

# FINANCIAL REPORT 2014



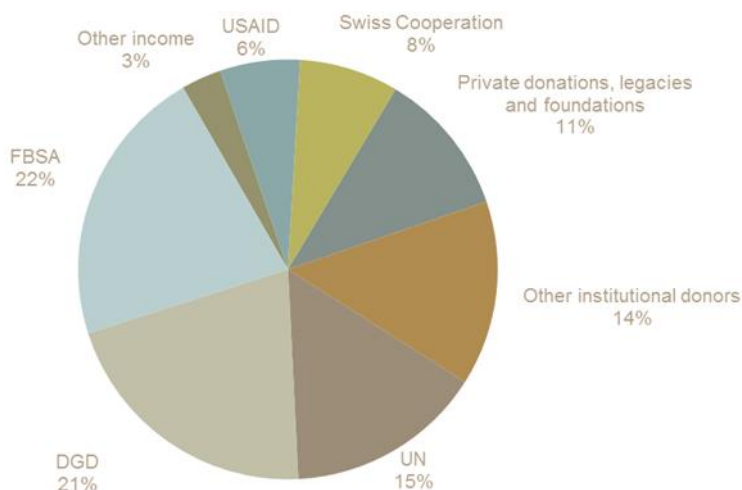
This financial report relates to the consolidated accounts of Vétérinaires Sans Frontières Belgium, including all activities carried out between 1 January and 31 December 2014. The accounts were audited and certified by our auditors, KPMG Vias. They can be viewed on the website of the National Bank of Belgium ([www.bnb.be](http://www.bnb.be)).

## INCOME

Donations are essential for Vétérinaires Sans Frontières Belgium to be able to achieve its objectives. In 2014, fundraising was reported as € 924,325 (compared with € 911,521 in 2013 and € 880,944 in 2012). Although this represents only 11% of the income of Vétérinaires Sans Frontières Belgium, the accumulation of small amounts allows us, through the co-financing system, to obtain significant subsidies in Belgium and internationally.

For many years, we have been able to count on significant support from various institutions. Our primary institutional donors are the Belgian government (€ 1,759,285 from DGD and € 1,822,871 from the Belgian Fund for Food Security, or € 3,582,156 used in 2014), the United Nations (€ 1,282,909), the Swiss Cooperation (€ 645,230) and USAID (€ 521,149). These five donors represent 71% of the association's income. The diversity of our donors gives us a certain level of independence as an NGO.

### REVENUE ALLOCATION 2014



## EXPENDITURE

The implementation of our programmes represents € 7.559.561 or 86% of our expenditure in 2014. The remainder is connected with the operation of the Brussels office, costs linked to fundraising and informing the general public. In 2014, exceptional restructuring measures were taken to deal with the reduction of our programmes observed in 2013.

In 2013 and 2014, the volume of financing for the association's programme decreased by 30 and 11% respectively. Restructuring measures became necessary to adapt our managerial structure to the current size of our programmes. Our two smallest regions – Central Africa and East Africa – merged to save the costs of a regional office. Costs were also cut at headquarters level with the redundancy of 4 staff.

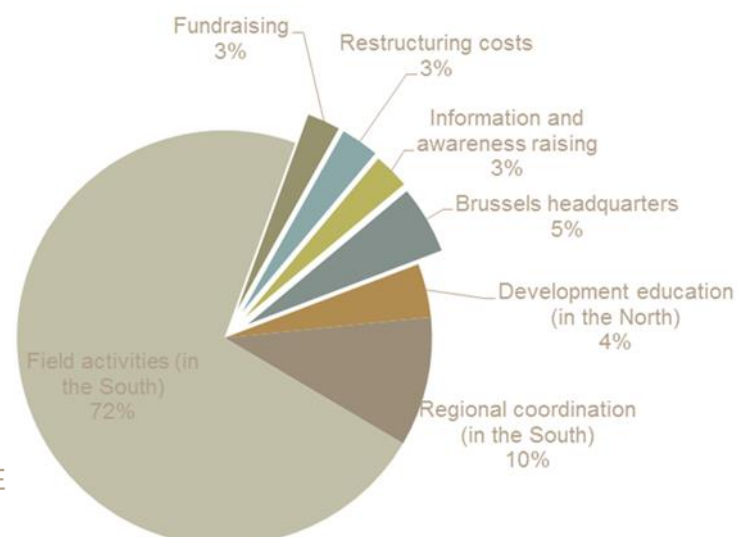
The exceptional restructuring charges (- € 314,245) observed in our accounts correspond to the (non-recurring) costs of closing programmes in South Sudan and Kenya. Those programmes were stopped mainly because their funding was short-term and consequently carried too high risks for the organisation, for which unrestricted funds are limited.

These exceptional restructuring charges explain the 2014 budget deficit, while the organisation's operational result shows a surplus of € 199,534.

In addition, the organisation's financial result is influenced each year by the implementation of financing and programmes in non-European currencies. Different measures exist to limit this exchange rate risk, so that the exchange rate gains and losses usually compensate each other. However, in 2014, these fluctuations proved to be larger than usual and absorbed the organisation's operational surplus.

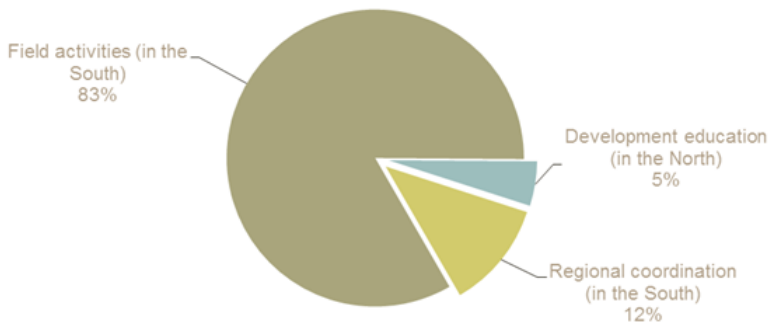
The final result for the 2014 financial year is a deficit of € 316,883 while the voted budget initially anticipated a surplus of € 40,237.

### EXPENDITURE 2014

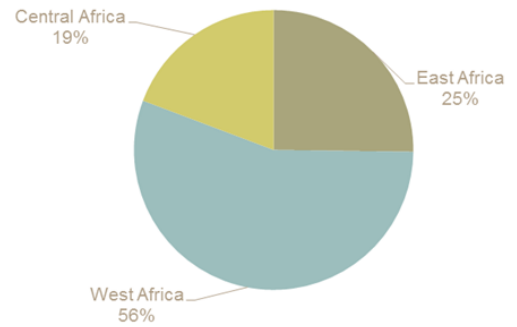


PROGRAMME  
ACTIVITIES  
86%

PROGRAMME ACTIVITIES (86%)



FIELD ACTIVITIES (IN THE SOUTH)



## BALANCE SHEET

The balance sheet total was reported as € 12,305,314. It features large accounts payable and extensions of subsidies. Accounting rules require the accounting of all multi-annual financing contracts, which is the reason for the large totals of accounts receivable under assets and accruals and deferrals under liabilities (for the portion of subsidies which have not yet been used by projects).

Added to the 2013 deficit (€ 778,502), the 2014 deficit reduces the association's social funds, which is currently negative (€ 122,525). After the decreases observed in 2013 and 2014, the prospects for 2015 and 2016 should be more positive, with the signing of new multi-annual financing contracts, including a 5-year financing agreement by the Belgian Fund for Food Security in Tanzania, and 3 new multi-annual contracts in West Africa (from DFID UK Government, USAID US Government and Swiss Cooperation).

The organisation's executive board considers that the recovery measures taken and the contracts signed for the coming years support the use of the internal evaluation procedures with a focus on continuity. The surplus incomes expected for 2015 and 2016 should enable the organisation to gradually rebuild its reserves.

## CO-FUNDING AND OWN FUNDS

In order to supplement its own funds, i.e. to cover the portion of budgets that are not financed by the main donors (up to 20% and on average 10%), Vétérinaires Sans Frontières Belgium implements an institutional co-financing strategy. In 2014, the result of this was a total co-financing of € 542,978 (€ 583,302 in 2013 and € 582,509 in 2012). The search for co-financing remains a major concern for our organisation.

## CASH FLOW

The association must continue to take care to always have sufficient liquid assets to meet its short-term obligations. Vétérinaires Sans Frontières Belgium monitors the rigorous execution of its contracts in order to timely provide reports to institutional donors and in this way reduce payment delays. But, due to the financing policy of institutional donors and payment time frames, we do receive some of the money after we already had to spend it, meaning the association must advance (pre-fund) that money. In 2013, the board of directors authorized bank loans (straight loans and credit lines) up to 15%, which is the average historical credit need of the organization. Predicted cash flow needs were exceptionally high for early-2014, but the credit lines were then reduced to the normal level - between 10 and 15%.

## REALISED PROGRESS AND CHALLENGES

Notwithstanding the negative result of the financial year 2014, the year has seen major improvements in terms of financial and administrative management:

- Quarterly and half-year closure with interim financial statements and provisional end-year closure;
- A prudent budget based on the field reality, confirmed by the regions themselves and revised quarterly;
- The reactivity of the association to optimize the budgetary perspectives;
- The agreement on strategic principles for the financial sustainability of the organization (e.g. increase in reserves).

Our challenges remain at the level of our management tools (budget tools, accountancy software) and a common understanding of our budget realization at the field level. Other preventative measures against currency risks are also under review. Additionally, we need to make sure that the internal control is executed at the right levels. These challenges are part of our main organizational priorities.

## BALANCE SHEET

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
<b>Fixed assets</b>	<b>798.254</b>	<b>748.604</b>
Intangible fixed assets	251.203	201.882
Tangible fixed assets	486.859	493.192
Financial assets	60.192	53.530
<b>Current assets</b>	<b>11.507.061</b>	<b>9.695.833</b>
Accounts receivable after more than 1 year	4.262.518	3.475.542
Accounts receivable within 1 year	6.351.702	4.850.857
Cash in hand and at bank	823.571	1.220.218
Prepayments and accrued income	69.270	149.216
<b>TOTAL ASSETS</b>	<b>12.305.314</b>	<b>10.444.437</b>

<b>LIABILITIES</b>	<b>2014</b>	<b>2013</b>
<b>Capital</b>	<b>-122.525</b>	<b>223.419</b>
Permanent funds	959.268	959.268
Result brought forward	-1.441.806	-1.124.923
Investment grants	360.014	389.074
<b>Provisions</b>	<b>224.007</b>	<b>201.978</b>
<b>Amounts payable</b>	<b>12.203.831</b>	<b>10.019.040</b>
Amounts payable in more than 1 year	0	0
Amounts payable within 1 year	2.050.241	2.408.583
Accruals and deferred income	10.153.591	7.610.457
<b>TOTAL LIABILITIES</b>	<b>12.305.314</b>	<b>10.444.437</b>

## PROFIT AND LOSS ACCOUNT

	<b>2014</b>	<b>2013</b>
<b>Turnover</b>	<b>8.310.160</b>	<b>9.237.656</b>
<b>Cost of turnover</b>	<b>-8.110.625</b>	<b>-9.778.745</b>
<b>Operating result</b>	<b>199.535</b>	<b>-541.089</b>
Financial income	117.676	179.995
Financial charges	-330.022	-293.055
Result from ordinary activities	-12.811	-654.149
Extraordinary income	10.172	35.875
Extraordinary charges	-314.245	-160.229
<b>Result for the financial year</b>	<b>-316.883</b>	<b>-778.503</b>

# ADDENDUM organisation profile, governance and quality, respect for the environment

## ORGANISATION PROFILE

### Who we are and how are we organised?

Vétérinaires Sans Frontières Belgium is an a.s.b.l. (not-for-profit organisation) under Belgian law, founded in 1990 by a small group of veterinarians. Their wish was to use their expertise to help disadvantaged populations depending on animal farming in the Global South. The articles of association were published in the Belgian Official Journal on 22 February 1990 under number 3020. They were last amended by the General Assembly on 16 April 2005 and published in the appendices of the Belgian Official Journal on 5 September 2005 under number 05125517. Vétérinaires Sans Frontières Belgium's business number is 0442.168.263. It was approved as an NGO on 13 November 1997, then as a programme-NGO on 14 April 2007 for a period of ten years, by the Belgian federal service for Development Cooperation.

The organisation has grown steadily until 2012, followed by a decrease in 2013 and 2014 which, as stated above, led to the closure of our programmes in South Sudan and Kenya and to the restructuring of our offices, both at headquarters and in Central and East Africa, where they merged to cut costs.

In 2014, ten expatriates (of whom more than 50% are African), worked with our local partners to improve their organisational capacities. One junior expert, funded by the Belgian development agency BTC, also strengthened our team in Karamoja (Northern Uganda).

At the end of 2014, the head office had a total of 13 employees (9 women and 4 men), or 11.9 FTE. During the year, one new staff member was hired part-time and five others were made redundant as part of the restructuring. Over half of our staff is in the 26–35 age group. On-going professional development is encouraged by the organisation. Details regarding the staff of Vétérinaires Sans Frontières Belgium can be found on the following websites: [www.ong-livreouvert.be](http://www.ong-livreouvert.be) or [www.bnb.be](http://www.bnb.be) (National Bank of Belgium).

Vétérinaires Sans Frontières Belgium is a founding member of the VSF International network, comprising ten independent organisations based in Austria, Canada, Belgium, France, Germany, Italy, the Netherlands, Spain, Switzerland and Portugal: [www.vsf.org](http://www.vsf.org).

In addition to its membership of the 4 NGO federations in Belgium (CNCD, 11.11.11, AODEV, ngo-federatie), Vétérinaires Sans Frontières Belgium is also an active member of different platforms and coalitions:

- ✦ Belgian platform on tropical animal health and production ([www.be-troplive.be](http://www.be-troplive.be))
- ✦ Coalition of European Lobbies for Eastern African Pastoralism (CELEP) ([www.celep.info](http://www.celep.info))
- ✦ Coalition contre la faim ([www.coalitioncontrelafaim.be](http://www.coalitioncontrelafaim.be))
- ✦ Plate-forme Souveraineté Alimentaire ([www.pfsa.be](http://www.pfsa.be))

## GOVERNANCE

### Who decides and who is involved?

Decisions at Vétérinaires Sans Frontières Belgium are made at four levels: the General Meeting, which is the highest body, the Board of Directors, the General Director (supported by the Financial Director) and the Regional Directors.

The **2014 General Assembly (GA)** of Vétérinaires Sans Frontières Belgium is composed of 30 members who pay an annual subscription. The statutory GA takes place once a year. It approves the strategic framework, the annual plans and accounts (activity report and financial report) presented to stakeholders of the organisation (in particular the auditors), and appoints the members of the Board of Directors and the auditors. It ensures that the strategic plans are consistent with the vision, mission and values of the organisation.

After the 2014 GA which confirmed two departures, the **Board of Directors** comprises 7 independent people acting on voluntary basis. They meet six times per year on average. The Board of Directors is delegated by the GA to establish the long-term strategic plans for the organisation. In 2014, it became more involved in improving the financial management system of the organisation, and was informed about the major changes concerning international cooperation involvement by Mr. Jean Bossuyt, president of ngo-federatie. The Board of Directors monitors and evaluates the performance of the organisation as a whole, the management of risks and efficiency in order to achieve the strategic objectives. The Board of Directors selects the General Director and monitors his performance.

The **General Director** is responsible for running and managing the organisation according to Belgian and international laws and according to the procedures of the various donors, according to the strategy approved by the

Board of Directors. The General Director ensures that the overall strategy is correctly reflected in operating plans for the three intervention regions (West Africa, the Great Lakes region and Belgium/Europe), and that the organisation has the human and financial resources needed to achieve its objectives. The Director also plays an important role representing Vétérinaires Sans Frontières Belgium to stakeholders.

The **Financial Director** is mandated by the General Director, to whom she reports. She elaborates and proposes a motivating framework of financial management, accounting, and internal control for the whole organisation and makes sure that it is translated into policies, procedures and good practices in the different countries of operation. She ensures that the organisation's financial monitoring tools are reliable and relevant, and communicates to internal (i.e. financial Board of Directors) or external stakeholders (i.e. banks, auditors). She takes care to produce and submit financial reports in accordance with the donor's requirements and ensures the correct development of financial audits.

The **Regional Directors** fulfil the same roles in their regions as the General Director. In the field, each project is managed on the technical and budgetary levels by the project leader appointed and trained by the local partner.

Supporting these decision-making bodies is the **Management Team**, comprising 7 people (4 directors, 1 manager and 2 experts), which is an advisory body that meets monthly (also virtual meetings). It assists the directors and managers in making decisions in an organised and transparent manner and prepares the rendering of accounts to stakeholders. It is also a place for sharing knowledge, experience and lessons learned.

Generally speaking, the **management style** is participative, based on the values of the organisation (respect, transparency and sustainability). We focus on empowering employees, their professional development and cooperation.

## QUALITY APPROACH

### How can we improve the quality of our internal management and of our programmes?

The Belgian NGO sector, via its two federations (ngo-federatie and AODEV) which offer substantial support, has opted for the EFQM excellence management model which is widely used throughout Europe in both public and private sectors ([www.efqm.org](http://www.efqm.org)). The aim of the system is to drive companies or associations in order for them to obtain and maintain better performance results which satisfy the expectations of all their stakeholders. After obtaining the C2E label (Committed to Excellence) in July 2012, another improvement cycle was implemented and yet another will follow. After these, the organisation will start on the next step to obtain the R4E label (Recognised for Excellence).

In the management of its programmes, Vétérinaires Sans Frontières Belgium strives to apply the principles of a learning organisation based on participatory management of the project cycle and the RBM approach (results-based management). This, through the development of result and relevant effect indicators, and regular monitoring and evaluation, allows us to learn from our successes and failures, and to share the lessons learned with all stakeholders. In 2014, work to update and standardise performance indicators for all programmes was carried out. No serious breach of our code of ethics was recorded.

## GENDER SENSITIVITY

### How do we strive to promote equality between men and women?

The agriculture sector is underperforming in the Southern countries in which we work. This is partly due to the fact that women are disadvantaged relative to men with regards to access to production resources and control of their activities' income. Marginalisation of women imposes enormous costs on society in terms of loss of agricultural production, household well-being, food and nutritional security, and more generally on economic growth.

Livestock is an interesting starting point to promote gender equality. Special attention has been given to women's integration in livestock projects carried out by Vétérinaires Sans Frontières Belgium for a few years, and we know that each intervention affects men and women differently. The gender approach endeavours to improve women's access to productive livestock resources, management of their economic activities' income and capacity to improve decisions which impact their daily lives. It enhances women's involvement in local animal health's management and other basic services as well as their roles in farmers' organisations.

Our project monitoring indicators were updated in 2014, which will make it possible in the future to disaggregate data per sex where relevant. This will help us to have a clearer view of the results and effects of the projects obtained for women and men respectively, and to learn from them with the people involved.

At an institutional level, Vétérinaires Sans Frontières Belgium notes that women outnumber men at our headquarters – as in the whole NGO sector – while the opposite trend is observed in its two decentralized offices. However, at managerial level, more men are significantly represented in the North as well as in the South. Still, executive positions were held by women up until recently, and financial and human resources management is still primarily in the hands of women within the whole organisation. Vétérinaires Sans Frontières Belgium's human resources policy provides for the necessary measures to offer equal opportunities to women and to men in terms of recruitment, permanent training and combination between work and family life. Vétérinaires Sans Frontières Belgium's communication policy is also gender-sensitive.

## RESPECT FOR THE ENVIRONNEMENT

### How do we strive to reduce our environmental footprint?

Rich industrialized countries or countries with a quick economic growth bear the greatest responsibility for global warming, while poor countries suffer the most from its effects. Therefore, the first step to support the South is clearly to reduce greenhouse gas emissions in the North. Some of our development education activities are part of this process (e.g. what kind of agricultural development? what kind of growth? what kind of consumption?).

As an NGO, we also have a responsibility to protect the environment, and not only in our projects. For a few years, measures have been taken at our headquarters to gradually reduce our environmental footprint: use of recycled paper bearing the Blue Angel or Nordic Swan certifications, promotion of public transport (85% of our employees use it to go to work), rationalisation of field visits, use of organic and/or fair trade consumption and maintenance products, stationery purchase through Ecobos, recycling of ink cartridges through Het Punt, and staff awareness in use of electricity and gas (heating).

We have followed the evolution of our environmental footprint for two years now through <http://climateneutralgroup.com> and compensated for our carbon emissions. Those emissions take into account energy use (gas and electricity), plane trips and recycled paper use. The amount of carbon produced in 2013 was 59.72 tons, and rose to 60.93 in 2014. The organisation strives to compensate these emissions by paying approximately € 500 a year to the Climate Neutral Group, which uses this money to finance environmental projects in the South (building of windmills, biogas projects,...).

In our programmes, fighting against inequality entails sustainable and improved natural resources management. As an NGO specialised in animal farming, Vétérinaires Sans Frontières Belgium is involved in discussions on the evolution and positive and negative impacts of animal farming throughout the world. It is currently estimated that livestock farming is responsible for 12–18% of the production of global greenhouse gases. However, the different methods of animal farming have a major influence towards this. This gives us plenty of scope to work with. Vétérinaires Sans Frontières Belgium supports the development of small-scale animal farming which allows disadvantaged families to live a decent life, which uses local resources to feed animals, which includes measures to protect the environment, and which enhances biodiversity and promotes the well-being of animals.

## LIST OF VÉTÉRINAIRES SANS FRONTIÈRES BELGIUM'S EXECUTIVE BOARD MEMBERS

E-mail address : [board@vsf-belgium.org](mailto:board@vsf-belgium.org)

NAME	YEAR OF ELECTION *	PROFESSION	CITY
Bart Balis (President)	1995, 1998, 2002, 2006, 2010, 2014	Doctor of Veterinary Medicine (DVM), Scientific Manager, MSD-AH	Rhode-Saint-Genèse
Guy Hendrickx	2010, 2014	Doctor of Veterinary Medicine (DVM), Managing Director, AVIA-GIS	Zoersel
Sarah Gabriels	2012	Doctor of Veterinary Medicine, Post doc research assistant, ITG, Unit Veterinary Helminthology	Meise
Jos Van der Steen	2013	Certified Public Auditor emeritus, Founding Partner VDV consultants	Anvers
Johan Van Dijk	2013	Qualified Accountant and Tax consultant, Finance Director MSD-AH	Borsbeek
Cecile Appels	2013	Master's in Law, Director of Human Resources, GHX Europe	Brussels
Marianne Raes	2014	Agricultural Engineer, Scientist at URVI, University of Namur	Gesves

\* Board members are elected for a renewable four-year term.

## VÉTÉRINAIRES SANS FRONTIÈRES BELGIUM

[www.vsf-belgium.org](http://www.vsf-belgium.org)

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