

# CONSOLIDATED FINANCIAL STATEMENTS

**2023**





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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of DCAF - the Geneva Centre for Security Sector Governance and its subsidiaries (the Foundation), which comprise the balance sheet as at 31 December 2023, the profit and loss statement, the cash flow statement, the statement of changes in restricted and organizational funds, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In accordance with Swiss GAAP FER 21 the information in the performance report is not subject to audit or examination work performed by the Statutory Auditor.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Foundation as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law and the Foundation's statutes and internal regulations.

#### **Basis for Opinion**

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Foundation Council is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Foundation Council's Responsibilities for the Consolidated Financial Statements**

The Foundation Council is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER, the provisions of Swiss law and the Foundation's statutes and for such internal control as the Foundation Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Foundation Council is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Foundation Council either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the consolidation audit. We remain solely responsible for our audit opinion.

We communicate with the Foundation Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Foundation Council.

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

KPMG SA

Elodie Elloy  
Licensed Audit Expert  
Auditor in Charge

Steven Gras

Geneva, 27 June 2024

Enclosure:

- Consolidated financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in restricted and organizational funds and notes to the consolidated financial statements)

## Consolidated balance sheet as at 31 December 2023

		2023	2022
		CHF	CHF
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	13,960,006	10,276,049
Donor funding receivables	7	2,076,948	1,980,740
Other receivables	8	994,139	702,172
Other current assets	9	225,529	102,548
<b>TOTAL CURRENT ASSETS</b>		<b>17,256,622</b>	<b>13,061,509</b>
<b>NON-CURRENT ASSETS</b>			
Tangible and intangible fixed assets	12	123,905	201,998
<b>TOTAL NON-CURRENT ASSETS</b>		<b>123,905</b>	<b>201,998</b>
<b>TOTAL ASSETS</b>		<b>17,380,527</b>	<b>13,263,507</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Operating liabilities	10	953,713	1,294,729
Other current liabilities	11	1,767,480	1,473,805
Provisions	13	452,200	259,754
Deferred income on donor funding	14	11,800,450	7,973,651
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,973,843</b>	<b>11,001,939</b>
<b>RESTRICTED AND ORGANIZATIONAL FUNDS</b>			
<b>RESTRICTED FUNDS</b>			
Restricted funds		–	–
<b>TOTAL RESTRICTED FUNDS</b>		<b>–</b>	<b>–</b>
<b>ORGANIZATIONAL FUNDS</b>			
Organization initial capital		50,000	50,000
Dedicated funds	16	896,875	755,297
Free funds		1,456,861	1,456,075
Cumulative translation adjustment		2,948	196
<b>TOTAL ORGANIZATIONAL FUNDS</b>		<b>2,406,684</b>	<b>2,261,568</b>
<b>TOTAL RESTRICTED AND ORGANIZATIONAL FUNDS</b>		<b>2,406,684</b>	<b>2,261,568</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>17,380,527</b>	<b>13,263,507</b>

## Consolidated profit and loss statement - for the year ended 31 December 2023

		<b>2023</b>	<b>2022</b>
		CHF	CHF
<b>INCOME</b>			
Income from public contributions	17.a, 17.b	32,174,682	32,363,245
Income from private contributions	17.b	276,626	388,500
Other income	17.b	351,698	92,495
<b>TOTAL INCOME</b>		<b>32,803,006</b>	<b>32,844,240</b>
<i>Of which restricted</i>		<i>19,167,972</i>	<i>18,934,228</i>
<b>EXPENDITURE</b>			
Programme and project implementation	17.c, 17.d	(20,606,834)	(20,624,172)
Core mandate implementation	17.c, 17.d	(6,058,578)	(6,629,879)
<b>Mandate-related expenditure</b>		<b>(26,665,412)</b>	<b>(27,254,051)</b>
<b>Management and administration</b>	<b>17.c, 17.d</b>	<b>(5,570,202)</b>	<b>(4,981,253)</b>
<b>TOTAL OPERATING EXPENDITURE</b>		<b>(32,235,614)</b>	<b>(32,235,304)</b>
<b>RESULT OF OPERATING ACTIVITIES</b>		<b>567,392</b>	<b>608,936</b>
Net financial result	20	(425,028)	(737,414)
<b>ORDINARY RESULT</b>		<b>142,364</b>	<b>(128,478)</b>
Non-operating result	21	–	–
<b>ANNUAL RESULT BEFORE CHANGE IN RESTRICTED AND ORGANIZATIONAL FUNDS</b>		<b>142,364</b>	<b>(128,478)</b>
Change in Restricted funds		–	–
<b>ANNUAL RESULT BEFORE CHANGE IN ORGANIZATIONAL FUNDS</b>		<b>142,364</b>	<b>(128,478)</b>
Change in Dedicated funds	16	(141,578)	134,516
Allocation to Free funds		(786)	(6,038)
<b>ANNUAL RESULT AFTER CHANGE IN FUNDS</b>		<b>–</b>	<b>–</b>

## Consolidated cash flow statement as at 31 December 2023

	<b>2023</b>	<b>2022</b>
	<b>CHF</b>	<b>CHF</b>
<b>RESULT BEFORE CHANGE IN RESTRICTED AND ORGANIZATIONAL FUNDS</b>	<b>142,364</b>	<b>(128,478)</b>
Depreciation and amortization	117,443	160,746
Provisions and valuation adjustments	192,446	(455,807)
Change in CTA	2,752	(24,668)
Change in donor funding receivables	(96,208)	(703,925)
Change in deferred income on donor funding	3,826,799	(3,589,943)
Change in other assets	(414,949)	616,727
Change in other liabilities	(47,340)	(43,139)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,723,307</b>	<b>(4,168,487)</b>
Acquisition of furniture and computer equipment	(39,350)	(86,668)
Disposal of furniture and computer equipment	0	3,371
Investment in intangible assets	–	–
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(39,350)</b>	<b>(83,297)</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>3,683,957</b>	<b>(4,251,786)</b>
Cash and cash equivalents, beginning of year	10,276,049	14,527,835
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>13,960,006</b>	<b>10,276,049</b>



## Consolidated statement of changes in restricted and organizational funds

	Restricted Funds	Organization Initial Capital	People and Culture Fund	Risk Management / Knowledge Generation / Information & Knowledge Sharing Fund	Foreign Exchange Fund	Agility Fund	Strategy, Innovation & Organizational Development Fund	Total Dedicated Funds	Free Funds	Net Surplus (Deficit)	Total Free Funds	Cumulative Translation Adjustment	Total Restricted and Organizational Funds
<b>RESERVES AS OF 1 JANUARY 2022</b>	–	50,000	90,000	799,813	–	–	–	889,813	1,450,037	–	1,450,037	24,864	2,414,714
Surplus (Deficit)								–	–	–	–		–
Annual result before change in funds		–	–	–	–	–	–	–	–	(128,478)	(128,478)		(128,478)
Allocation of Funds	18,934,228		–	–	–	–	–	–	–	–	–		18,934,228
Use of Funds	(18,934,228)	–	–	(134,516)	–	–	–	(134,516)	–	134,516	134,516		(18,934,228)
Change in Cumulative Translation Adjustment								–			–	(24,668)	(24,668)
Allocation of Annual Result								–	6,038	(6,038)	–	–	–
<b>RESERVES AS OF 31 DECEMBER 2022</b>	–	50,000	90,000	665,297	–	–	–	755,297	1,456,075	–	1,456,075	196	2,261,568

## Consolidated statement of changes in restricted and organizational funds

	Restricted Funds	Organization Initial Capital	People and Culture Fund	Risk Management / Knowledge Generation / Information & Knowledge Sharing Fund	Foreign Exchange Fund	Agility Fund	Strategy, Innovation & Organizational Development Fund	Total Dedicated Funds	Free Funds	Net Surplus (Deficit)	Total Free Funds	Cumulative Translation Adjustment	Total Restricted and Organizational Funds
<b>RESERVES AS OF 1 JANUARY 2023</b>	–	50,000	90,000	665,297	–	–	–	755,297	1,456,075	–	1,456,075	196	2,261,568
Annual result before change in funds		–	–	–	–	–	–	–	–	142,364	142,364		142,364
Allocation of Funds	19,167,972	–	70,000	(300,000)	–	200,000	310,000	280,000	–	(280,000)	(280,000)		19,167,972
Use of Funds	(19,167,972)	–	–	(138,422)	–	–	–	(138,422)	–	138,422	138,422		(19,167,972)
Change in Cumulative Translation Adjustment								–				2,752	2,752
Allocation of Annual Result								–	786	(786)	–	–	–
<b>RESERVES AS OF 31 DECEMBER 2023</b>	–	50,000	160,000	226,875	–	200,000	310,000	896,875	1,456,861	(0)	1,456,861	2,948	2,406,684

To better align with DCAF's needs and strategic objectives, during 2023, senior management decided to reallocate CHF 300,000 from the Risk Management/Knowledge Generation/Information and Knowledge Sharing fund, to a newly created Strategy, Innovation and Organizational Development fund.

# 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 40 states and the Canton of Geneva. Combining strong operational capabilities and field presence with the weight of a world-renowned think tank, DCAF has 233 staff, 15 field offices and has operated in more than 80 countries worldwide.

These financial statements were approved by DCAF’s Foundation Council on 27 June 2024.

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

## 2. Significant accounting policies

### 2.a. Presentation

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

### 2.b. 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 (note 4).

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.

### 2.c. 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.

### 2.d. 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
- › 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.

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 2023, while income and expenses are translated using the average rate for the year.

## 2.e. 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.

## 2.f. 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).

	2023	2022
EURO	0.930	0.987
NORWEGIAN KRONE	0.083	0.094
SWEDISH KRONA	0.084	0.089
POUND STERLING	1.073	1.113
UNITED STATES DOLLAR	0.842	0.925

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.

## 2.g. 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.

## 2.h. 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.

## 2.i. Depreciation and amortization

	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

## 2.j. 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.

## 2.k. 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.

## 2.1. 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 People, Resources, and Organization Department.

## 2.m. In-kind contributions

In-kind contributions are valued at the market price of a similar service, or the DCAF salary cost of an equivalent position.

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

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

### 5.a. 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.

### 5.b. Banking risk

As of December 31st, 2023, the majority of DCAF's bank accounts were with Credit Suisse in Switzerland. In March 2023, Credit Suisse and UBS entered into a merger agreement with UBS being the surviving entity. This move comes after the Swiss Federal Department of Finance, the Swiss National Bank and FINMA asked both companies to conclude the transaction to restore necessary confidence in the stability of the Swiss economy and banking system. UBS 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.

### 5.c. Counterparty risk

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

## 6. Cash and cash equivalents

	2023	2022
	CHF	CHF
Petty cash	72,523	35,471
Bank accounts	13,887,483	10,240,578
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>13,960,006</b>	<b>10,276,049</b>

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

	2023	2022
	CHF	CHF
<b>TOTAL DONOR FUNDING RECEIVABLES</b>	<b>2,076,948</b>	<b>1,980,740</b>

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

## 8. Other receivables

	2023	2022
	CHF	CHF
Accounts receivable	914,226	690,520
WMO rentals receivable	-	32,700
Allowance for doubtful WMO rentals receivable	-	(29,145)
Pension fund Geneva	15,312	-
Other social charges Switzerland	62,556	-
Funds advanced	2,045	8,097
<b>TOTAL OTHER RECEIVABLES</b>	<b>994,139</b>	<b>702,172</b>

## 9. Other current assets

	2023	2022
	CHF	CHF
Prepaid expenses	212,433	89,451
Rental deposits	13,096	13,096
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>225,529</b>	<b>102,548</b>

## 10. Operating liabilities

	2023	2022
	CHF	CHF
Accounts payable	868,322	1,189,789
Accrued salaries	34,002	25,392
Staff expenses	51,389	79,548
<b>TOTAL OPERATING LIABILITIES</b>	<b>953,713</b>	<b>1,294,729</b>

## 11. Other current liabilities

	2023	2022
	CHF	CHF
Other social charges Switzerland	167,538	221,056
Accrued annual leave and overtime	413,509	327,866
Short term accruals	305,436	380,520
Funds to be repaid to donors	762,978	438,233
Other	2,109	-
Pension fund Ramallah	115,910	106,130
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>1,767,480</b>	<b>1,473,805</b>

## 12. Tangible and intangible fixed assets

	Furniture & equipment	Computer hardware	Computer software & installations	Other intangible assets	Total
<b>Gross value as of 31.12.2021</b>	<b>29,033</b>	<b>338,632</b>	<b>154,296</b>	<b>123,250</b>	<b>645,212</b>
Disposals	(196)	(3,371)	(0)	–	(3,567)
Acquisitions	24,709	61,960	–	–	86,669
Construction in Progress	–	–	–	–	–
<b>Gross value as of 31.12.2022</b>	<b>53,546</b>	<b>397,221</b>	<b>154,296</b>	<b>123,250</b>	<b>728,313</b>
Disposals	(232)	–	–	–	(232)
Acquisitions	–	39,350	–	–	39,350
Construction in Progress	–	–	–	–	–
<b>Gross value as of 31.12.2023</b>	<b>53,313</b>	<b>436,571</b>	<b>154,296</b>	<b>123,250</b>	<b>767,431</b>
<b>Accumulated depreciation as of 31.12.2021</b>	<b>(18,397)</b>	<b>(207,319)</b>	<b>(74,315)</b>	<b>(65,733)</b>	<b>(365,765)</b>
Reversals	196	–	–	–	196
Depreciation	(11,168)	(98,585)	(26,343)	(24,650)	(160,746)
<b>Accumulated depreciation as of 31.12.2022</b>	<b>(29,369)</b>	<b>(305,904)</b>	<b>(100,659)</b>	<b>(90,383)</b>	<b>(526,315)</b>
Reversals	232	–	–	–	232
Depreciation	(10,677)	(66,385)	(15,731)	(24,650)	(117,443)
<b>Accumulated depreciation as of 31.12.2023</b>	<b>(39,813)</b>	<b>(372,289)</b>	<b>(116,390)</b>	<b>(115,033)</b>	<b>(643,526)</b>
<b>NET VALUE AS OF 31.12.2021</b>	<b>10,636</b>	<b>131,312</b>	<b>79,981</b>	<b>57,517</b>	<b>279,447</b>
<b>NET VALUE AS OF 31.12.2022</b>	<b>24,177</b>	<b>91,316</b>	<b>53,638</b>	<b>32,867</b>	<b>201,998</b>
<b>NET VALUE AS OF 31.12.2023</b>	<b>13,501</b>	<b>64,281</b>	<b>37,906</b>	<b>8,217</b>	<b>123,905</b>

## 13. Provisions

	Social Provisions	Legal Provisions	Total
<b>Balance at 31.12.2021</b>	<b>339,730</b>	<b>375,831</b>	<b>715,561</b>
Creation	–	130,268	130,268
Use	–	(86,951)	(86,951)
Dissolution	(279,730)	(219,394)	(499,124)
<b>Balance at 31.12.2022</b>	<b>60,000</b>	<b>199,754</b>	<b>259,754</b>
Creation	–	345,914	345,914
Use	–	(125,997)	(125,997)
Dissolution	–	(27,471)	(27,471)
<b>Balance at 31.12.2023</b>	<b>60,000</b>	<b>392,200</b>	<b>452,200</b>

## 14. Deferred income on donor funding

	2023	2022
	CHF	CHF
<b>TOTAL DEFERRED INCOME ON DONOR FUNDING</b>	<b>11,800,450</b>	<b>7,973,651</b>

Per note 2k, deferred income represents outstanding grant amounts at year-end, to be used in future years; notes 17.a, 17.b.

## 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 2023, 139 employees were enrolled in the plan (2022: 145 employees). Total contributions in 2023 were CHF 1,568,610 (2022: CHF 1,522,733). As of 31 December 2023, the coverage ratio is 104.7% (2022: 100.1%). 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 2023 comprise:

- **People & Culture (formerly Stepping Forward):** 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.
- **Agility:** Created to meet immediate, critical needs for resources that are not routinely budgeted and enhance organizational capabilities by providing strategic support and resources to specific projects or operational areas.
- **Strategy, Innovation and Organizational Development:** Created to fund investments associated with DCAF's strategy and facilitate investments in innovation and organizational development.



## 17. Income

### 17.a. Income - Governments and member states

	2023 (CHF)			2022 (CHF)		
	Donor Funding Receivable at 31.12.23	Deferred Income at 31.12.23	Income 2023	Donor Funding Receivable at 31.12.22	Deferred Income at 31.12.22	Income 2022
<b>SWITZERLAND</b>						
FDA - Core funding	–	–	11,832,800	–	–	11,759,500
FDA - Project funding	451,206	1,341,302	3,975,825	388,182	1,689,971	3,644,166
DDPS - Project funding	–	16,153	1,528	–	17,681	58,107
<b>TOTAL SWITZERLAND</b>	<b>451,206</b>	<b>1,357,456</b>	<b>15,810,153</b>	<b>388,182</b>	<b>1,707,652</b>	<b>15,461,773</b>
<b>OTHER MEMBER STATES</b>						
Albania	–	22,435	7,380	–	9,965	2,413
Austria	–	426,938	34,772	–	–	41,793
Bosnia and Herzegovina	–	30,933	10,176	–	31,283	7,574
Bulgaria	–	25,335	8,334	–	23,744	5,749
Canada	–	1,584,590	985,630	–	154,467	1,295,480
Denmark	–	–	502,948	4,314	–	1,224,637
Finland	16,731	–	549,106	2,916	–	2,916
France	–	551,617	393,293	–	456,178	276,306
Germany	423,954	1,061,113	3,144,123	89,861	848,223	2,692,971
Hungary	–	25,941	8,534	–	24,451	5,920
<b>SUBTOTAL OTHER MEMBER STATES</b>	<b>440,684</b>	<b>3,728,902</b>	<b>5,644,296</b>	<b>97,091</b>	<b>1,548,311</b>	<b>5,555,760</b>

	2023 (CHF)			2022 (CHF)		
OTHER MEMBER STATES	Donor Funding Receivable at 31.12.23	Deferred Income at 31.12.23	Income 2023	Donor Funding Receivable at 31.12.22	Deferred Income at 31.12.22	Income 2022
<b>BALANCE BROUGHT FORWARD OTHER MEMBER STATES</b>	<b>440,684</b>	<b>3,728,902</b>	<b>5,644,296</b>	<b>97,091</b>	<b>1,548,311</b>	<b>5,555,760</b>
Ireland	–	–	–	–	–	200,180
Liechtenstein	–	21,802	57,172	–	28,974	82,015
Luxembourg	–	169,440	56,806	–	226,246	313,110
Macedonia	–	30,384	9,995	–	30,454	7,373
Moldova	–	25,517	8,394	–	24,084	5,831
Montenegro	–	26,002	8,554	–	24,630	5,963
Netherlands	706	4,236,787	3,652,313	145,366	936,215	3,187,660
Norway	–	273,438	293,224	–	325,943	943,458
Qatar	–	9,087	–	1,895	–	70,895
Romania	–	25,762	8,475	–	24,410	5,910
Serbia	–	25,837	8,499	–	24,509	5,934
Slovakia	–	–	34,236	–	–	–
Sweden	–	501,970	1,163,824	–	1,407,637	1,260,321
United Kingdom	488,093	8,307	2,210,027	339,944	–	2,036,565
US State Department	–	–	4,214	–	–	–
ISSAT core accrual	–	30,636	455,257	–	485,893	308,885
<b>TOTAL OTHER MEMBER STATES</b>	<b>929,484</b>	<b>9,113,869</b>	<b>13,615,286</b>	<b>584,296</b>	<b>5,087,306</b>	<b>13,989,861</b>
<b>TOTAL SWITZERLAND AND OTHER MEMBER STATES</b>	<b>1,380,689</b>	<b>10,471,325</b>	<b>29,425,439</b>	<b>972,478</b>	<b>6,794,958</b>	<b>29,451,634</b>

## 17.b. Total income Switzerland and other member states

	2023 (CHF)			2022 (CHF)		
<b>TOTAL INCOME SWITZERLAND AND OTHER MEMBER STATES</b>	<b>1,380,689</b>	<b>10,471,325</b>	<b>29,425,439</b>	<b>972,478</b>	<b>6,794,958</b>	<b>29,451,634</b>
	<b>Donor Funding Receivable at 31.12.23</b>	<b>Deferred Income at 31.12.23</b>	<b>Income 2023</b>	<b>Donor Funding Receivable at 31.12.22</b>	<b>Deferred Income at 31.12.22</b>	<b>Income 2022</b>
<b>MULTILATERAL ORGANIZATIONS</b>						
Council of Europe	–	14,503	–	40,065	–	40,065
EU European Union	520,178	826,108	1,615,413	868,594	681,160	2,230,594
NATO	3,802	21,148	16,502	15,546	–	11,744
OIF	216	–	216	–	–	40,750
UN	172,063	17,537	1,007,131	66,350	148,804	430,288
<b>TOTAL MULTILATERAL ORGANIZATIONS</b>	<b>696,258</b>	<b>879,296</b>	<b>2,639,262</b>	<b>990,554</b>	<b>829,964</b>	<b>2,753,440</b>
Funding to DCAF Ljubljana	–	54,554	109,981	–	134,898	158,170
<b>TOTAL INCOME FROM PUBLIC CONTRIBUTIONS</b>	<b>2,076,948</b>	<b>11,405,175</b>	<b>32,174,682</b>	<b>1,963,032</b>	<b>7,759,820</b>	<b>32,363,245</b>
<b>PRIVATE INCOME</b>						
Konrad Adenauer Stiftung	–	2,498	–	17,708	–	17,708
Open Society	–	392,778	276,626	–	224,409	338,651
Thomson Reuters Foundation	–	–	–	–	–	32,141
<b>TOTAL INCOME FROM PRIVATE CONTRIBUTION</b>	<b>–</b>	<b>395,276</b>	<b>276,626</b>	<b>17,708</b>	<b>224,409</b>	<b>388,500</b>
<b>TOTAL PUBLIC AND PRIVATE INCOME</b>	<b>2,076,948</b>	<b>11,800,450</b>	<b>32,451,308</b>	<b>1,980,740</b>	<b>7,984,228</b>	<b>32,751,745</b>
<b>OTHER INCOME</b>						
Other	–	–	351,698	–	–	92,495
<b>TOTAL OTHER INCOME</b>	<b>–</b>	<b>–</b>	<b>351,698</b>	<b>–</b>	<b>–</b>	<b>92,495</b>
<b>TOTAL INCOME</b>	<b>2,076,948</b>	<b>11,800,450</b>	<b>32,803,006</b>	<b>1,980,740</b>	<b>7,984,228</b>	<b>32,844,240</b>

## 17.c. Operating expenses by entity/unit

	2023 (CHF)				2022 (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	373,994	268,243		642,237	392,023	273,366		665,389
Europe and Central Asia	3,176,146	1,400,483		4,576,629	3,090,950	1,578,120		4,669,070
Latin America and the Caribbean	1,064,987	379,699		1,444,686	1,404,581	232,726		1,637,306
Middle East and North Africa	3,094,330	1,065,689		4,160,019	3,543,734	1,363,892		4,907,626
Sub-Saharan Africa	5,798,657	759,255		6,557,912	5,283,644	851,970		6,135,614
Operations Department	451,185	–		451,185	200,500	–		200,500
<b>OPERATIONS DEPARTMENT</b>	<b>13,959,299</b>	<b>3,873,369</b>	<b>–</b>	<b>17,832,668</b>	<b>13,915,432</b>	<b>4,300,074</b>	<b>–</b>	<b>18,215,505</b>
Gender and Security	1,284,681	650,426		1,935,107	1,867,482	669,601		2,537,084
Policy and Research	822,564	693,710		1,516,275	572,882	834,191		1,407,073
Business and Security	1,137,434	725,339		1,862,772	917,679	727,808		1,645,487
<b>POLICY AND RESEARCH DEPARTMENT</b>	<b>3,244,679</b>	<b>2,069,475</b>	<b>–</b>	<b>5,314,153</b>	<b>3,358,043</b>	<b>2,231,601</b>	<b>–</b>	<b>5,589,644</b>
<b>INTERNATIONAL SECURITY SECTOR ADVISORY TEAM</b>	<b>2,836,474</b>	<b>115,734</b>	<b>–</b>	<b>2,952,208</b>	<b>2,841,480</b>	<b>98,205</b>	<b>–</b>	<b>2,939,685</b>
<b>EUROPEAN UNION PROJECT</b>	<b>566,382</b>	<b>–</b>		<b>566,382</b>	<b>509,217</b>	<b>–</b>		<b>509,217</b>
Governance and director's office			52,460	52,460			105,895	105,895
Management and corporate support services			3,318,376	3,318,376			3,036,771	3,036,771
Administration, maintenance and facilities management			2,199,366	2,199,366			1,838,587	1,838,587
<b>DCAF MANAGEMENT AND ADMINISTRATION</b>	<b>–</b>	<b>–</b>	<b>5,570,202</b>	<b>5,570,202</b>	<b>–</b>	<b>–</b>	<b>4,981,253</b>	<b>4,981,253</b>
<b>TOTAL OPERATING EXPENDITURE</b>	<b>20,606,834</b>	<b>6,058,578</b>	<b>5,570,202</b>	<b>32,235,614</b>	<b>20,624,172</b>	<b>6,629,879</b>	<b>4,981,253</b>	<b>32,235,304</b>

## 17.d. Operating expenses by nature

	2023 (CHF)				2022 (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	9,795,367	5,471,400	3,533,623	18,800,391	9,291,901	6,020,789	3,112,765	18,425,455
Travel and transportation	3,460,572	132,166	66,846	3,659,585	3,276,819	188,610	125,218	3,590,647
Professional services	5,163,033	329,925	839,104	6,332,062	5,803,925	245,237	632,982	6,682,144
Communications	72,937	11,502	109,040	193,478	63,476	18,907	97,669	180,052
Facilities and office expenses	318,652	74,539	1,841,154	2,234,345	316,005	136,882	1,851,736	2,304,623
Other general expenses	395,737	39,047	463,527	898,311	484,991	19,454	387,192	891,637
Overheads	1,400,536	–	(1,400,536)	–	1,387,055	–	(1,387,055)	–
Depreciation and amortization	–	–	117,443	117,443	–	–	160,746	160,746
<b>TOTAL OPERATING EXPENDITURE</b>	<b>20,606,834</b>	<b>6,058,578</b>	<b>5,570,202</b>	<b>32,235,614</b>	<b>20,624,172</b>	<b>6,629,879</b>	<b>4,981,253</b>	<b>32,235,304</b>

## 18. In-kind contributions

The following in-kind contributions, with a total estimated value of CHF 944,121 (2022: CHF 828,120) were provided to DCAF in 2023:

- › The French government seconded the Senior Security Sector Advisor to the Director and directly covered his salary.
- › The French government seconded an advisor, Defence and Security Sector Governance, to the Sub-Saharan Africa Division, and directly covered her salary through July.
- › The Austrian government seconded the head of 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, and conference rooms for various meeting and workshops, in the Parliament building.
- › The North Macedonian Ministry of the Interior provided the conference room for discussions with the Internal Control Department of the Interior, and transportation for participants attending various training courses relating to the implementation of the Ministry of the Interior Integrity Plan.
- › The North Macedonian Ministry of Defence provided facilities for focus groups and a conference room to support gender self-assessment and the first military intelligence and good governance course.
- › The OSCE provided a conference room, interpreters and lunch for trainers on hybrid learning for developing police integrity training as part of the OSCE's mission to Skopje and the Ministry of the Interior's integrity plan.
- › The Romanian Ministry of Internal Affairs provided transport, accommodation and meals for PCC-related events (Committee of Ministers and Thematic Working Group).
- › The Serbian Ministry of the Interior provided transport, accommodation, and meals for PCC-related events (Committee of Ministers and Thematic Working Group).
- › The Moldovan Ministry of the Interior provided conference, training, and meeting rooms for activities within pillar 2 of 'Strengthening security sector governance in Moldova' (steering committees, workshops on strategic management, workshops on gender equality, train-the-trainer activities).

- › The Moldovan General Police Inspectorate provided conference rooms for activities within pillar 2 of 'Strengthening security sector governance in Moldova' (workshop on procedures for body-worn cameras, workshop on strategic planning).
- › The State Chancellery provided a conference room for activities within pillar 1 of 'Strengthening security sector governance in Moldova' (workshop on disaster risk management).
- › The Canton of Geneva seconded a senior police officer and directly covered his salary.
- › The support received for Information and Communication Technology (ICT) hosted by the GCSP, amounted to CHF 527,417. These costs were directly covered by the government of Switzerland.

## 19. Off balance sheet commitments

	2023	2022
	CHF	CHF
Payments to be made within one year	2,131,251	1,868,410
Payments to be made after one year	12,212,478	4,989,642
<b>TOTAL</b>	<b>14,343,729</b>	<b>6,858,052</b>

## 20. Net financial result

	2023	2022
	CHF	CHF
Financial revenue	94,880	-
Financial expense	(39,356)	(54,021)
<b>Financial result sub-total</b>	<b>55,524</b>	<b>(54,021)</b>
Exchange rate gain (loss)	(480,552)	(683,393)
<b>TOTAL</b>	<b>(425,028)</b>	<b>(737,414)</b>

## 21. Non-operating result

	2023	2022
	CHF	CHF
ATT income	186,589	191,959
ATT expense	(186,589)	(191,959)
<b>NON-OPERATING RESULT</b>	<b>-</b>	<b>-</b>

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

## 22. Auditors fees

	2023	2022
	CHF	CHF
Audit of the statutory accounts	42,357	49,025
Other audits and services	126,665	99,604
<b>TOTAL</b>	<b>169,022</b>	<b>148,629</b>

## 23. Remuneration of the President

	2023	2022
	CHF	CHF
<b>INDEMNITIES PAID TO THE FOUNDATION COUNCIL PRESIDENT</b>	<b>6,000</b>	<b>12,000</b>

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

## 24. Related party transactions

No related party transactions were identified during the year.


## 25. Subsequent events

There have been no significant events impacting the 2023 annual accounts between the balance sheet date and the date of signing the financial statements.

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