
***DCAF - Geneva Centre for
Security Sector Governance***

Geneva

***Report of the statutory
auditor to the Foundation
Council on the financial
statements 2018***





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 notes, for the year ended 31 December 2018. 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 2018 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

Alexandre Meugnot

Audit expert
Auditor in charge

Geneva, 9 May 2019

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 2018

		2018	2017
		CHF	CHF
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	14,593,978	10,276,841
Donor funding receivables	7	2,129,478	2,275,124
Other receivables	8	231,717	41,809
Other current assets	9	283,244	271,636
TOTAL CURRENT ASSETS		17,238,417	12,865,410
NON-CURRENT ASSETS			
Tangible and intangible fixed assets	10	129,210	1,625
TOTAL NON-CURRENT ASSETS		129,210	1,625
TOTAL ASSETS		17,367,626	12,867,035
LIABILITIES			
CURRENT LIABILITIES			
Operating liabilities	11	1,283,487	956,144
Other current liabilities	12	1,421,292	707,930
Deferred income on donor funding	13	12,962,118	9,759,516
Provisions	14	278,500	-
TOTAL CURRENT LIABILITIES		15,945,398	11,423,590
ORGANIZATIONAL CAPITAL AND FUNDS			
Organizational capital		50,000	50,000
UNRESTRICTED FUNDS			
Unrestricted funds		1,314,642	1,305,723
Cumulative Translation Adjustment		38,851	78,803
Net surplus (deficit) for the year		18,736	8,919
TOTAL UNRESTRICTED FUNDS		1,372,229	1,393,445
TOTAL ORGANIZATIONAL CAPITAL AND FUNDS		1,422,229	1,443,445
TOTAL LIABILITIES AND FUNDS		17,367,626	12,867,035

Profit and loss statement
For the year ended 31 December 2018

		2018	2017
INCOME		CHF	CHF
Income from public contributions	15.1, 15.2	25,824,575	22,695,757
Income from private contributions	15.2	713,386	901,198
Other income	15.2	16,540	8,354
TOTAL INCOME		26,554,502	23,605,308
EXPENDITURE			
Project	15.3, 15.4	(14,504,172)	(12,158,530)
Project support	15.3, 15.4	(7,067,320)	(7,133,957)
Management and administration	15.3, 15.4	(4,668,870)	(4,484,833)
TOTAL OPERATING EXPENDITURE		(26,240,362)	(23,777,320)
RESULT OF OPERATING ACTIVITIES		314,139	(172,012)
Net financial result	18	(217,704)	180,931
Non-operating result	19	(77,699)	-
INTERMEDIATE RESULT		18,736	8,919
Change in restricted funds		-	-
ANNUAL RESULT BEFORE CHANGE IN UNRESTRICTED FUNDS		18,736	8,919
Change in unrestricted funds		-	-
RESULT FOR THE FINANCIAL YEAR		18,736	8,919

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 2018	2018 CHF	2017 CHF
RESULT BEFORE CHANGE IN FUND CAPITAL	18,736	8,919
Depreciation and amortization	14,307	1,859
Provisions and valuation adjustments	278,500	-
Change in CTA	(39,952)	-
RESULT FOR THE YEAR (BEFORE CHANGE IN WORKING CAPITAL)	271,591	10,778
Change in donor funding receivables	145,646	(237,681)
Change in deferred income on donor funding	3,202,602	3,949,676
Change in other assets	(201,515)	(1,201,395)
Change in other liabilities	1,040,705	428,501
CASH FLOW FROM OPERATING ACTIVITIES	4,459,029	2,949,879
Investment in building and fixtures	-	-
Acquisition of furniture and computer equipment	(44,720)	-
Investment in intangible assets	(97,171)	-
CASH FLOW FROM INVESTING ACTIVITIES	(141,891)	-
FINANCING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,317,138	2,949,879
Cash and cash equivalents, beginning of year	10,276,841	7,326,961
Effect of foreign currency conversions on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	14,593,978	10,276,841

Statement of changes in capital and funds

	Initial Funds	Free Funds	Surplus (Deficit)	Cumulative Translation Adjustment	Total Funds
Reserves as of 31 December 2016	50,000	1,305,723			1,355,723
2017					
Surplus (Deficit)	-	-	8,919		8,919
Change in Cumulative Translation Adjustment				78,803	78,803
Reserves as of 31 December 2017	50,000	1,305,723	8,919	78,803	1,443,445
2018					
Surplus (Deficit)	-	-	18,736		18,736
Change in Cumulative Translation Adjustment				(39,952)	(39,952)
Reserves as of 31 December 2018	50,000	1,314,642	18,736	38,851	1,422,229

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 170 staff, 10 field offices and has operated in more than 70 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).

	2018	2017
Euro	1.134	1.177
Norwegian Krone	0.113	0.118
Pound Sterling	1.270	1.326
United States Dollar	0.992	0.985

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.

Prior to 2018, all DCAF Geneva purchases were expensed in the year of purchase; DCAF Ljubljana had already begun capitalizing certain assets prior to this time.

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
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

Project expenditure represents expenses directly associated with specific activities of DCAF either in the field, internationally, or at headquarters. These expenses include local expenses as well as expenses incurred at headquarters in the name of local projects.

Project support expenditure represents indirect project support costs that have not been allocated to a specific project. This comprises expenses incurred by DCAF for supporting its operational activities, including costs incurred by country and thematic divisions and departments to provide technical support, support for developing strategies, and monitoring and evaluating projects.

Management and administration expenditure represent the management and running costs of the foundation, which have not been apportioned to a specific division or department. This comprises expenses incurred at headquarters, related to the management, security, communications and administration of DCAF.

Within DCAF management and administration, management and corporate support services includes the salaries of the director and two members of the senior management team, in addition to the salaries of other members of the director's office and 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	2018 CHF	2017 CHF
Petty cash	12,652	16,306
Post Finance	-	8,690
Bank accounts	14,581,326	10,251,844
Total cash and cash equivalents	14,593,978	10,276,841

7 Donor funding receivables	2018 CHF	2017 CHF
Total donor funding receivables	2,129,478	2,275,124

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

8 Other receivables	2018 CHF	2017 CHF
Accounts receivable	143,821	-
WMO rentals receivable	20,980	30,810
Funds advanced	14,101	10,999
Salary advances	49,734	-
Bank guarantees	3,082	-
Total receivables	231,717	41,809

9 Other current assets	2018 CHF	2017 CHF
Prepaid expenses	259,046	271,636
Staff expenses	24,198	-
Total other current assets	283,244	271,636

10 Tangible and intangible fixed assets	Computer hardware	Computer software & installations	Other intangible assets	Intangible assets	Total
Gross value, as of 1.1.2018	15 366	-	-	-	15 366
Disposals	(46)	-	-	-	(46)
Acquisitions	44 766	28 921	68 250	97 171	141 937
Gross value, as of 31.12.2018	60 086	28 921	68 250	97 171	157 257
Accumulated depreciation, as of 1.1.2018	(13 740)	-	-	-	(13 740)
Reversals	-	-	-	-	-
Depreciation	(8 958)	(5 349)	-	(5 349)	(14 307)
Accumulated depreciation, as of 31.12.2018	(22 698)	(5 349)	-	(5 349)	(28 047)
Net value, as of 1.1.2018	1 625	-	-	-	1 625
Net value, as of 31.12.2018	37 388	23 572	68 250	91 822	129 210

11 Operating liabilities	2018 CHF	2017 CHF
Accounts payable	1,177,295	820,197
Accrued salaries	106,192	48,895
Staff expenses	-	52,009
Contributions received in advance	-	35,043
Total operating liabilities	1,283,487	956,144

12 Other current liabilities	2018 CHF	2017 CHF
Social charges Switzerland	745,056	80,627
Accrued annual leave	497,988	450,612
Short term accruals	98,295	18,500
Funds to be repaid to donors	40,826	24,303
Other	34,350	55,438
Pension fund Ramallah	4,778	78,449
Total other current liabilities	1,421,292	707,930

13 Deferred income on donor funding	2018 CHF	2017 CHF
Total deferred income on donor funding	12,962,118	9,759,516

Per note 2j. Deferred income represents outstanding grant amounts at year-end, to be used in future years; notes 15.1, 15.2.

14 Provisions	Social Provisions	Legal Provisions	Total
Balance at 01.01.2018	-	-	-
Creation	81,000	197,500	278,500
Use	-	-	-
Dissolution	-	-	-
Balance at 31.12.2018	81,000	197,500	278,500

Financial statements of DCAF – Geneva Centre for Security Sector Governance
Financial year ended 31 December 2018

15.1 Income - governments and member states

Switzerland

	2018 CHF				2017 CHF			
	Def income 2017-2018	Income received - 2018	Def income 2018-2019	Net 2018	Def income 2016 - 2017	Income received - 2017	Def income 2017 - 2018	Net 2017
FDFA - Core funding	-	11,167,783	-	11,167,783	-	11,502,300	-	11,502,300
FDFA - Project funding	1,600,877	2,537,801	2,008,698	2,129,979	1,716,286	2,362,893	1,600,877	2,478,302
DDPS - Project funding	151,365	344,834	103,343	392,856	140,039	413,869	151,365	402,543
Total Switzerland	1,752,242	14,050,418	2,112,041	13,690,618	1,856,325	14,279,062	1,752,242	14,383,145

Other Member States

	Def income 2017 - 2018	Income received - 2018	Def income 2018-2019	Net 2018	Def income 2016-2017	Income received - 2017	Def income 2017 - 2018	Net 2017
Albania	11,669	-	-	11,669	-	11,669	11,669	-
Australia	-	73,262	73,262	-	-	-	-	-
Austria	25,576	72,843	-	98,419	-	94,707	25,576	69,131
Bosnia and Herzegovina	10,991	-	-	10,991	-	10,991	10,991	-
Bulgaria	9,155	11,855	-	21,010	-	9,155	9,155	-
Canada	-	292,850	249,015	43,835	-	-	-	-
Czech Republic	-	-	-	-	937	-	-	937
Denmark	-	-	-	-	-	703,800	-	703,800
Denmark through NDI	-	-	-	-	1,740	-	-	1,740
Estonia	-	-	-	-	-	11,681	-	11,681
Finland	-	31,748	-	31,748	-	32,994	-	32,994
France	165,149	688,731	316,529	537,351	97,047	170,456	165,149	102,354
Germany	2,088,673	3,288,347	2,605,920	2,771,100	344,144	3,733,297	2,088,673	1,988,768
Hungary	10,943	11,855	-	22,798	-	10,943	10,943	-
Ireland	-	288,818	4,861	283,957	-	228,880	-	228,880
Latvia	14,864	23,362	-	38,226	29,253	-	14,864	14,389
Liechtenstein	20,000	40,000	-	60,000	-	40,000	20,000	20,000
Luxembourg	396,226	-	43,648	352,579	452,739	345,750	396,227	402,262
Macedonia	-	11,843	-	11,843	-	-	-	-
Moldova	10,943	12,047	-	22,990	-	10,943	10,943	-
Montenegro	10,943	12,047	-	22,990	-	10,943	10,943	-
Netherlands	759,209	2,106,401	1,181,777	1,683,833	148,599	2,067,053	759,209	1,456,443
Norway	118,394	1,457,484	1,079,520	496,358	188,317	189,110	118,394	259,032
Romania	11,633	11,593	-	23,226	-	11,633	11,633	-
Serbia	21,605	11,593	-	33,198	-	21,605	21,605	-
Slovakia	33,285	144,860	24,169	153,975	10,783	58,519	33,285	36,017
Slovenia	2,611	-	2,611	-	2,611	-	2,611	-
Spain	646	100,445	6,011	95,080	66,394	-	646	65,748
Sweden	-	1,006,599	79,081	927,518	162,654	1,012,912	-	1,175,566
United Kingdom	532,228	553,173	262,938	822,464	4,143	1,111,534	532,228	583,449
US State Department	-	-	-	-	4,159	16,114	-	20,273
Others	-	-	-	-	99,834	(51,177)	-	48,657
ISSAT Core Accruals	1,317,941	-	1,310,671	7,270	696,014	-	1,317,941	(621,927)
Transitories	4,765	-	114,931	(110,166)	80,432	-	4,765	75,667
Total Other Member States	5,577,450	10,251,754	7,354,943	8,474,261	2,389,796	9,863,515	5,577,450	6,675,861
Total Switzerland & Other Member States	7,329,692	24,302,172	9,466,984	22,164,879	4,246,121	24,142,577	7,329,692	21,059,006

Financial statements of DCAF – Geneva Centre for Security Sector Governance
Financial year ended 31 December 2018

15.2 Total income

	2018 CHF				2017 CHF			
	7,329,692	24,302,172	9,466,984	22,164,879	4,246,121	24,142,577	7,329,692	21,059,006
Total Income Switzerland & Other Member States								
Multilateral organizations	Def income 2017-2018	Income received - 2018	Def income 2018-2019	Net 2018	Def income 2016-2017	Income received - 2017	Def income 2017-2018	Net 2017
EU European Union	655,803	3,726,441	1,946,015	2,436,229	214,486	1,667,328	655,803	1,226,011
FBA	6,996	5,462	6,996	5,462	-	6,996	6,996	-
GCSP	-	5,944	-	5,944	-	7,836	-	7,836
NATO	-	72,008	-	72,008	1,072	(9,984)	-	(8,912)
OIF	-	31,440	19,246	12,194	-	27,459	-	27,459
OSCE	-	6,054	562	5,493	-	5,804	-	5,804
UN	9,117	181,613	68,338	122,392	6,717	81,242	9,117	78,842
Total multilateral organizations	671,916	4,028,962	2,041,156	2,659,722	222,275	1,786,680	671,916	1,337,039
Funding to DCAF Ljubljana	1,376,488	422,280	798,795	999,973		1,676,200	1,376,488	299,712
Total income from public contributions	9,378,096	28,753,414	12,306,935	25,824,575	4,468,396	27,605,456	9,378,096	22,695,757
Private income								
Hunt	-	-	-	-	-	16,438	-	16,438
OQ	-	-	-	-	-	27,742	-	27,742
Open Society	381,419	987,151	655,183	713,386	-	1,044,753	381,419	663,334
TC Team Consult	-	-	-	-	-	193,684	-	193,684
Total income from private contributions	381,419	987,151	655,183	713,386	-	1,282,617	381,419	901,198
Total public and private income	9,759,515	29,740,565	12,962,118	26,537,961	4,468,396	28,888,073	9,759,515	23,596,954
Other income								
Other	-	16,540	-	16,540	-	8,354	-	8,354
Total other income	-	16,540	-	16,540	-	8,354	-	8,354
Total income	9,759,515	29,757,105	12,962,118	26,554,502	4,468,396	28,896,427	9,759,516	23,605,308

15.3 Operating expenses by division / unit

	2018 CHF				2017 CHF			
	Project	Project support	Management	Total	Project	Project support	Management	Total
Asia Pacific	626,257	228,132		854,389	702,749	155,190		857,938
Eastern Europe	442,659	615,446		1,058,106	743,926	598,850		1,342,776
Latin America and the Caribbean	411,438	68,218		479,656	114,111	7,764		121,875
Middle East and North Africa	3,294,693	1,560,659		4,855,352	3,707,740	1,421,819		5,129,559
Southeast Europe	2,006,762	1,736,810		3,743,571	973,637	1,883,210		2,856,847
Sub-Saharan Africa	1,852,213	400,428		2,252,641	1,420,412	487,643		1,908,055
Operations Department	8,634,023	4,609,692	-	13,243,715	7,662,575	4,554,476	-	12,217,051
Gender and Security	318,750	750,244		1,068,993	450,843	729,085		1,179,928
Policy and Research	420,467	905,829		1,326,296	189,786	946,154		1,135,940
Public-Private Partnerships	923,128	782,616		1,705,744	696,454	877,537		1,573,991
Policy and Research Department	1,662,344	2,438,689	-	4,101,033	1,337,083	2,552,776	-	3,889,859
International Security Sector Advisory Team	4,207,804	18,939	-	4,226,744	3,158,872	26,706	-	3,185,578
Governance and director's office			174,439				152,655	
Management and corporate support services			1,892,645				2,016,156	
Administration, maintenance and facilities management			2,601,786	2,601,786			2,316,022	2,316,022
DCAF management and administration	-	-	4,668,870	4,668,870	-	-	4,484,833	4,484,833
Total operating expenses	14,504,172	7,067,320	4,668,870	26,240,362	12,158,530	7,133,957	4,484,833	23,777,320

15.4 Operating expenses by nature

	2018				2017			
	CHF				CHF			
	Project	Project support	Management	Total	Project	Project support	Management	Total
Personnel costs	6,668,137	6,149,271	2,763,376	15,580,783	5,816,451	6,283,270	2,418,362	14,518,082
Travel & transportation	2,659,732	284,180	101,504	3,045,416	2,148,527	381,288	105,173	2,634,988
Professional services	3,964,841	365,872	525,189	4,855,902	3,145,562	265,480	155,908	3,566,949
Communications	71,222	88,874	40,788	200,884	38,056	97,025	29,531	164,612
Facilities & office expenses	283,552	87,791	1,689,601	2,060,944	247,156	10,109	1,712,765	1,970,030
Other general expenses	101,304	91,332	289,489	482,125	329,613	96,787	523,990	950,389
Overheads	754,844	-	(754,844)	-	431,307	-	(460,896)	(29,589)
Depreciation & amortization	540	-	13,767	14,307	1,859	-	-	1,859
Total operating expenses	14,504,172	7,067,320	4,668,870	26,240,362	12,158,530	7,133,957	4,484,833	23,777,320

16 Off balance sheet commitments

	2018	2017
	CHF	CHF
Payments to be made within one year:	2,206,073	1,413,455
Payments to be made after one year:	9,817,411	11,152,534
	12,023,484	12,565,989

Amounts due to pension funds

	2018	2017
	CHF	CHF
	745,056	80,627
Pension liabilities	745,056	11,669

The increase is due to late receipt of information from the payee.

17 Bank guarantees

	2018	2017
	CHF	CHF
Bank guarantee for (EU project (EUR))	670,999	607,140

This represents a donor-specified bank guarantee.

18 Net financial result

	2018	2017
	CHF	CHF
Financial revenue	37	1,274
Financial expense	(25,959)	1,274
Financial result sub-total	(25,922)	2,548
Exchange rate gain (loss)	(191,782)	178,383
Total	(217,704)	180,931

19 Non-operating result	2018	2017
	CHF	CHF
ATT / WMO income	1,049,464	1,116,721
ATT / WMO expense	(1,127,163)	(1,116,721)
Non-operating result	(77,699)	-

WMO represents activity related to the sub-letting of one floor of the World Meteorological Organization building.

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

20 Auditors fees	2018	2017
	CHF	CHF
Audit of the statutory accounts	22,930	22,000
Other audits and services	43,657	43,284
Total	66,587	65,284

21 Remuneration of the president	2018	2017
	CHF	CHF
Indemnities paid to the Foundation Council President	5,585	10,663

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

22 Subsequent events

There have been no significant events impacting the 2018 annual accounts between the balance sheet date and the date of signing the financial statements.