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***Geneva Centre for the Democratic  
Control of Armed Forces (DCAF)  
Geneva***

***Report of the statutory auditor  
to the Foundation Council  
on the financial statements 2017***





# ***Report of the auditor to the Foundation Council of Geneva Centre for the Democratic Control of Armed Forces (DCAF)***

***Geneva***

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

As statutory auditor, we have audited the financial statements of Geneva Center for the Democratic Control of Armed Forces (DCAF), which comprise the balance sheet, profit and loss statement, cash flow statement, statement of changes in capital and notes, for the year ended 31 December 2017. As permitted by Swiss GAAP FER the information in the performance report is not required to be subject to the statutory auditors' examination.

### *Foundation Council's responsibility*

The Foundation Council is responsible for the preparation and fair presentation 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 and fair presentation 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 and fair presentation 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 2017 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, 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, 1 mai 2018

### Enclosure:

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

## GENEVA CENTRE FOR THE DEMOCRATIC CONTROL OF ARMED FORCES

### Balance sheet as at 31 December 2017

		2017 CHF	2016 CHF
<b>ASSETS</b>			
Cash and Cash Equivalents	3.1	8'746'452	5'798'432
Accounts Receivable	3.2	2'305'590	975'564
Other Receivables	3.3	72'115	200'747
Prepaid Expenses and Accrued Income	3.4	271'636	33'955
<b><i>Current assets</i></b>		<b>11'395'793</b>	<b>7'008'698</b>
<b>Total assets</b>		<b>11'395'793</b>	<b>7'008'698</b>
<b>LIABILITIES AND EQUITY</b>			
Accounts Payable	3.5	718'862	479'459
Other Short Term Liabilities	3.6	425'107	138'211
Accrued Liabilities	3.7	469'112	566'910
Deferred Income	3.8	8'418'071	4'468'396
<b><i>Current Liabilities</i></b>		<b>10'031'152</b>	<b>5'652'976</b>
Initial Funds		50'000	50'000
Restricted Funds		-	517'578
Free Funds		1'314'641	788'144
<b><i>Organisation Capital</i></b>	3.9	<b>1'364'641</b>	<b>1'355'722</b>
<b><i>Total liabilities and equity</i></b>		<b>11'395'793</b>	<b>7'008'698</b>

## GENEVA CENTRE FOR THE DEMOCRATIC CONTROL OF ARMED FORCES

### Profit and loss statement

01.01.2017 - 31.12.2017

		2017 CHF	2016 CHF
<b>Contributions</b>			
Public Contributions		23'545'129	22'491'099
<b>Total Public Contributions</b>		<b>23'545'129</b>	<b>22'491'099</b>
Other Income		877'188	915'456 1)
<b>Total other Income</b>		<b>877'188</b>	<b>915'456</b>
<b>Operating Income</b>	4.1	<b>24'422'317</b>	<b>23'406'555</b>
<b>Expenses</b>			
<b>Project Expenses Divisions</b>			
Core expenses (Divisions core + Brussels & Ljubljana)		2'500'053	2'759'415
Project expenses (All project expenses)	4.2	11'119'772	10'898'267
<b>Total Project Expenses Divisions</b>		<b>13'619'825</b>	<b>13'657'682</b>
<b>Administration Expenses</b>			
Salaries and Social Charges	4.3	8'683'862	8'487'543 1)
Facilities	4.4	1'712'115	1'872'393
Administration / Maintenance & Acquisitions	4.5	304'425	-31'416 1)
Governance / Director's Office	4.6	152'655	129'480
<b>Total Administration Expenses</b>		<b>10'853'057</b>	<b>10'458'000</b>
<b>Operating Expense</b>		<b>24'472'882</b>	<b>24'115'682</b>
<b>Operating Result</b>		<b>-50'565</b>	<b>-709'126</b>
Financial Income		68'323	2
Financial Charges		-8'839	-53'135
<b>Result before Change of Free Capital</b>		<b>8'919</b>	<b>-762'259</b>
<b>Allocations / appropriations</b>			
Restricted funds		517'577	199'550
Free funds		-526'496	562'709

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

**Cash flow statement as at 31 December 2017**

	<b>2017 CHF</b>	<b>2016 CHF</b>
<b>Annual Result (before allocation to organisation capital)</b>	<b>8'919</b>	<b>-762'259</b>
(Decrease) / Increase in deferred income	3'949'676	-1'118'222
(Decrease) / Increase in accrued liabilities	-97'798	141'454
(Decrease) / Increase in other short term liabilities	286'897	-40'422
(Decrease) / Increase in accounts paybles	239'402	-9'963
Decrease / (Increase) in accounts receivables	-1'330'027	-446'617
Decrease / (Increase) in other receivables	128'632	221'772
Decrease / (Increase) in prepaid expenses and accrued income	-237'681	-28'835
<b>Cash Flow From Operating Activities</b>	<b>2'948'020</b>	<b>-2'043'092</b>
<b>Cash Flow From Investment Activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Change In Cash</b>	<b>2'948'020</b>	<b>-2'043'092</b>
Cash and cash equivalents at beginning of the year	5'798'432	7'841'524
Cash and cash equivalents at year end	8'746'452	5'798'432
<b>Evidence Of Change In Cash</b>	<b>2'948'020</b>	<b>-2'043'092</b>

## **Notes to the financial statements**

### **General information**

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) is one of the world's leading institutions in the areas of security sector reform (SSR) and security sector governance (SSG). DCAF 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 foundation with 62 Member States and the Canton of Geneva established in 2000 on the initiative of the Swiss government. The head office is located in Geneva. DCAF's main departments are Policy and Research, Operations, ISSAT & Resources. The staff numbers over 170 employees from more than 40 countries. DCAF also has permanent offices in Brussels, Ljubljana, Beirut, Tunis and Ramallah and is active in more than 70 countries worldwide.

### **Note 1 - Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. To conform to the presentation adopted in the current year, certain amounts from prior year have been reclassified.

#### **1.1 Accounting principles**

DCAF prepares its accounts in compliance with the policies described in the following notes. 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), which was 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 under the historical cost convention. 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.

#### **1.2 Foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements were measured using the currency of the primary economic environment in which DCAF operates ('the functional currency'), which is Swiss Francs ("CHF"). The presentation currency is CHF.

##### **(b) Transactions and balances**

Foreign currency transactions are translated into functional currency 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 translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement  
Balances in foreign currency are revalued using exchange rates prevailing at the dates of closing.

### **1.3 Presentation**

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

## **Note 2 - Principles of valuation**

### **2.1 Cash and cash equivalents**

Cash and cash equivalents include cash and balances in bank accounts. They are valued at their nominal value.

### **2.2 Accounts receivable**

Accounts receivable are amounts due from parties for services performed in the ordinary course of business. If collection is expected within in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

These receivables are valued at their nominal values. Credit default risks are accounted for by specific and general allowances. General allowances are recognized for items that have not yet been considered with a specific allowance. The general allowance is based on the assumption that the default risk increases as the debt becomes increasingly overdue.

### **2.3 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 estimated reliably. Provisions are measured on the basis of the estimated amount of money required to satisfy the obligation.

### **2.4 Trade payables and other liabilities**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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.

Trade payables and other liabilities are stated at their nominal values.

### **2.5 Employee benefits**

Wages, salaries, social contributions, paid annual leave, sick leave and other benefits are paid or accrued undiscounted in the year in which the associated services are rendered by employees. Legal or constructive obligations such as bonus are recognized for the amount expected to be paid in the year the services are provided.



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.

## **2.6 Leasing**

Leases in which a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period lease.

<b>3.1 Cash and Cash Equivalents</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Petty Cash	16'250	12'537
Post finance	8'690	21'454
Bank accounts	8'721'512	5'764'441
<b>Total Cash and Cash Equivalents</b>	<b>8'746'452</b>	<b>5'798'432</b>

The cash balance increased as important project funding was received late in 2017.

<b>3.2 Accounts Receivable</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Unpaid rent OMM	30'465	64'214
Accrued Income	2'275'125	911'350
<b>Total Accounts Receivable</b>	<b>2'305'590</b>	<b>975'564</b>

The accounts receivables increased due to payments of the donors received in 2018 for 2017

<b>3.3 Other receivables</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Bank Guarantees	-	10'460
Other receivables	-	2'180
Funds advanced	48'338	158'228
Intercompany accounts Ljubljana	14'394	14'013
Salary Advances	9'383	15'866
<b>Total Other receivables</b>	<b>72'115</b>	<b>200'747</b>

The other receivables decreased due to the lower balance of the cash advance to the external project managers by DCAF.

<b>3.4 Prepaid expenses</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Prepaid expenses	<b>271'636</b>	<b>33'955</b>

The prepaid expenses increased due to prepayment to the WMO.

<b>3.5 Accounts Payable</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Accounts Payable	666'853	443'259
Staff expenses	52'009	36'200
<b>Total Accounts payable</b>	<b>718'862</b>	<b>479'459</b>

<b>3.6 Other Short Term Liabilities</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Social charges Switzerland	266'917	38'543
Pension fund Ramallah	78'449	53'114
Others	79'741	46'554
<b>Total Other Short Term Liabilities</b>	<b>425'107</b>	<b>138'211</b>

The increase in short and other short term liabilities is due to the prepayment to WMO and higher social charges.

<b>3.7 Accrued Liabilities</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Short Term Accruals	18'500	240'658
Accrued Vacations	450'612	326'252
<b>Total Accrued Liabilities</b>	<b>469'112</b>	<b>566'910</b>

The decrease of the short term accruals is due to the end of the project in Ramallah.  
The number of days of accrued vacation increased.

<b>3.8 Deferred income</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Contributions received in advance	35'043	230'351
Deferred income	8'383'028	4'238'045
<b>Total Deferred income</b>	<b>8'418'071</b>	<b>4'468'396</b>

The deferred income increased due to late payments of donors.

### 3.9 Statement of changes in capital

	1	2	3	4	5	6
<b>2014</b>	<b>Initial Funds</b>	<b>Special Reserve</b>	<b>Accumulated Surplus</b>	<b>Restricted Funds</b>	<b>Free Funds</b>	<b>Total</b>
Reserves as of 01 January 2014	50'000	2'460'000	95'238	-	-	2'605'238
Dissolution 2014	-	-700'000	-	-	-	-700'000
Profit / Loss 2014	-	-	69'138	-	-	69'138
<b>Reserves as of 31 December 2014 before change to Swiss GAAP FER 21</b>	<b>50'000</b>	<b>1'760'000</b>	<b>164'376</b>	<b>-</b>	<b>-</b>	<b>1'974'376</b>
<b>2015</b>						
Change to Swiss GAAP FER 21	-	-1'760'000	-164'376	686'713	1'237'663	-
<b>Reserves as of 31 December 2015 after change to Swiss GAAP FER 21</b>	<b>50'000</b>	<b>-</b>	<b>-</b>	<b>686'713</b>	<b>1'237'663</b>	<b>1'974'376</b>
Dissolution 2015	-	-	-	-163'935	-	-163'935
Attribution 2015	-	-	-	194'350	113'190	307'540
<b>Reserves as of 31 December 2015</b>	<b>50'000</b>	<b>-</b>	<b>-</b>	<b>717'128</b>	<b>1'350'853</b>	<b>2'117'981</b>
<b>2016</b>						
Dissolution 2016	-	-	-	-199'550	-562'709	-762'259
Attribution 2016	-	-	-	-	-	-
<b>Reserves as of 31 December 2016</b>	<b>50'000</b>	<b>-</b>	<b>-</b>	<b>517'578</b>	<b>788'144</b>	<b>1'355'722</b>
<b>2017</b>						
Dissolution 2017	-	-	-	-517'577	-	-517'577
Attribution 2017	-	-	-	-	526'496	526'496
<b>Reserves as of 31 December 2017</b>	<b>50'000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1'314'641</b>	<b>1'364'641</b>

**Note 4 - Statement of receipts and operating expenditure details**

**4.1 Revenues 2017**

**Switzerland**

	2017 CHF				2016 CHF			
	Def income 2016 - 2017	Income received - 2017	Def income 2017 - 2018	Net 2017	Def income 2015 - 2016	Income received - 2016	Def income 2016 - 2017	Net 2016
FDFA - Core funding	-	11'502'300	-	11'502'300	-	11'250'679	-	11'250'679
FDFA - Project funding	1'716'286	2'610'780	1'600'877	2'726'189	1'847'664	2'324'852	1'716'286	2'456'230
DDPS - Project funding	140'039	413'869	151'365	402'543	332'742	450'938	140'039	643'641
<b>Total Switzerland</b>	<b>1'856'325</b>	<b>14'526'949</b>	<b>1'752'242</b>	<b>14'631'032</b>	<b>2'180'406</b>	<b>14'026'469</b>	<b>1'856'325</b>	<b>14'350'550</b>

**Other Member States**

	Def income 2016-2017	Income received - 2017	Def income 2017 - 2018	Net 2017	Def income 2015-2016	Income received - 2016	Def income 2016-2017	Net 2016
Albania	-	11'669	11'669	-	-	10'783	-	10'783
Austria	-	94'707	25'576	69'131	-	44'156	-	44'156
Azerbaijan	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	-	10'991	10'991	-	-	10'841	-	10'841
Bulgaria	-	9'155	9'155	-	-	11'024	-	11'024
Czech Republic	937	-	-	937	937	-	937	-
Denmark	-	703'800	-	703'800	5'109	136'621	1'740	139'990
Denmark through NDI	1'740	-	-	1'740	5'109	136'621	1'740	139'990
Estonia	-	11'681	-	11'681	-	5'421	-	5'421
Finland	-	32'994	-	32'994	-	-	-	-
France	97'047	170'456	165'149	102'354	80'917	97'047	97'047	80'917
Germany	344'144	3'733'297	2'088'673	1'988'769	-	2'368'729	344'144	2'024'585
Hungary	-	10'943	10'943	-	-	10'841	-	10'841
Ireland	-	228'880	-	228'880	-	215'660	-	215'660
Latvia	29'253	-	14'864	14'389	27'588	21'566	29'253	19'902
Liechtenstein	-	40'000	20'000	20'000	5'036	40'000	-	45'036
Luxembourg	452'738	345'750	396'227	402'262	282'938	382'797	452'738	212'996
Macedonia	-	-	-	-	-	21'717	-	21'717
Moldova	-	10'943	10'943	-	-	43'608	-	43'608
Montenegro	-	10'943	10'943	-	-	10'701	-	10'701
Netherlands	148'599	2'067'053	759'209	1'456'443	308'987	743'578	148'599	903'966
Norway	188'317	189'110	118'394	259'032	337'663	554'429	188'317	703'775
Romania	-	11'633	11'633	-	-	10'841	-	10'841
Serbia	-	21'605	21'605	-	-	33'456	-	33'456
Slovakia	10'783	58'519	33'285	36'017	13'653	77'016	10'783	79'886
Slovenia	2'611	-	2'611	-	2'611	-	2'611	-
Spain	66'394	-	646	65'748	139'759	-	66'394	73'365
Sweden	162'654	1'012'912	-	1'175'566	123'352	1'140'808	162'654	1'101'506
United Kingdom	4'143	1'111'534	532'228	583'449	-	351'759	4'143	347'616
United States Department of State	4'158	16'114	-	20'273	-	282'928	4'158	278'769
Others	99'833	-51'177	-	48'657	151'568	424'249	99'833	475'984
ISSAT Core Accruals	696'014	-	1'317'941	-621'927	756'525	-	696'014	60'511
Transitories	80'432	-	4'765	75'667	756'039	6'153	80'432	681'761
<b>Total Other Member States</b>	<b>2'389'796</b>	<b>9'863'515</b>	<b>5'577'450</b>	<b>6'675'861</b>	<b>2'992'681</b>	<b>7'056'727</b>	<b>2'389'796</b>	<b>7'659'614</b>

	2017 CHF				2016 CHF			
<b>Total Income Switzerland &amp; Other Member States</b>	<b>4'246'121</b>	<b>24'390'464</b>	<b>7'329'692</b>	<b>21'306'893</b>	<b>5'173'087</b>	<b>21'083'196</b>	<b>4'246'121</b>	<b>22'010'164</b>
<b>Organisations</b>								
	Def income 2016-2017	Income received - 2017	Def income 2017-2018	Net 2017	Def income 2015-2016	Income received - 2016	Def income 2016-2017	Net 2016
EU	214'486	1'667'328	655'803	1'226'012	404'900	156'685	214'486	347'099
OIF	-	27'459	-	27'459	1'914	55'483	-	57'396
NATO	1'072	-9'984	-	-8'913	-	44'327	1'072	43'255
OSCE	-	5'804	-	5'804	-	-	-	-
UN	6'717	81'242	9'117	78'842	6'717	33'185	6'717	33'185
TC Team Consult	-	193'684	-	193'684	-	-	-	-
Folke Bernadotte Academy	-	6'996	6'996	-	-	-	-	-
Hunt	-	16'438	-	16'438	-	-	-	-
OQ Consulting	-	27'742	-	27'742	-	-	-	-
Open Society Foundations	-	1'044'753	381'419	663'334	-	-	-	-
Geneva Centre for Security Policy	-	7'836	-	7'836	-	-	-	-
<b>Total Organisations</b>	<b>222'275</b>	<b>3'069'296</b>	<b>1'053'335</b>	<b>2'238'236</b>	<b>413'531</b>	<b>289'679</b>	<b>222'275</b>	<b>480'935</b>
<b>Total Contributions</b>	<b>4'468'396</b>	<b>27'459'760</b>	<b>8'383'027</b>	<b>23'545'129</b>	<b>5'586'618</b>	<b>21'372'875</b>	<b>4'468'396</b>	<b>22'491'099</b>
<b>Other Income</b>								
Office Space Rent at WMO/OMM	-	868'834	-	868'834	-	828'329	-	828'329
Other	-	8'354	-	8'354	-	23'625	-	23'625
Extraordinary Income	-	-	-	-	-	63'502	-	63'502
<b>Total Cash Income</b>	<b>4'468'396</b>	<b>28'336'948</b>	<b>8'383'028</b>	<b>24'422'317</b>	<b>5'586'618</b>	<b>22'906'853</b>	<b>4'468'396</b>	<b>23'406'555</b>
<b>Interest</b>								
Interest received	-	1'274	-	1'274	-	2	-	2

	2017 CHF	2016 CHF
<b>4.2 Project Expenses</b>		
<b>Eastern Europe South Caucasus Central Asia</b>		
Core	69'427	109'762
Projects	746'128	944'438
	<b>815'555</b>	<b>1'054'200</b>
<b>Southeast Europe</b>		
Core	274'816	321'460
Projects	673'305	1'337'696
	<b>948'121</b>	<b>1'659'156</b>
<b>Middle East and North Africa</b>		
Core	75'243	59'508
Projects	3'569'229	3'379'530
	<b>3'644'472</b>	<b>3'439'038</b>
<b>Sub-Saharan Africa</b>		
Core	82'728	219'997
Projects	1'420'857	1'350'932
	<b>1'503'585</b>	<b>1'570'930</b>
<b>Latin America and the Caribbean</b>		
Core	-	-
Projects	114'104	-
	<b>114'104</b>	-
<b>Asia-Pacific</b>		
Core	-	-
Projects	703'263	-
	<b>703'263</b>	-
<b>Public-Private Partnerships</b>		
Core	45'137	51'671
Projects	696'708	631'591
	<b>741'845</b>	<b>683'262</b>
<b>Policy &amp; Research Division</b>		
Core	76'974	130'465
Projects	190'019	394'898
	<b>266'993</b>	<b>525'363</b>
<b>Gender &amp; Security</b>		
Core	92'886	-
Projects	455'695	-
	<b>548'581</b>	-
<b>International Security Sector Advisory Team (ISSAT)</b>		
Core	1'713'194	1'773'627
Projects	1'377'039	1'064'223
	<b>3'090'233</b>	<b>2'837'850</b>

<b>Miscellaneous Projects</b>		
Projects	1'173'427	1'794'959
	<b>1'173'427</b>	<b>1'794'959</b>
<b>DCAF Brussels</b>	<b>14'919</b>	10'236
<b>DCAF Ljubljana</b>	<b>54'729</b>	82'689
<b>Total Divisions, ISSAT, Miscellaneous Projects and Offices</b>	<b>13'619'825</b>	<b>13'657'682</b>
<b>Total Core expenses</b>	<b>2'500'053</b>	<b>2'759'415</b>
<b>Total Project expenses</b>	<b>11'119'772</b>	<b>10'898'267</b>
<b>Total Project expenses less Project Salaries</b>	<b>8'132'114</b>	<b>8'898'032</b>



<b>Administration Expenses</b>	<b>2017 CHF</b>	<b>2016 CHF</b>
Total Project expenses less Project Salaries	8'132'114	8'898'032
<b>4.3 Personnel</b>		
<b>Project Salaries</b>		
Salaries	4'721'974	4'066'610
Social charges	686'734	602'123
Other staff expenses	79'003	114'677
<b>Total Project Salaries</b>	<b>5'487'711</b>	<b>4'783'410</b>
<b>Core Salaries</b>		
Salaries	7'282'251	7'194'226
Social charges	1'339'424	1'218'327
Other staff expenses	62'187	74'990
<b>Total Core Salaries</b>	<b>8'683'862</b>	<b>8'487'543</b>
<b>Total Salaries</b>	<b>14'171'573</b>	<b>13'270'953</b>
The average number of full-time employees is under 250.		
<b>4.4 Facilities</b>		
Facilities	1'712'115	1'872'393
<b>Total Facilities</b>	<b>1'712'115</b>	<b>1'872'393</b>
<b>4.5 Administration / Maintenance &amp; Acquisitions</b>		
Maintenance & acquisition of assets	344'763	139'766
Administration	-40'338	-171'182
<b>Total Administration / Maintenance &amp; Acquisitions</b>	<b>304'425</b>	<b>-31'416</b>
<b>4.6 Governance / Director's Office</b>		
Statutory bodies	36'370	28'216
Director's office other expenses 2017 / Indemnity 2016	6'704	23'760
Director's office General Expenses	109'581	77'504
<b>Total Governance / Director's Office</b>	<b>152'655</b>	<b>129'480</b>
<b>Total Administration Expenses less project salaries</b>	<b>10'853'057</b>	<b>10'458'000</b>
<b>Total Operating Expenses</b>	<b>24'472'882</b>	<b>24'115'682</b>

## Note 5 - Additional note disclosures in accordance with article 663b CO and 69 CC

Lease commitments not recorded in the balance sheet  
As of 31 December, DCAF had the following future aggregate minimum lease payments under non-cancellable operating lease for office equipment and office rent, which are not required to be reflected in the balance sheet:

	<b>2017</b>	<b>2016</b>
	<b>CHF</b>	<b>CHF</b>
Payments to be made within one year:	1'413'455	1'413'517
Payments to be made after one year:	11'152'534	12'571'669
	<b>12'565'989</b>	<b>13'985'186</b>
Amounts due to pension funds		
	<b>2017</b>	<b>2016</b>
	<b>CHF</b>	<b>CHF</b>
Pension liabilities	80'627	4'704
	<b>80'627</b>	<b>4'704</b>

## Note 6 - Other note disclosures

Compensation and expense reimbursements to Council members and directors

	<b>2017</b>	<b>2016</b>
	<b>CHF</b>	<b>CHF</b>
Annual salary of the Director	218'959	218'959

## Note 7 - Bank guarantees

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Bank guarantee for EU project, cancelled Jan 2018. (EUR)	607'140	-