

# DCAF - Geneva Centre for Security Sector Governance

Geneva

Report of the statutory auditor to the Foundation  
Council on the financial statements 2019

# 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 capital and fund and notes, for the year ended 31 December 2019. 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 2019 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.

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

PricewaterhouseCoopers SA

Marc Secretan  
Audit expert  
Auditor in charge

Alexandre Meugnot

Geneva, 13 May 2020

Enclosure:

Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in capital and funds and notes)

**Balance sheet as at 31 December 2019**

		<b>2019</b>	<b>2018</b>
		<b>CHF</b>	<b>CHF</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	15 973 492	14 593 978
Donor funding receivables	7	1 447 671	2 129 478
Other receivables	8	244 721	231 717
Other current assets	9	36 015	283 244
<b>TOTAL CURRENT ASSETS</b>		<b>17 701 899</b>	<b>17 238 417</b>
<b>NON-CURRENT ASSETS</b>			
Tangible and intangible fixed assets	10	261 498	129 210
<b>TOTAL NON-CURRENT ASSETS</b>		<b>261 498</b>	<b>129 210</b>
<b>TOTAL ASSETS</b>		<b>17 963 396</b>	<b>17 367 626</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Operating liabilities	11	824 288	1 283 487
Other current liabilities	12	1 192 197	1 421 292
Deferred income on donor funding	13	13 459 821	12 962 118
Provisions	14	811 000	278 500
<b>TOTAL CURRENT LIABILITIES</b>		<b>16 287 306</b>	<b>15 945 398</b>
<b>ORGANIZATIONAL CAPITAL AND FUNDS</b>			
Organizational capital		50 000	50 000
<b>UNRESTRICTED FUNDS</b>			
Free funds	15	1 333 378	1 314 642
Dedicated Stepping Forward fund		175 000	-
Dedicated IT/Sharepoint/Knowledge Management fund		75 000	-
Dedicated Foreign Exchange fund		35 000	-
Cumulative Translation Adjustment	2f	(3 390)	38 851
Net surplus (deficit) for the year		11 102	18 736
<b>TOTAL UNRESTRICTED FUNDS</b>		<b>1 626 090</b>	<b>1 372 229</b>
<b>TOTAL ORGANIZATIONAL CAPITAL AND FUNDS</b>		<b>1 676 090</b>	<b>1 422 229</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>17 963 396</b>	<b>17 367 626</b>

**Profit and loss statement**

**For the year ended 31 December 2019**

		<b>2019 CHF</b>	<b>2018 CHF</b>
<b>INCOME</b>			
Income from public contributions	16.1, 16.2	31 429 741	25 824 575
Income from private contributions	16.2	622 175	713 386
Other income	16.2	1 093	16 540
<b>TOTAL INCOME</b>		<b>32 053 008</b>	<b>26 554 502</b>
<b>EXPENDITURE</b>			
Programme and project implementation	16.3, 16.4	(20 252 454)	(14 504 172)
Core mandate implementation	16.3, 16.4	(6 060 943)	(7 067 320)
<b>Mandate-related expenditure</b>		<b>(26 313 397)</b>	<b>(21 571 492)</b>
<b>Management and administration</b>	<b>16.3, 16.4</b>	<b>(4 970 098)</b>	<b>(4 668 870)</b>
<b>TOTAL OPERATING EXPENDITURE</b>		<b>(31 283 495)</b>	<b>(26 240 362)</b>
<b>RESULT OF OPERATING ACTIVITIES</b>		<b>769 512</b>	<b>314 139</b>
Net financial result	19	(369 123)	(217 704)
Non-operating result	20	(104 287)	(77 699)
<b>INTERMEDIATE RESULT</b>		<b>296 102</b>	<b>18 736</b>
Change in restricted funds		-	-
<b>ANNUAL RESULT BEFORE CHANGE IN UNRESTRICTED FUNDS</b>		<b>296 102</b>	<b>18 736</b>
Change in dedicated Stepping Forward fund	15	(175 000)	-
Change in dedicated IT/Sharepoint/Knowledge Management fund	15	(75 000)	-
Change in dedicated Foreign Exchange fund	15	(35 000)	-
<b>RESULT FOR THE FINANCIAL YEAR</b>		<b>11 102</b>	<b>18 736</b>

<b>Cash flow statement as at 31 December 2019</b>	<b>2019 CHF</b>	<b>2018 CHF</b>
<b>RESULT BEFORE CHANGE IN FUND CAPITAL</b>	<b>296 102</b>	<b>18 736</b>
Depreciation and amortization	60 340	14 307
Provisions and valuation adjustments	532 500	278 500
Change in CTA	(42 241)	(39 952)
<b>RESULT FOR THE YEAR (BEFORE CHANGE IN WORKING CAPITAL)</b>	<b>846 701</b>	<b>271 591</b>
Change in donor funding receivables	681 807	145 646
Change in deferred income on donor funding	497 703	3 202 602
Change in other assets	234 225	(201 515)
Change in other liabilities	(688 294)	1 040 705
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1 572 143</b>	<b>4 459 029</b>
Investment in building and fixtures	-	-
Acquisition of furniture and computer equipment	(76 240)	(44 720)
Investment in intangible assets	(116 389)	(97 171)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(192 628)</b>	<b>(141 891)</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>1 379 514</b>	<b>4 317 138</b>
Cash and cash equivalents, beginning of year	14 593 978	10 276 841
Effect of foreign currency conversions on cash and cash equivalents		
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>15 973 492</b>	<b>14 593 978</b>

## Statement of changes in capital and funds

	Initial Funds	Free Funds	Stepping Forward Fund	IT / Sharepoint / Knowledge Management Fund	Foreign Exchange Fund	Surplus (Deficit)	Cumulative Translation Adjustment	Total Funds
<b>Reserves as of 31 December 2017</b>	<b>50 000</b>	<b>1 305 723</b>				<b>8 919</b>	<b>78 803</b>	<b>1 443 445</b>
<b>2018</b>								
Surplus (Deficit)	-				-	18 736		18 736
Change in Cumulative Translation Adjustment			-				(39 952)	(39 952)
<b>Reserves as of 31 December 2018</b>	<b>50 000</b>	<b>1 314 642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18 736</b>	<b>38 851</b>	<b>1 422 229</b>
<b>2019</b>								
Allocation of Prior Year's Surplus (Deficit)		18 736				(18 736)		-
Intermediate result						296 102		296 102
Allocation of Dedicated Funds			175 000	75 000	35 000	(285 000)		-
Use of Dedicated Funds	-	-	-	-	-	-		-
Change in Cumulative Translation Adjustment							(42 241)	(42 241)
<b>Reserves as of 31 December 2019</b>	<b>50 000</b>	<b>1 333 378</b>	<b>175 000</b>	<b>75 000</b>	<b>35 000</b>	<b>11 102</b>	<b>(3 390)</b>	<b>1 676 090</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 63 states and the Canton of Geneva. Combining strong operational capabilities and field presence with the weight of a world-renowned think tank, DCAF has 203 staff, 12 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 note 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).

	2019	2018
Euro	1.093	1.134
Norwegian Krone	0.092	0.113
Pound Sterling	1.289	1.270
United States Dollar	0.972	0.992

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.

### **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.

## 6 Cash and cash equivalents

	2019 CHF	2018 CHF
Petty cash	32 914	12 652
Post Finance	5 773	-
Bank accounts	15 934 805	14 581 326
<b>Total cash and cash equivalents</b>	<b>15 973 492</b>	<b>14 593 978</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.

## 7 Donor funding receivables

	2019 CHF	2018 CHF
<b>Total donor funding receivables</b>	<b>1 447 671</b>	<b>2 129 478</b>

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

## 8 Other receivables

	2019 CHF	2018 CHF
Accounts receivable	179 108	143 821
WMO rentals receivable	43 811	20 980
Funds advanced	6 556	14 101
Salary advances	-	49 734
Bank guarantees	15 246	3 082
<b>Total receivables</b>	<b>244 721</b>	<b>231 717</b>

## 9 Other current assets

	2019 CHF	2018 CHF
Prepaid expenses	36 015	259 046
Staff expenses	-	24 198
<b>Total other current assets</b>	<b>36 015</b>	<b>283 244</b>

10 Tangible and intangible fixed assets		Furniture & equipment	Computer hardware	Computer software & installations	Other intangible assets	Total
<b>Gross value, as of 1.1.2019</b>		-	60 086	28 921	68 250	157 257
Disposals						-
Acquisitions		7 263	68 977	61 389	55 000	192 628
<b>Gross value, as of 31.12.2019</b>		7 263	129 063	90 310	123 250	349 885
<b>Accumulated depreciation, as of 1.1.2019</b>			(22 698)	(5 349)	-	(28 047)
Reversals						-
Depreciation		(4 062)	(13 777)	(26 068)	(16 433)	(60 340)
<b>Accumulated depreciation, as of 31.12.2019</b>		(4 062)	(36 475)	(31 417)	(16 433)	(88 387)
<b>Net value, as of 1.1.2019</b>		-	37 388	23 572	68 250	129 210
<b>Net value, as of 31.12.2019</b>		3 200	92 588	58 893	106 817	261 498

## 11 Operating liabilities

	2019 CHF	2018 CHF
Accounts payable	759 295	1 177 295
Accrued salaries	7 364	106 192
Staff expenses	57 629	-
<b>Total operating liabilities</b>	<b>824 288</b>	<b>1 283 487</b>

## 12 Other current liabilities

	2019 CHF	2018 CHF
Pension fund Geneva	429 914	402 114
Other social charges Switzerland	166 491	342 942
Accrued annual leave and overtime	360 880	497 988
Short term accruals	136 381	98 295
Funds to be repaid to donors	66 008	40 826
Other	-	34 350
Pension fund Ramallah	32 524	4 778
<b>Total other current liabilities</b>	<b>1 192 197</b>	<b>1 421 292</b>

## 13 Deferred income on donor funding

	2019 CHF	2018 CHF
<b>Total deferred income on donor funding</b>	<b>13 459 821</b>	<b>12 962 118</b>

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

## 14 Provisions

	Social Provisions	Legal Provisions	TVA/VAT	Other	Total
<b>Balance at 01.01.2018</b>	-	-	-	-	-
Creation	81 000	197 500	-	-	278 500
Use	-	-	-	-	-
Dissolution	-	-	-	-	-
<b>Balance at 31.12.2018</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>

## **15 Dedicated Funds**

It is proposed that these funds are constituted through the appropriation of the 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 are not subject to externally imposed restrictions but 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>, 2019 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.
- IT/Sharepoint/Knowledge Management: Created to 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 2019

**16.1 Income - governments and member states**

	2019 CHF				2018 CHF			
	Def income 2018-2019	Income received - 2019	Def income 2019-2020	Net 2019	Def income 2017-2018	Income received - 2018	Def income 2018-2019	Net 2018
<b>Switzerland</b>								
FDFA - Core funding	-	11 294 900	-	11 294 900	-	11 167 783	-	11 167 783
FDFA - Project funding (II)	2 008 698	1 682 919	1 234 913	2 456 704	1 600 877	2 537 801	2 008 698	2 129 979
DDPS - Project funding	103 343	359 370	154 364	308 349	151 364.57	344 834	103 343	392 856
<b>Total Switzerland</b>	<b>2 112 041</b>	<b>13 337 188</b>	<b>1 389 276</b>	<b>14 059 953</b>	<b>1 752 242</b>	<b>14 050 418</b>	<b>2 112 041</b>	<b>13 690 618</b>
<b>Other Member States</b>								
Albania	570	11 017	11 587	-	11 669	-	570	11 100
Australia	73 262	-	-	73 262	-	73 262	-	-
Austria	-	37 604	-	37 604	25 576	72 843	-	98 419
Bosnia and Herzegovina	-	-	-	-	10 991	-	-	10 991
Bulgaria	592	11 445	12 037	-	9 155	11 855	592	20 419
Canada	249 015	1 052 770	539 680	762 104	-	292 850	249 015	43 835
Denmark	-	1 023 540	968 131	55 409	-	-	-	-
Estonia	-	5 535	-	5 535	-	-	-	-
Finland	-	37 693	-	37 693	-	-	-	-
France	316 529	739 309	563 842	491 996	165 149	31 748	-	31 748
Germany	2 605 920	3 503 334	2 384 047	3 725 206	2 088 673	3 288 347	2 605 920	2 771 100
Hungary	592	11 445	12 037	-	10 943	11 855	592	22 206
Ireland	4 861	-	-	4 861	-	288 818	4 861	283 957
Latvia	-	-	-	-	14 864	23 362	-	38 226
Liechtenstein	-	80 000	40 000	40 000	20 000	40 000	-	60 000
Luxembourg	43 648	344 580	388 228	-	396 227	-	43 648	352 579
Macedonia	591	11 434	12 025	-	-	11 843	591	11 252
Moldova	594	11 486	12 080	-	10 943	12 047	594	22 396
Montenegro	592	11 445	12 037	-	10 943	12 047	592	22 398
Netherlands	1 181 777	2 719 368	1 788 607	2 112 538	759 209	2 106 401	1 181 777	1 683 833
Norway	1 079 520	1 359 876	815 781	1 623 614	118 394	1 457 484	1 079 520	496 358
Romania	574	11 118	11 692	-	11 633	11 593	574	22 652
Serbia	594	11 486	12 080	-	21 605	11 593	594	32 604
Slovakia	24 169	76 907	-	101 076	33 285	144 860	24 169	153 975
Slovenia	2 611	-	-	2 611	2 611	-	2 611	-
Spain	6 011	-	-	6 011	646	100 445	6 011	95 080
Sweden	79 081	953 634	56 927	975 789	-	1 006 599	79 081	927 518
United Kingdom	262 938	2 143 992	507 947	1 898 983	532 228	553 173	262 938	822 464
US State Department	-	81 045	16 495	64 550	-	-	-	-
Transitory income b/fwd ISSAT pool accruals	110 233 1 310 671	- (7)	- 821 358	110 233 489 306	4 765 1 317 941	- -	110 233 1 310 671	(105 468) 7 270
<b>Total Other Member States</b>	<b>7 354 943</b>	<b>14 250 054</b>	<b>8 986 616</b>	<b>12 618 381</b>	<b>5 577 451</b>	<b>10 251 754</b>	<b>7 354 943</b>	<b>8 474 261</b>
<b>Total Switzerland &amp; Other Member States</b>	<b>9 466 984</b>	<b>27 587 242</b>	<b>10 375 892</b>	<b>26 678 334</b>	<b>7 329 692</b>	<b>24 302 172</b>	<b>9 466 984</b>	<b>22 164 879</b>

## 16.2 Total income

	2019 CHF			2018 CHF		
<b>Total Income Switzerland &amp; Other Member States</b>	<b>9 466 984</b>	<b>27 587 242</b>	<b>10 375 892</b>	<b>24 302 172</b>	<b>9 466 984</b>	<b>22 164 879</b>
<b>Multilateral organizations</b>						
EU European Union	1 946 015	2 093 668	1 263 337	3 726 441	1 946 015	2 436 229
FBA	6 996	-	6 996	5 462	6 996	5 462
GCSP	-	-	-	5 944	-	5 944
NATO	-	11 579	-	72 008	-	72 008
OIF	19 246	10 084	-	31 440	19 246	12 194
OSCE	562	28 613	-	6 054	562	5 493
UN	68 338	245 096	119 908	181 613	68 338	122 393
<b>Total multilateral organizations</b>	<b>2 041 156</b>	<b>2 389 038</b>	<b>1 390 241</b>	<b>4 028 962</b>	<b>2 041 156</b>	<b>2 659 722</b>
Funding to DCAF Ljubljana	798 795	1 848 179	935 521	422 280	798 795	999 973
<b>Total income from public contributions</b>	<b>12 306 935</b>	<b>31 824 459</b>	<b>12 701 654</b>	<b>28 753 414</b>	<b>12 306 935</b>	<b>25 824 575</b>
<b>Private income</b>						
Open Society	655 183	721 251	754 260	987 151	655 183	713 386
<b>Total income from private contribution</b>	<b>655 183</b>	<b>721 251</b>	<b>754 260</b>	<b>987 151</b>	<b>655 183</b>	<b>713 386</b>
<b>Total public and private income</b>	<b>12 962 118</b>	<b>32 545 711</b>	<b>13 455 914</b>	<b>29 740 565</b>	<b>12 962 118</b>	<b>26 537 961</b>
<b>Other Income</b>						
Other	-	5 000	3 907	16 540	-	16 540
<b>Total other income</b>	<b>-</b>	<b>5 000</b>	<b>3 907</b>	<b>16 540</b>	<b>-</b>	<b>16 540</b>
<b>Total income</b>	<b>12 962 118</b>	<b>32 550 711</b>	<b>13 459 821</b>	<b>29 757 105</b>	<b>12 962 118</b>	<b>26 554 502</b>

**16.3 Operating expenses by division / unit**

16.3 Operating expenses by division / unit	2019 CHF				2018 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	1 160 069	255 306		1 415 374	626 257	228 132		854 389
Europe and Central Asia	4 017 565	1 579 509		5 597 075	2 449 421	2 352 256		4 801 677
Latin America and the Caribbean	926 403	154 680		1 081 084	411 438	68 218		479 656
Middle East and North Africa	4 746 757	1 470 039		6 216 796	3 294 693	1 560 659		4 855 352
Sub-Saharan Africa	2 622 637	675 589		3 298 226	1 852 213	400 428		2 252 641
Operations Department	13 473 431	4 135 123	-	17 608 554	8 634 023	4 609 692	-	13 243 715
Gender and Security	1 215 366	567 573		1 782 939	318 750	750 244		1 068 993
Policy and Research	356 409	676 187		1 032 596	420 467	905 829		1 326 296
Business and Security	1 371 003	654 053		2 025 056	923 128	782 616		1 705 744
Policy and Research Department	2 942 779	1 897 813	-	4 840 592	1 662 344	2 438 689	-	4 101 033
International Security Sector Advisory Team	3 137 361	28 007	-	3 165 368	3 889 322	18 939	-	3 908 262
European Union Project	698 884			698 884	318 482			318 482
Governance and director's office			126 980	126 980			174 439	174 439
Management and corporate support services			2 087 360	2 087 360			1 892 645	1 892 645
Administration, maintenance and facilities management			2 755 758	2 755 758			2 601 786	2 601 786
DCAF management and administration	-	-	4 970 098	4 970 098	-	-	4 668 870	4 668 870
Total operating expenditure	20 252 454	6 060 943	4 970 098	31 283 495	14 504 172	7 067 320	4 668 870	26 240 362

#### 16.4 Operating expenses by nature

	2019 CHF				2018 CHF			
	Programme and project implementation	Core mandate implementation	Management and administration	Total	Programme and project implementation	Core mandate implementation	Management and administration	Total
Personnel costs	8 083 725	5 285 662	2 801 163	16 170 550	6 668 137	6 149 271	2 763 376	15 580 783
Travel & transportation	3 928 936	297 232	98 819	4 324 987	2 659 732	284 180	101 504	3 045 416
Professional services	5 324 315	267 505	892 064	6 483 885	3 964 841	365 872	525 189	4 855 902
Communications	70 480	82 114	34 091	186 684	71 222	88 874	40 788	200 884
Facilities & office expenses	435 348	29 885	1 819 335	2 284 568	283 552	87 791	1 689 601	2 060 944
Other general expenses	1 250 652	98 545	422 250	1 771 448	101 304	91 332	289 489	482 125
Overheads	1 158 478	-	(1 157 445)	1 033	754 844	-	(754 844)	-
Depreciation & amortization	521	-	59 819	60 340	540	-	13 767	14 307
<b>Total operating expenditure</b>	<b>20 252 454</b>	<b>6 060 943</b>	<b>4 970 098</b>	<b>31 283 495</b>	<b>14 504 172</b>	<b>7 067 320</b>	<b>4 668 870</b>	<b>26 240 362</b>

## 17 Off balance sheet commitments

	2019 CHF	2018 CHF
Payments to be made within one year:	1 730 630	2 206 073
Payments to be made after one year:	9 209 962	9 817 411
	<b>10 940 592</b>	<b>12 023 484</b>

## 18 Bank guarantees

	2019 CHF	2018 CHF
Bank guarantee for (EU project (EUR))	<b>581 814</b>	<b>603 964</b>

This represents a donor-specified bank guarantee.

## 19 Net financial result

	2019 CHF	2018 CHF
Financial revenue	38	37
Financial expense	(26 983)	(25 959)
<b>Financial result sub-total</b>	<b>(26 946)</b>	<b>(25 922)</b>
Exchange rate gain (loss)	(342 178)	(191 782)
<b>Total</b>	<b>(369 123)</b>	<b>(217 704)</b>

## 20 Non-operating result

	2019 CHF	2018 CHF
ATT / WMO income	1 045 081	1 049 464
ATT / WMO expense	(1 149 368)	(1 127 163)
<b>Non-operating result</b>	<b>(104 287)</b>	<b>(77 699)</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.

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

## 21 Auditors fees

	2019 CHF	2018 CHF
Audit of the statutory accounts	48 544	22 930
Other audits and services	46 604	43 657
<b>Total</b>	<b>95 148</b>	<b>66 587</b>

## 22 Remuneration of the President

	2019 CHF	2018 CHF
Indemnities paid to the Foundation Council President	9 427	5 585

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

## 23 Subsequent events

There have been no significant events impacting the 2019 annual accounts between the balance sheet date and the date of signing the financial statements.

In January 2020, the coronavirus outbreak occurred in China and has since spread to Europe and other regions. This is impacting the foundation's operations to a certain extent. The actual impact will depend on the situation and duration of the coronavirus outbreak, which is difficult to quantify at this time. Nevertheless, the Foundation Council believes that there is no material uncertainty that may cast significant doubt upon the foundation's ability to continue as a going concern.