KPMG

DCAF - the Geneva Centre for Security Sector Governance, Geneva

Report of the Statutory Auditor
on the Financial Statements
to the Foundation Council

Financial Statements 2021

KPMG SA

Geneva, 15 June 2022

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Report of the Statutory Auditor to the Foundation Council of
DCAF - the Geneva Centre for Security Sector Governance, Geneva

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of DCAF - the Geneva Centre for Security Sector Governance, which comprise the balance sheet, profit and loss statement, cash flow statement, statement of changes in restricted and organizational funds and notes for the year ended 31 December 2021. 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 law and Swiss GAAP RPC 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 the 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 2021 comply with Swiss law and Swiss GAAP RPC and give a true and fair view of the financial positions, the results of operations and the cash flows in accordance with Swiss GAAP RPC.

Other Matter
The financial statements of DCAF - the Geneva Centre for Security Sector Governance for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 4 May 2021.

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 728 CO) and that there are no circumstances incompatible with our independence.

In accordance 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.

KPMG SA

Pierre-Henri Pingeon
Licensed Audit Expert
Auditor in Charge

Steven Gras

Geneva, 15 June 2022

Enclosure:
- Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in restricted and organizational funds and notes)

Balance sheet as at 31 December 2021

	Note	2021 CHF	2020 CHF
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	14 527 835	18 130 963
Donor funding receivables	7	1 276 815	926 955
Other receivables	8	1 351 516	199 964
Other current assets	9	69 930	40 618
TOTAL CURRENT ASSETS		**17 226 096**	**19 298 500**
NON-CURRENT ASSETS			
Tangible and intangible fixed assets	10	279 447	302 970
TOTAL NON-CURRENT ASSETS		**279 447**	**302 970**
TOTAL ASSETS		**17 505 543**	**19 601 470**
LIABILITIES			
CURRENT LIABILITIES			
Operating liabilities	11	1 326 362	1 484 530
Other current liabilities	12	1 485 311	1 679 225
Provisions	13	715 561	894 426
Deferred income on donor funding	14	11 563 595	13 475 884
TOTAL CURRENT LIABILITIES		**15 090 829**	**17 534 065**
RESTRICTED AND ORGANIZATIONAL FUNDS			
RESTRICTED FUNDS			
Restricted funds		-	-
TOTAL RESTRICTED FUNDS		**-**	**-**
ORGANIZATIONAL FUNDS			
Organization initial capital		50 000	50 000
Dedicated funds	16	889 813	640 166
Free funds		1 450 037	1 439 540
Cumulative translation adjustment		24 864	(62 301)
TOTAL ORGANIZATIONAL FUNDS		**2 414 714**	**2 067 405**
TOTAL RESTRICTED AND ORGANIZATIONAL FUNDS		**2 414 714**	**2 067 405**
TOTAL LIABILITIES AND FUNDS		**17 505 543**	**19 601 470**

Profit and loss statement
For the year ended 31 December 2021

		2021	2020
INCOME		**CHF**	**CHF**
Income from public contributions	17.1, 17.2	31 086 256	29 375 021
Income from private contributions	17.2	428 014	299 905
Other income	17.2	119 941	26 690
TOTAL INCOME		**31 634 211**	**29 701 616**
Of which restricted		*17 702 805*	*16 240 364*
EXPENDITURE			
Programme and project implementation	17.3, 17.4	(19 399 896)	(17 631 975)
Core mandate implementation	17.3, 17.4	(5 917 399)	(6 042 995)
Mandate-related expenditure		**(25 317 295)**	**(23 674 970)**
Management and administration	**17.3, 17.4**	**(5 728 006)**	**(5 329 084)**
TOTAL OPERATING EXPENDITURE		**(31 045 301)**	**(29 004 054)**
RESULT OF OPERATING ACTIVITIES		**588 910**	**697 562**
Net financial result	21	(328 766)	(66 974)
ORDINARY RESULT		**260 144**	**630 588**
Non-operating result	22	-	(10 362)
ANNUAL RESULT BEFORE CHANGE IN RESTRICTED AND ORGANIZATIONAL FUNDS		**260 144**	**620 226**
Change in Restricted funds		-	-
ANNUAL RESULT BEFORE CHANGE IN ORGANIZATIONAL FUNDS		**260 144**	**620 226**
Change in Dedicated funds	16	(249 647)	(525 166)
Allocation to Free funds		(10 497)	(95 060)
ANNUAL RESULT AFTER CHANGE IN FUNDS		**-**	**-**

Cash flow statement as at 31 December 2021	**2021 CHF**	**2020 CHF**
RESULT BEFORE CHANGE IN RESTRICTED AND ORGANIZATIONAL FUNDS	**260 144**	**620 226**
Depreciation and amortization	150 967	136 008
Provisions and valuation adjustments	(178 865)	83 426
Change in CTA	87 165	(58 911)
Change in donor funding receivables	(349 860)	520 716
Change in deferred income on donor funding	(1 912 290)	16 063
Change in other assets	(1 180 865)	40 154
Change in other liabilities	(352 081)	977 270
CASH FLOW FROM OPERATING ACTIVITIES	**(3 475 685)**	**2 334 952**
Acquisition of furniture and computer equipment	(127 443)	(170 273)
Investment in intangible assets	-	(7 207)
CASH FLOW FROM INVESTING ACTIVITIES	**(127 443)**	**(177 480)**
FINANCING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES	**-**	**-**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3 603 128)**	**2 157 471**
Cash and cash equivalents, beginning of year	18 130 963	15 973 492
CASH AND CASH EQUIVALENTS, END OF YEAR	**14 527 835**	**18 130 963**

Statement of changes in restricted and organizational funds

	Restricted Funds	Organization Initial Capital	Stepping Forward Fund	Risk Management / Knowledge Generation / Information & Knowledge Sharing Fund	Foreign Exchange Fund	Total Dedicated Funds	Free Funds	Net Surplus (Deficit)	Total Free Funds	Cumulative Translation Adjustment	Total Restricted and Organizational Funds
Reserves as of 31 December 2019	**-**	**50 000**	**175 000**	**75 000**	**35 000**	**285 000**	**1 333 378**	**11 102**	**1 344 480**	**(3 390)**	**1 676 090**
2020											
Surplus (Deficit)						-	11 102	(11 102)	-		-
Annual result before change in funds		-	-	-	-	-	-	620 226	620 226		620 226
Allocation of Funds	16 240 364			525 166		525 166		(525 166)	(525 166)		16 240 364
Use of Funds	(16 240 364)	-	-	-	-		-	-			(16 240 364)
Adjustment of Funds		-	(135 000)	-	(35 000)	(170 000)	-		-		(170 000)
Change in Cumulative Translation Adjustment						-			-	(58 911)	(58 911)
Allocation of Annual Result						-	95 060	(95 060)	-		-
Reserves as of 31 December 2020	**-**	**50 000**	**40 000**	**600 166**	**-**	**640 166**	**1 439 540**	**-**	**1 439 540**	**(62 301)**	**2 067 405**
2021											
Annual result before change in funds		-	-	-	-	-	-	260 144	260 144		260 144
Allocation of Funds	17 702 805	-	50 000	610 000	-	660 000	-	(660 000)	(660 000)		17 702 805
Use of Funds	(17 702 805)	-	-	(410 353)	-	(410 353)	-	410 353	410 353		(17 702 805)
Change in Cumulative Translation Adjustment						-			-	87 165	87 165
Allocation of Annual Result						-	10 497	(10 497)	-	-	-
Reserves as of 31 December 2021	**-**	**50 000**	**90 000**	**799 813**	**-**	**889 813**	**1 450 037**	**(0)**	**1 450 037**	**24 864**	**2 414 714**

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.

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 more than 50 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 staffs, 14 field offices and has operated in more than 80 countries worldwide.

These financial statements were approved by the members of the Foundation Council on 15 June 2022.

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, specifically Swiss GAAP FER 21, which applies to non-profit organizations.

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.

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.
From 2018 these financial statements include the accounts of DCAF Ljubljana. Balances of DCAF Ljubljana have been consolidated in their entirety using the acquisition method. Balance sheet accounts are translated into CHF using the exchange rate at 31 December 2021, while income and expenses are translated using the average rate for the year.

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).

	2021	**2020**
Euro	1.036	1.087
Norwegian Krone	0.103	0.104
Pound Sterling	1.234	1.216
United States Dollar	0.911	0.890

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 correspond to funds owed to DCAF by third parties according to a formal agreement. They result from the differences between the total amount of the grant and the funds received for each of these agreements.

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 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.

2k Revenue recognition
Income from public contributions includes both core and project funding, while income from private contributions includes only project funding. Income from grant agreements between donors and DCAF, is recognized in the year in which the financed expenditure is incurred. Outstanding restricted grant amounts at year-end to be used in future years, are recognized under the section "Deferred income on donor funding", where there are reimbursement clauses in the donor contract but these have not been substantially fulfilled.

A restricted fund is created either due to the explicit intent on the part of the donor, or due to the specifics of the grant that imply a restriction on the part of the donor. All other income is determined to be unrestricted.

2l 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.

2m 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.

6. Cash and cash equivalents

	2021 CHF	2020 CHF
Petty cash	58 413	33 130
Bank accounts	14 469 422	18 097 833
Total cash and cash equivalents	**14 527 835**	**18 130 963**

Bank account balances are significantly influenced by the timing of receipts from donors, therefore this note should be read in conjunction with Note 14 Deferred income on donor funding.

7. Donor funding receivables

	2021 CHF	2020 CHF
Total donor funding receivables	**1 276 815**	**926 955**

Per note 2g, donor funding receivables arise from formal agreements with donors.

8. Other receivables

	2021 CHF	2020 CHF
Accounts receivable	1 341 416	193 006
WMO rentals receivable	29 145	32 326
Allowance for doubtful WMO rentals receivable	(29 145)	(31 891)
Funds advanced	10 100	6 523
Total other receivables	**1 351 516**	**199 964**

9. Other current assets

	CHF	CHF
Prepaid expenses	56 834	28 784
Rental deposits	13 096	11 834
Total other current assets	**69 930**	**40 618**

10 Tangible and intangible fixed assets	Furniture & equipment	Computer hardware	Computer software & installations	Other intangible assets	Total
Gross value as of 31.12.2019	**7 263**	**129 063**	**90 310**	**123 250**	**349 885**
Disposals	(23)	-	(9 865)	-	(9 887)
Acquisitions	19 569	150 704	7 207	-	177 480
Construction in Progress	-	-	-	-	-
Gross value as of 31.12.2020	**26 809**	**280 262**	**87 652**	**123 250**	**517 973**
Disposals	(205)	-	-	-	(205)
Acquisitions	2 429	58 370	-	-	60 799
Construction in Progress	-	-	66 645	-	66 645
Gross value as of 31.12.2021	**29 033**	**338 632**	**154 296**	**123 250**	**645 212**
Accumulated depreciation as of 31.12.2019	**(4 062)**	**(36 475)**	**(31 417)**	**(16 433)**	**(88 387)**
Reversals	23		9 370		9 392
Depreciation	(5 847)	(76 616)	(28 895)	(24 650)	(136 008)
Accumulated depreciation as of 31.12.2020	**(10 382)**	**(113 091)**	**(50 447)**	**(41 083)**	**(215 003)**
Reversals	205		-		205
Depreciation	(8 220)	(94 229)	(23 868)	(24 650)	(150 967)
Accumulated depreciation as of 31.12.2021	**(18 397)**	**(207 319)**	**(74 315)**	**(65 733)**	**(365 765)**
Net value as of 31.12.2019	**3 200**	**92 588**	**58 893**	**106 817**	**261 498**
Net value as of 31.12.2020	**16 428**	**167 172**	**37 204**	**82 167**	**302 970**
Net value as of 31.12.2021	**10 636**	**131 313**	**79 981**	**57 517**	**279 447**

11. Operating liabilities

	2021 CHF	2020 CHF
Accounts payable	1 244 960	1 407 077
Accrued salaries	26 933	27 238
Staff expenses	54 469	50 215
Total operating liabilities	**1 326 362**	**1 484 530**

12. Other current liabilities

	2021 CHF	2020 CHF
Pension fund Geneva	58 847	135 377
Other social charges Switzerland	100 647	439 281
Accrued annual leave and overtime	498 695	329 262
Short term accruals	424 721	228 498
Funds to be repaid to donors	301 626	491 903
Other	5 341	12 803
Pension fund Ramallah	95 434	42 101
Total other currrent liabilities	**1 485 311**	**1 679 225**

13. Provisions

	Social	Legal	TVA/VAT	Other	Total
Balance at 31.12.2019	**241 000**	**220 000**	**300 000**	**50 000**	**811 000**
Creation	141 960	119 218	-	5 466	266 644
Use	(32 000)	(51 218)	(50 000)	(50 000)	(183 218)
Dissolution	-	-	-	-	-
Balance at 31.12.2020	**350 960**	**288 000**	**250 000**	**5 466**	**894 426**
Creation	171 500	126 071	-	-	297 571
Use	(28 157)	(38 240)	-	(5 466)	(71 863)
Dissolution	(154 573)	-	(250 000)	-	(404 573)
Balance at 31.12.2021	**339 730**	**375 831**	**-**	**-**	**715 561**

14. Deferred income on donor funding

	2021 CHF	2020 CHF
Total deferred income on donor funding	**11 563 595**	**13 475 884**

Per note 2k, deferred income represents outstanding grant amounts at year-end, to be used in future years; notes 17.1, 17.2.

15. Pension Plan Obligations

DCAF Switzerland employees benefit from a scheme covering retirement, invalidity pension and death, according to the provisions of the Swiss Federal Law for occupational retirement (LOB). The occupational benefits are provided by a semi-autonomous collective Foundation, the Vita Joint Foundation (VJF), according to a defined contribution plan. The Plan is funded by the contributions of DCAF and its employees. The plan covers the usual occupational benefits: retirement and invalidity pension, and death benefits.

The investment yield has no impact on premiums; the employer does not guarantee the benefit amount.

The VJF took out a group life insurance agreement with Zurich Life Insurance Company Ltd. to cover the actuarial risks of death and disability. The VJF is the policyholder and beneficiary. The VJF bears the risk of longevity (from 1 January 2016) and the investment risk.

As of 31 December 2021, 131 employees were enrolled in the plan (2020: 139 employees). Total contributions in 2021 were CHF 1,473,176 (2020: CHF 1,448,940). As of 31 December 2021, the coverage ratio is 115.0% (2020: 107.9%). Due to the coverage ratio, no liability was recognized in the balance sheet.

16. 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 31 December 2021 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.

17.1 Income - governments and member states

Switzerland	2021 CHF			2020 CHF		
	Donor Funding Receivable at 31.12.21	Deferred Income at 31.12.21	Income 2021	Donor Funding Receivable at 31.12.20	Deferred Income at 31.12.20	Income 2020
FDFA - Core funding	-	-	11 695 400	-	-	11 655 000
FDFA - Project funding	266 340	1 458 952	2 788 752	101 940	1 365 689	1 761 923
DDPS - Project funding	-	93 705	21 582	272 349	115 287	353 916
Total Switzerland	**266 340**	**1 552 657**	**14 505 735**	**374 289**	**1 480 975**	**13 770 838**

Other Member States	Donor Funding Receivable at 31.12.21	Deferred Income at 31.12.21	Income 2021	Donor Funding Receivable at 31.12.20	Deferred Income at 31.12.20	Income 2020
Albania	-	12 378	5 587	-	17 965	4 329
Austria	-	-	79 683	-	26 595	18 412
Bosnia and Herzegovina	-	28 419	14 972	-	2 145	12 824
Bulgaria	-	19 188	8 661	-	17 928	4 320
Canada	89 016	1 313 696	1 468 839	88 915	839 713	1 181 609
Denmark	-	1 220 323	1 169 061	-	758 040	711 512
Finland	-	-	43 146	-	-	-
France	32 710	332 765	332 057	-	265 683	300 025
Germany	20 169	1 185 228	3 047 707	-	2 613 905	3 734 141
Hungary	-	20 132	9 086	-	18 354	4 423
Ireland	-	-	208 320	-	-	216 860
Liechtenstein	60 000	35 989	74 865	-	50 854	49 146
Luxembourg	-	34 388	599 535	-	633 923	404 495
Macedonia	-	27 588	12 452	-	18 312	4 413
Moldova	-	20 204	9 119	-	18 389	4 431
Montenegro	-	20 289	9 157	-	18 344	4 421
Netherlands	138 769	1 503 871	3 154 483	56 962	1 271 832	3 242 915
Norway	-	1 264 444	1 134 376	-	1 110 749	1 129 621
Poland	-	-	218	-	-	6 640
Romania	-	20 081	9 064	-	18 022	4 342
Serbia	-	20 139	9 090	-	18 365	4 426
Slovakia	-	-	20 832	-	-	16 119
South Korea	-	-	14 900	-	-	-
Spain	-	-	222	-	-	413 946
Sweden	-	354 950	1 197 926	125 740	93 959	1 057 697
United Kingdom	370 167	327 368	1 462 771	124 290	32 295	1 629 785
Zimbabwe	-	-	-	-	-	11 158
ISSAT core accrual	-	794 778	274 750	-	1 069 527	(248 170)
Total Other Member States	**710 830**	**8 556 217**	**14 370 876**	**395 907**	**8 914 898**	**13 923 840**

17.2 Total income

	2021 CHF			2020 CHF		
Total Income Switzerland & Other Member States	**977 171**	**10 108 874**	**28 876 611**	**770 196**	**10 395 874**	**27 694 678**
Multilateral organizations	**Donor Funding Receivable at 31.12.21**	**Deferred Income at 31.12.21**	**Income 2021**	**Donor Funding Receivable at 31.12.20**	**Deferred Income at 31.12.20**	**Income 2020**
EU European Union	179 971	451 395	2 012 049	119 852	1 496 530	1 160 163
FBA	-	-	3 292	-	3 292	3 704
NATO	3 802	-	3 802	-	-	-
UN	1 342	176 909	176 996	36 907	9 029	236 218
Total multilateral organizations	**185 115**	**628 305**	**2 196 139**	**156 759**	**1 508 851**	**1 400 085**
Funding to DCAF Ljubljana	-	116 686	13 506	-	656 943	280 258
Total income from public contributions	**1 162 285**	**10 853 865**	**31 086 256**	**926 955**	**12 561 668**	**29 375 021**
Private income						
Open Society	114 530	677 589	347 250	-	910 309	299 905
Thomson Reuters Foundation	-	32 140	80 764	-	-	-
Total income from private contribution	**114 530**	**709 730**	**428 014**	**-**	**910 309**	**299 905**
Total public and private income	**1 276 815**	**11 563 595**	**31 514 270**	**926 955**	**13 471 977**	**29 674 926**
Other Income						
Other	-	-	119 941	-	3 907	26 690
Total other income	**-**	**-**	**119 941**	**-**	**3 907**	**26 690**
Total income	**1 276 815**	**11 563 595**	**31 634 211**	**926 955**	**13 475 884**	**29 701 616**

17.3 Operating expenses by entity / unit

	2021 CHF				2020 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	466 828	254 498		721 326	534 249	256 531		790 780
Europe and Central Asia	2 791 446	1 524 903		4 316 349	2 457 048	1 635 287		4 092 334
Latin America and the Caribbean	1 563 494	225 885		1 789 380	1 357 043	156 933		1 513 976
Middle East and North Africa	3 675 475	1 207 386		4 882 861	4 494 935	1 256 990		5 751 925
Sub-Saharan Africa	4 059 705	731 314		4 791 018	3 170 743	633 304		3 804 048
Operations Department	200 215	-		200 215	176 222	-		176 222
Operations Department	**12 757 163**	**3 943 986**	**-**	**16 701 149**	**12 190 240**	**3 939 045**	**-**	**16 129 284**
Gender and Security	1 337 596	548 403		1 885 999	920 287	564 293		1 484 581
Policy and Research	747 969	594 100		1 342 068	438 084	743 883		1 181 967
Business and Security	1 190 157	730 746		1 920 903	1 211 636	680 939		1 892 575
Policy and Research Department	**3 275 721**	**1 873 249**	**-**	**5 148 970**	**2 570 007**	**1 989 115**	**-**	**4 559 123**
International Security Sector Advisory Team	**2 770 602**	**100 165**	**-**	**2 870 767**	**2 331 108**	**114 835**	**-**	**2 445 943**
European Union Project	**596 411**	**-**		**596 411**	**540 620**	**-**		**540 620**
Governance and director's office			104 787	104 787			37 760	37 760
Management and corporate support services			3 342 365	3 342 365			2 974 923	2 974 923
Administration, maintenance and facilities management			2 280 853	2 280 853			2 316 401	2 316 401
DCAF management and administration	**-**	**-**	**5 728 006**	**5 728 006**	**-**	**-**	**5 329 084**	**5 329 084**
Total operating expenditure	**19 399 896**	**5 917 399**	**5 728 006**	**31 045 301**	**17 631 975**	**6 042 995**	**5 329 084**	**29 004 054**

17.4 Operating expenses by nature	2021 CHF				2020 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	9 357 849	5 348 402	3 938 802	18 645 053	8 545 788	5 459 368	3 505 191	17 510 348
Travel & transportation	2 026 147	78 855	86 843	2 191 845	1 319 625	54 612	21 643	1 395 880
Professional services	5 917 603	330 948	667 875	6 916 426	5 625 750	284 247	437 285	6 347 282
Communications	74 605	17 057	109 828	201 490	67 379	76 407	38 327	182 114
Facilities & office expenses	306 299	106 610	1 829 723	2 242 632	400 831	67 275	1 822 139	2 290 245
Other general expenses	330 984	35 528	330 376	696 888	588 927	101 086	452 138	1 142 151
Overheads	1 386 409	-	(1 386 409)	-	1 083 674	-	(1 083 647)	27
Depreciation & amortization	-	-	150 967	150 967	-	-	136 008	136 008
Total operating expenditure	**19 399 896**	**5 917 399**	**5 728 006**	**31 045 301**	**17 631 975**	**6 042 995**	**5 329 084**	**29 004 054**

18. In-kind contributions

The following in-kind contributions were provided to DCAF in 2021:

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

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

-The Austrian government seconded one member of staff to the PCC SEE Secretariat and directly covered his salary.

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

- The 'Academy for Judges and Public Prosecutors, Pavel Shatev' of the Republic of North Macedonia provided a venue for signing the cooperation agreement, travel costs for participants in training courses delivered by DCAF and logistical support for events organized by DCAF.

- 'RESDAL Red de Seguridad y Defensa de America Latina' seconded two staff to the project 'Reducing Barriers for Uniformed Women in UN Peace Operations' for a value of CHF 3,690.

-The United Kingdom government seconded a police commissioner to the International Security Sector Advisory Team for the project 'Police Advisory Committee', for a value of approximately CHF 4,000.

-The support received for Information and Communication Technology (ICT) hosted by the GCSP, amounted to CHF 523,303. These costs were directly covered by the government of Switzerland.

19. Off balance sheet commitments

	2021 CHF	2020 CHF
Payments to be made within one year:	2 075 559	1 813 291
Payments to be made after one year:	6 388 236	7 800 663
	8 463 795	**9 613 954**

20. Bank guarantees

	2021 CHF	2020 CHF
Bank guarantee for (EU project (EUR))	**-**	**578 832**

This represents a donor-specified bank guarantee.

21. Net financial result

	2021 CHF	2020 CHF
Financial revenue	-	-
Financial expense	(20 832)	(46 490)
Financial result sub-total	**(20 832)**	**(46 490)**
Exchange rate gain (loss)	(307 934)	(20 484)
Total	**(328 766)**	**(66 974)**

22. Non-operating result

	2021 CHF	2020 CHF
ATT / WMO income	169 892	290 790
ATT / WMO expense	(169 892)	(301 152)
Non-operating result	**-**	**(10 362)**

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.

23. Auditors fees

	2021 CHF	2020 CHF
Audit of the statutory accounts	73 215	33 751
Other audits and services	68 691	126 226
Total	**141 906**	**159 977**

24. Remuneration of the President

	2021 CHF	2020 CHF
Indemnities paid to the Foundation Council President	**6 000**	**2 000**

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

25. Subsequent events

There have been no significant events impacting the 2021 annual accounts between the balance sheet date and the date of signing the financial statements.