73 666)	-	-	(154 666)
Dissolution	-	-	-	-	-
<b>Balance at 31.12.2019</b>	<b>241 000</b>	<b>220 000</b>	<b>300 000</b>	<b>50 000</b>	<b>811 000</b>
Creation	141 960	119 218	-	5 466	266 644
Use	(32 000)	(51 218)	(50 000)	(50 000)	(183 218)
Dissolution	-	-	-	-	-
<b>Balance at 31.12.2020</b>	<b>350 960</b>	<b>288 000</b>	<b>250 000</b>	<b>5 466</b>	<b>894 426</b>

## **15 Dedicated Funds**

These funds are constituted through the appropriation of profits carried forward in order to cover a potential but specific future risk or a liability that DCAF may be required to pay. Regulation through the Allocation Committee has been established for these funds.

Dedicated Funds have been dedicated by the Allocation Committee, as not being available to meet current expenditure but rather to be maintained in the interest of the long-term financial stability of the foundation. Dedicated funds at December 31<sup>st</sup>, 2020 comprise:

- Stepping Forward project: Created to allow DCAF to attract and retain the best internal and external talent, by addressing anomalies within the gender balance and compensation and benefits offered to employees.
- Risk Management, Knowledge Generation and Information and Knowledge Sharing: This encompasses the previous 'IT/Sharepoint/Knowledge Management' dedicated fund, within a broader definition: Created to enable risk management, knowledge generation and improve information and knowledge sharing across the organization.
- Foreign Exchange: Created to absorb potential adverse foreign exchange variances, either on donor funds, or year-end revaluations of bank balances.



Consolidated financial statements of DCAF – Geneva Centre for Security Sector Governance  
Financial year ended 31 December 2020

16.1 Income - governments and member states

Switzerland	2020 CHF				2019 CHF			
	Def Income 2019-2020	Income Received - 2020	Def Income 2020-2021	Net 2020	Def Income 2018-2019	Income Received - 2019	Def Income 2019-2020	Net 2019
FDFA - Core funding	-	11 655 000	-	11 655 000	-	11 294 900	-	11 294 900
FDFA - Project funding	1 234 913	1 892 698	1 365 689	1 761 922	2 008 698	1 682 919	1 234 913	2 456 703
DDPS - Project funding	154 364	314 839	115 287	353 916	103 343	359 370	154 364	308 350
<b>Total Switzerland</b>	<b>1 389 276</b>	<b>13 862 537</b>	<b>1 480 976</b>	<b>13 770 838</b>	<b>2 112 041</b>	<b>13 337 188</b>	<b>1 389 276</b>	<b>14 059 953</b>
<b>Other Member States</b>								
	Def Income 2019-2020	Income Received - 2020	Def Income 2020-2021	Net 2020	Def Income 2018-2019	Income Received - 2019	Def Income 2019-2020	Net 2019
Albania	11 587	10 707	17 965	4 329	570	11 017	11 587	-
Australia	-	-	-	-	73 262	-	-	73 262
Austria	-	45 007	26 595	18 412	-	37 604	-	37 604
Bosnia and Herzegovina	-	14 970	2 145	12 824	-	-	-	-
Bulgaria	12 037	10 211	17 928	4 320	592	11 445	12 037	-
Canada	539 680	1 481 641	839 713	1 181 609	249 015	1 052 770	539 680	762 104
Denmark	968 131	501 421	758 040	711 512	-	1 023 540	968 131	55 409
Estonia	-	-	-	-	-	5 535	-	5 535
Finland	-	-	-	-	-	37 693	-	37 693
France	563 842	1 866	265 683	300 025	316 529	739 309	563 842	491 996
Germany	2 384 047	3 963 999	2 613 905	3 734 141	2 605 920	3 503 334	2 384 047	3 725 206
Hungary	12 037	10 740	18 354	4 423	592	11 445	12 037	-
Ireland	-	216 860	-	216 860	4 861	-	-	4 861
Liechtenstein	40 000	60 000	50 854	49 146	-	80 000	40 000	40 000
Luxembourg	388 228	650 190	633 923	404 495	43 648	344 580	388 228	-
Macedonia	12 025	10 700	18 312	4 413	591	11 434	12 025	-
Moldova	12 080	10 740	18 389	4 431	594	11 486	12 080	-
Montenegro	12 037	10 728	18 344	4 421	592	11 445	12 037	-
Netherlands	1 788 607	2 726 141	1 271 832	3 242 915	1 181 777	2 719 368	1 788 607	2 112 538
Norway	815 781	1 424 589	1 110 749	1 129 621	1 079 520	1 359 876	815 781	1 623 614
Poland	-	6 640	-	6 640	-	-	-	-
Romania	11 692	10 672	18 022	4 342	574	11 118	11 692	-
Serbia	12 080	10 710	18 365	4 426	594	11 486	12 080	-
Slovakia	-	16 119	-	16 119	24 169	76 907	-	101 076
Slovenia	-	-	-	-	2 611	-	-	2 611
Spain	-	413 946	-	413 946	6 011	-	-	6 011
Sweden	56 927	1 094 729	93 959	1 057 697	79 081	953 634	56 927	975 789
United Kingdom	507 947	1 154 134	32 295	1 629 785	262 938	2 143 992	507 947	1 898 983
US State Department	16 495	(16 495)	-	-	-	81 045	16 495	64 550
Zimbabwe	-	11 158	-	11 158	-	-	-	-
Transitory income b/fwd	-	-	-	-	110 233	-	-	110 233
ISSAT pool accruals	821 358	-	1 069 527	(248 170)	1 310 671	(7)	821 358	489 306
<b>Total Other Member States</b>	<b>8 986 616</b>	<b>13 852 122</b>	<b>8 914 898</b>	<b>13 923 840</b>	<b>7 354 943</b>	<b>14 250 054</b>	<b>8 986 616</b>	<b>12 618 381</b>
<b>Total Switzerland &amp; Other Member States</b>	<b>10 375 892</b>	<b>27 714 659</b>	<b>10 395 874</b>	<b>27 694 678</b>	<b>9 466 984</b>	<b>27 587 242</b>	<b>10 375 892</b>	<b>26 678 334</b>

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16.2 Total income	2020 CHF				2019 CHF			
<b>Total Income Switzerland &amp; Other Member States</b>	<b>10 375 892</b>	<b>27 714 659</b>	<b>10 395 874</b>	<b>27 694 678</b>	<b>9 466 984</b>	<b>27 587 242</b>	<b>10 375 892</b>	<b>26 678 334</b>
<b>Multilateral organizations</b>	Def Income 2019-2020	Income Received - 2020	Def Income 2020-2021	Net 2020	Def Income 2018-2019	Income Received - 2019	Def Income 2019-2020	Net 2019
EU European Union	1 263 337	1 393 355	1 496 530	1 160 163	1 946 015	2 093 668	1 263 337	2 776 346
FBA	6 996	-	3 292	3 704	6 996	-	6 996	-
NATO	-	-	-	-	-	11 579	-	11 579
OIF	-	-	-	-	19 246	10 084	-	29 329
OSCE	-	-	-	-	562	28 613	-	29 174
UN	119 908	125 339	9 029	236 218	68 338	245 096	119 908	193 526
<b>Total multilateral organizations</b>	<b>1 390 241</b>	<b>1 518 695</b>	<b>1 508 851</b>	<b>1 400 085</b>	<b>2 041 156</b>	<b>2 389 038</b>	<b>1 390 241</b>	<b>3 039 954</b>
Funding to DCAF Ljubljana	935 521	1 681	656 943	280 258	798 795	1 848 179	935 521	1 711 453
<b>Total income from public contributions</b>	<b>12 701 654</b>	<b>29 235 034</b>	<b>12 561 668</b>	<b>29 375 021</b>	<b>12 306 935</b>	<b>31 824 459</b>	<b>12 701 654</b>	<b>31 429 741</b>
<b>Private income</b>								
Open Society	754 260	455 954	910 309	299 905	655 183	721 251	754 260	622 175
<b>Total income from private contribution</b>	<b>754 260</b>	<b>455 954</b>	<b>910 309</b>	<b>299 905</b>	<b>655 183</b>	<b>721 251</b>	<b>754 260</b>	<b>622 175</b>
<b>Total public and private income</b>	<b>13 455 914</b>	<b>29 690 989</b>	<b>13 471 977</b>	<b>29 674 926</b>	<b>12 962 119</b>	<b>32 545 711</b>	<b>13 455 914</b>	<b>32 051 915</b>
<b>Other Income</b>								
Other	3 907	26 690	3 907	26 690	-	5 000	3 907	1 093
<b>Total other income</b>	<b>3 907</b>	<b>26 690</b>	<b>3 907</b>	<b>26 690</b>	<b>-</b>	<b>5 000</b>	<b>3 907</b>	<b>1 093</b>
<b>Total income</b>	<b>13 459 821</b>	<b>29 717 679</b>	<b>13 475 884</b>	<b>29 701 616</b>	<b>12 962 119</b>	<b>32 550 711</b>	<b>13 459 821</b>	<b>32 053 008</b>

**16.3 Operating expenses by entity / unit**

	2020 CHF				2019 CHF			
	Programme and project implementation	Core mandate implementation	Management and administration	Total	Programme and project implementation	Core mandate implementation	Management and administration	Total
Asia Pacific	534 249	256 531		790 780	1 160 069	255 306		1 415 374
Europe and Central Asia	2 457 048	1 635 287		4 092 334	4 017 566	1 579 509		5 597 075
Latin America and the Caribbean	1 357 043	156 933		1 513 976	926 403	154 680		1 081 084
Middle East and North Africa	4 494 935	1 256 990		5 751 925	4 746 757	1 470 039		6 216 796
Sub-Saharan Africa	3 170 743	633 304		3 804 048	2 622 637	675 589		3 298 226
Operations Department	176 222	-						
<b>Operations Department</b>	<b>12 190 240</b>	<b>3 939 045</b>	<b>-</b>	<b>16 129 284</b>	<b>13 473 431</b>	<b>4 135 123</b>	<b>-</b>	<b>17 608 554</b>
Gender and Security	920 287	564 293		1 484 581	1 215 366	567 573		1 782 939
Policy and Research	438 084	743 883		1 181 967	356 409	676 187		1 032 596
Business and Security	1 211 636	680 939		1 892 575	1 371 003	654 053		2 025 056
<b>Policy and Research Department</b>	<b>2 570 007</b>	<b>1 989 115</b>	<b>-</b>	<b>4 559 123</b>	<b>2 942 779</b>	<b>1 897 813</b>	<b>-</b>	<b>4 840 592</b>
<b>International Security Sector Advisory Team</b>	<b>2 331 108</b>	<b>114 835</b>	<b>-</b>	<b>2 445 943</b>	<b>3 137 361</b>	<b>28 007</b>	<b>-</b>	<b>3 165 368</b>
<b>European Union Project</b>	<b>540 620</b>	<b>-</b>		<b>540 620</b>	<b>698 884</b>			<b>698 884</b>
Governance and director's office			37 760	37 760			126 980	126 980
Management and corporate support services			2 974 923	2 974 923			2 087 360	2 087 360
Administration, maintenance and facilities management			2 316 401	2 316 401			2 755 758	2 755 758
<b>DCAF management and administration</b>	<b>-</b>	<b>-</b>	<b>5 329 084</b>	<b>5 329 084</b>	<b>-</b>	<b>-</b>	<b>4 970 098</b>	<b>4 970 098</b>
<b>Total operating expenditure</b>	<b>17 631 975</b>	<b>6 042 995</b>	<b>5 329 084</b>	<b>29 004 054</b>	<b>20 252 454</b>	<b>6 060 943</b>	<b>4 970 098</b>	<b>31 283 495</b>

**16.4 Operating expenses by nature**

	<b>2020</b>				<b>2019</b>			
	<b>CHF</b>				<b>CHF</b>			
	<b>Programme and project implementation</b>	<b>Core mandate implementation</b>	<b>Management and administration</b>	<b>Total</b>	<b>Programme and project implementation</b>	<b>Core mandate implementation</b>	<b>Management and administration</b>	<b>Total</b>
Personnel costs	8 545 788	5 459 368	3 505 191	17 510 348	8 083 725	5 285 662	2 801 163	16 170 550
Travel & transportation	1 319 625	54 612	21 643	1 395 880	3 928 936	297 232	98 819	4 324 987
Professional services	5 625 750	284 247	437 285	6 347 282	5 324 315	267 505	892 064	6 483 885
Communications	67 379	76 407	38 327	182 114	70 480	82 114	34 091	186 684
Facilities & office expenses	400 831	67 275	1 822 139	2 290 245	435 348	29 885	1 819 335	2 284 568
Other general expenses	588 927	101 086	452 138	1 142 151	1 250 652	98 545	422 250	1 771 448
Overheads	1 083 674	-	(1 083 647)	27	1 158 478	-	(1 157 445)	1 033
Depreciation & amortization	-	-	136 008	136 008	521	-	59 819	60 340
<b>Total operating expenditure</b>	<b>17 631 975</b>	<b>6 042 995</b>	<b>5 329 084</b>	<b>29 004 054</b>	<b>20 252 454</b>	<b>6 060 943</b>	<b>4 970 098</b>	<b>31 283 495</b>

## 17 In-kind contributions

The following in-kind contributions were provided to DCAF in 2020:

-The French government seconded the Senior Security Sector Advisor to the Director and directly covered his salary.

-The Austrian government seconded one member of staff to the PCC SEE Secretariat and directly covered his salary for a value of CHF 86,495.

-The French government seconded the Security Sector Advisor to the Sub-Saharan Africa Division and directly covered her salary.

-For DCAF's 20th anniversary, the city of Geneva displayed DCAF's banners on the "Pont du Mont-Blanc" bridge for free, for one week. The value of this gift is CHF 2,693

-The North Macedonian Parliament provided an office, including utilities for DCAF staff in the Parliament building.

-The support received for Information and Communication Technology (ICT) hosted by the GCSP, amounted to CHF 559,886. These costs were directly covered by the government of Switzerland.

## 18 Off balance sheet commitments

Payments to be made within one year:

Payments to be made after one year:

	2020 CHF	2019 CHF
	1 813 291	1 730 630
	7 800 663	9 209 962
	<b>9 613 954</b>	<b>10 940 592</b>

## 19 Bank guarantees

Bank guarantee for (EU project (EUR))

	2020 CHF	2019 CHF
	<b>578 832</b>	<b>581 814</b>

This represents a donor-specified bank guarantee.

<b>20 Net financial result</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Financial revenue	-	38
Financial expense	(46 490)	(26 983)
<b>Financial result sub-total</b>	<b>(46 490)</b>	<b>(26 946)</b>
Exchange rate gain (loss)	(20 484)	(342 178)
<b>Total</b>	<b>(66 974)</b>	<b>(369 123)</b>

<b>21 Non-operating result</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
ATT / WMO income	290 790	1 045 081
ATT / WMO expense	(301 152)	(1 149 368)
<b>Non-operating result</b>	<b>(10 362)</b>	<b>(104 287)</b>

WMO represents activity related to the sub-letting of one floor of the World Meteorological Organization building. On September 6th, 2019, WMO notified DCAF of its intention to terminate its lease with DCAF, effective March 13th, 2020, from which date DCAF's involvement ceased.

ATT represents activities performed for the Arms Trade Treaty Secretariat and includes support in the areas of finance, human resources and administration.

<b>22 Auditors fees</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Audit of the statutory accounts	33 751	48 544
Other audits and services	126 226	46 604
<b>Total</b>	<b>159 977</b>	<b>95 148</b>

<b>23 Remuneration of the President</b>	<b>2020 CHF</b>	<b>2019 CHF</b>
Indemnities paid to the Foundation Council President	<b>2 000</b>	<b>9 427</b>

Per Swiss GAAP RPC 21, as only one individual is entrusted with management of the foundation, the requirement to disclose this information is waived.

## **24 Subsequent events**

There have been no significant events impacting the 2020 annual accounts between the balance sheet date and the date of signing the financial statements.