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ZONDER GRENZEN | SANS FRONTIERES

BELGIUM

# FINANCIAL REPORT 2016

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



# FINANCIAL REPORT

This financial report relates to the consolidated accounts of Vétérinaires Sans Frontières Belgium, including all activities carried out between 1 January and 31 December 2016. 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.nbb.be](http://www.nbb.be)).

## Income

Donations are essential for Vétérinaires Sans Frontières Belgium to be able to achieve its objectives. In 2016, **private fundraising** was reported as € 1,161,927 (compared with € 1,002,305 in 2015 and € 924,325 in 2014). Although this represents only 12% 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** (€ 1,845,465 from the Belgian Fund for Food Security and € 1,445,169 from the Federal Public Service Foreign Affairs (DGD), or € 3,290,634 used in 2016), the **Swiss Cooperation** (€ 2,442,761), the **UN Refugee Agency** (UNHCR) (€ 1,372,240), the **British government** (DFID) (€ 323,309) and **USAID** (€ 290,125). These five donors represent 79% of our association's income. The diversity of our donors gives us a certain level of independence as an NGO.

## Expenditure

The implementation of our programmes represents € 8,536,301 or 90% of our expenditure in 2016. The remainder is connected with the operation of the Brussels office, costs linked to fundraising and informing the general public.

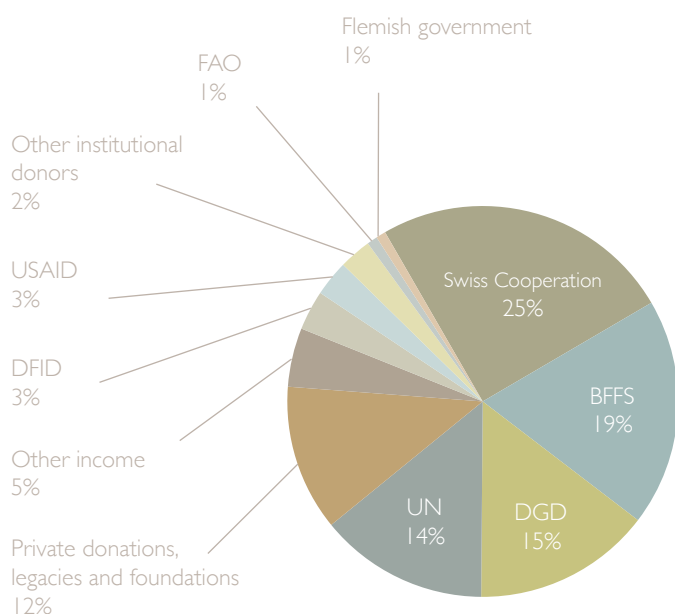
The final result of the 2016 financial year reveals a surplus of € 312,458. This surplus is allocated to the association reserves so that they are available gradually. Our reserves currently amount to € 238,886.

This surplus could be achieved thanks to:

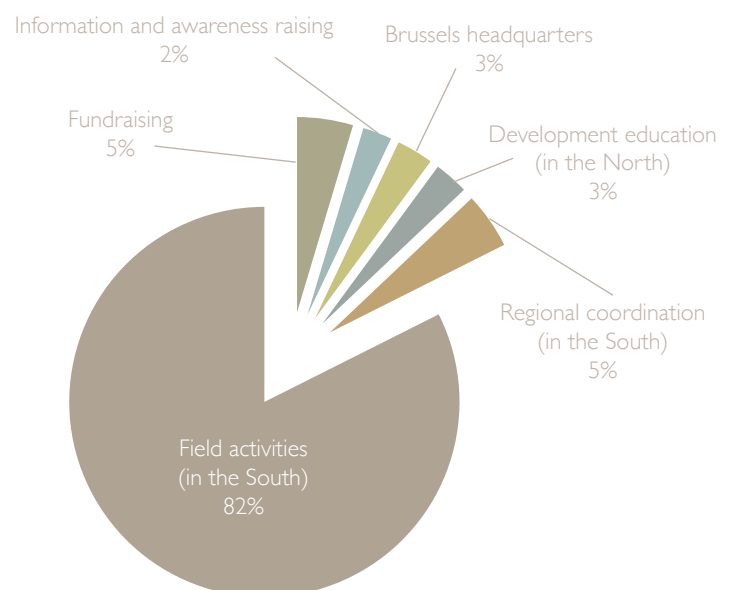
- ✓ the optimization of institutional funds allowing for a better overhead margin and for co-financing success;
- ✓ better implementation of the programs in the field and greater fundraising results;
- ✓ cost rationalisation and budget savings.

We observed the impact of the positive exchange rate on subsidies (in foreign currencies) from USAID and the Swiss cooperation.

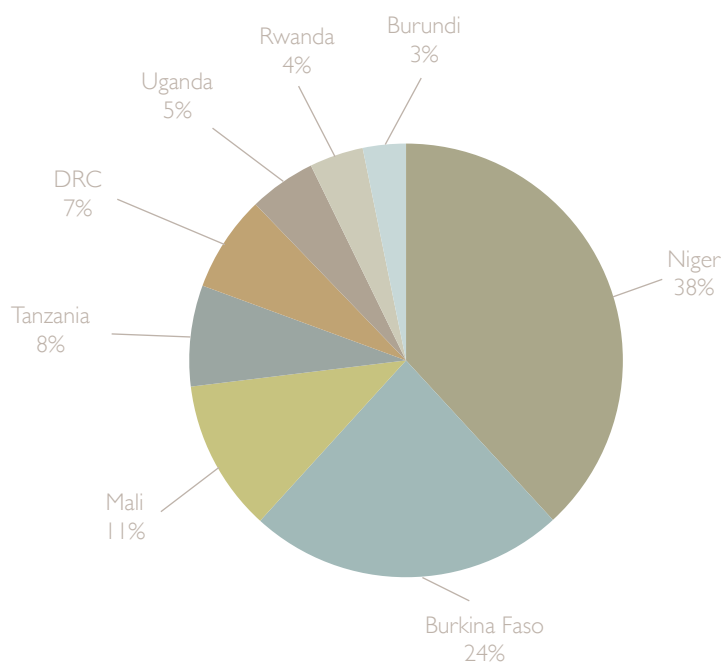
## REVENUE ALLOCATION



## EXPENDITURE



## FIELD ACTIVITIES (IN THE SOUTH)



### Cashflow

The cash flow is rigorously updated. The management is based on:

- ✔ meticulous monitoring of the ongoing contracts, with the financial reports being submitted promptly to the institutional donors;
- ✔ a transparent relationship with our two main banks and rational use of their credit lines;
- ✔ strict monitoring of credit by the management team, in compliance with the limits decided by the Management Board.

### 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 (from 10 to 20% on average), Vétérinaires Sans Frontières Belgium implements an institutional co-financing strategy. In 2016, the organisation raised € 528,254. The search for co-financing remains a major concern for our organisation.

### Planned and future developments

For the 2017 financial year, we are planning a controlled growth of the institutional funding in West Africa, with the signature of several multi-annual contracts which will contribute to the financial recovery of the organisation. Learning from the lessons of the past, we continue our monitoring so as to respond appropriately if and when this growth has to be supported by policy measures.

In February 2017, the Belgian Minister for Development Cooperation approved the five-year program of activities of Vétérinaires Sans Frontières Belgium, with a subsidy of 11 million euros. This subsidy covers 80% of the activities planned in this program between 2017 and 2021 in eight African countries and in Belgium.

Our teams are analysing potential strategic collaborations with other NGOs at every level, both on the ground and with regard to the organisation as a whole. Most of our donors are strong advocates of collaboration between NGOs. We are examining joint actions and strategic partnerships and putting opportunities into practice, so that our organisation remains in tune with the current context of international development cooperation.

### Realized progress and challenges

As in 2015, the association maintained its good financial practices thanks to quarterly budget reviews, as well as quarterly closures of accounts, with a thorough internal audit.

The progress of 2015 also continues, especially with regard to:

- ✔ a conservative and realistic budget process: based on our experience in 2013, we are using a cautious 'worst-case scenario' for all quarterly budget reviews to avoid surprises at the end of the year;
- ✔ better financing of the costs of the regional offices and headquarters for their service provision to the programmes;

# Balance sheet

ASSETS	2016	2015
<b>FIXED ASSETS</b>	<b>357,099</b>	<b>582,412</b>
Intangible assets	127,254	236,223
Tangible assets	188,371	302,273
Financial assets	41,474	43,915
<b>CURRENT ASSETS</b>	<b>10,224,819</b>	<b>14,468,528</b>
Amounts receivable after more than 1 year	3,928,785	6,182,281
Amounts receivable within 1 year	4,890,671	7,043,244
Cash in hand and at bank	1,329,435	1,130,710
Prepayments and accrued income	75,927	112,293
<b>TOTAL ASSETS</b>	<b>10,581,918</b>	<b>15,050,940</b>

LIABILITIES	2016	2015
<b>CAPITAL</b>	<b>238,886</b>	<b>16,468</b>
Permanent funds	959,268	959,268
Profit brought forward	-858,261	-1,170,719
Investment grants	137,879	227,919
<b>PROVISIONS</b>	<b>73,637</b>	<b>36,557</b>
<b>ACCOUNTS PAYABLE</b>	<b>10,269,395</b>	<b>14,997,915</b>
Accounts payable in more than 1 year	-	-
Accounts payable within 1 year	2,294,011	1,718,320
Accruals and deferred income	7,975,384	13,279,595
<b>TOTAL LIABILITIES</b>	<b>10,581,918</b>	<b>15,050,940</b>

# Profit and loss account

	2016	2015
Turnover	9,648,052	8,179,587
Cost of turnover	-9,360,018	-7,873,266
Operating profit	288,034	306,321
Financial income	133,926	149,472
Financial charges	-65,502	-147,272
<b>Profit on ordinary activities</b>	<b>356,458</b>	<b>308,521</b>
Extraordinary income	25,606	48,125
Extraordinary charges	-69,607	-85,558
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>312,458</b>	<b>271,088</b>

# ADDENDUM

organisation profile, governance, quality, gender sensitivity and respect for the environment

## ORGANISATION PROFILE

### Who we are and how we are 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 Public Service Foreign Affairs. At the end of May 2016, the authorities renewed this approval for the next ten years.

The organisation grew steadily until 2012. Growth stalled in 2013 and 2014, which led to the closure of our programmes in South Sudan and Kenya, a restructuring of our offices – both at headquarters and in Central and East Africa – and the merger of two regional offices to cut costs. The decline of our growth slowed in 2015, and in 2016, our institutional financing resumed, with important growth in the West Africa area.

In 2016, 11 expatriates (4 are European) worked alongside of our local partners within the capacities building framework. A junior assistant financed by the Belgian Development Agency (CTB) joined our team in Burkina Faso and the contract of our junior assistant in Uganda was renewed for one year.

At the end of 2016, the head office had a total of 14 employees (10 women and 4 men), or 12.5 FTE. Nearly half of our staff is in the 26–35 age group. Ongoing 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.nbb.be](http://www.nbb.be) (National Bank of Belgium).

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

In addition to its membership of the 4 NGO federations in Belgium (CNCD-11.11.11, 11.11.11, Acodev, 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))
- ✔ Plateforme Souveraineté Alimentaire ([www.pfsa.be](http://www.pfsa.be))
- ✔ Network for Evaluation of One Health (NEOH) (<http://neoh.onehealthglobal.net/>)
- ✔ Plateforme Agriculture et Sécurité alimentaire (PASA/PLVS).

## GOVERNANCE

### Who decides and who is involved?

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

The **General Assembly** (GA) of Vétérinaires Sans Frontières Belgium comprises 23 effective members and 128 members who paid 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 2017 GA, the **Board of Directors** comprises 9 independent people acting on voluntary basis (see table below), and one observer from DIO, our sister organisation in the Netherlands. They meet four 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 2016, it was involved in the oversight of financial management and the recruitment of a new director. It also got involved in the second edition of the 'Buy a Goat' fundraising campaign, to strengthen ties between Belgian vets and the organisation. 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 and 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 partners/stakeholders. In mid-2016, a new Director General was appointed to head the organization.

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, via its two federations (ngo-federatie and Acodev) 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. Since obtaining the C2E (Committed to Excellence) label in July 2012, the organisation has undertaken different improvement cycles each year, but without applying for a new label.

In 2015, Vétérinaires Sans Frontières, like most Belgian NGOs, updated its efficient organisational management system in preparation for the screening arranged by the Federal Public Service Foreign Affairs. The nine sections of this system (finance, strategies, processes, results, partnerships, cross-organisational aspects, risks, personnel, transparency) were updated and backed up by documentation that shows the management level of the systems. The screening carried out by audit firm Deloitte in February 2016 resulted in a positive opinion. Based on that recommendation, the Federal Public Service for Foreign Affairs, Foreign Trade and Development Cooperation renewed the official approval of Vétérinaires Sans Frontières Belgium for a period of ten years, so that we can continue to apply to the Belgian authorities for subsidies.

## 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 gender strategy was revised in 2015, as was the approval procedure for new projects which includes gender-related criteria.

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. 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 ENVIRONMENT

### 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 ISO 9706 certificate, less printing thanks to digitalisation, promotion of public

transport (71.4% 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). Since the end of 2015, we have been trying to print in the most CO<sub>2</sub>-neutral way possible via ClimatePartner. You can monitor this on [www.climatepartner.com](http://www.climatepartner.com) using the certificate number on our print publications. In 2016, we offset 1,150 kg of CO<sub>2</sub> by supporting a forest protection project in Papua New Guinea (certificate number 10506-1706-1001).

We have followed the evolution of our environmental footprint for four years now through <http://climatenetgroup.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 2016 was 15.8 tons. The NGO tries to offset those emissions by paying an amount of 90.57 euro, which the Climate-Neutral Group uses to finance environmental projects in the South (such as wind turbines, biogas projects, better furnaces, etc.). Moreover, the airline tickets – which are inevitable if Vétérinaires Sans Frontières Belgium is to function properly – are ordered through Raptim Humanitarian Travel, which levies a car-

bon offset tax. In 2016, a tax of € 580.02 enabled us to offset 96.67 tonnes of CO<sub>2</sub> emissions.

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 to 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 EXECUTIVE BOARD MEMBERS (24 June 2017)

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

NAME	YEAR OF ELECTION *	PROFESSION	CITY
Guy Hendrickx	2010-2014	Doctor of Veterinary Medicine (DVM), Managing Director AVIA-GIS	Zoersel
Bart Balis	1995-1998-2002-2006-2010-2014	Doctor of Veterinary Medicine (DVM), ex-MSD-AH (retired)	Rhode-Saint-Genèse
Jos Van der Steen	2013-2017	Certified Public Auditor emeritus, Founding Partner VDV consultants	Antwerp
Cecile Appels	2013-2017	HR Director, GHX Europe	Brussels
Marianne Raes	2014	Agricultural Engineer, integrated veterinary research unit (URVI), University of Namur	Gesves
Catherine Waterkeyn	2016	Doctor of Veterinary Medicine (DVM), member of UPV	Rèves
Chantal Lafort	2016	Doctor of Veterinary Medicine (DVM), member of IV-DB	Sint Lievens-Houtem
Leen Claes	2017	Doctor of Veterinary Medicine (DVM), ITM of Antwerp	Antwerp
Isabelle Marneffe	2017	Head Foundation & Fellowship Program, VUB Foundation (fundraising and communication expertise)	Brussels
Sarah Farrand (observatrice)	2017	Doctor of Veterinary Medicine (DVM), board member of DIO (Netherlands)	Amsterdam

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

## VÉTÉRINAIRES SANS FRONTIÈRES BELGIUM

### Headquarters / Brussels

Avenue Paul Deschanel 36-38, 1030 Brussels, Belgium  
T +32 (0)2 539 09 89 (9 am -12.30 am), F +32 (0)2 539 34 90,  
E [info@vsf-belgium.org](mailto:info@vsf-belgium.org)

### Regional Coordination / West Africa

54, Rue Issa Béni, BP 12.632, Niamey, Niger  
T +226 25 36 06 62, E [a.sayo@vsf-belgium.org](mailto:a.sayo@vsf-belgium.org)

### Regional Coordination / Central and East Africa

39, KN 7Rd, Av Poids Lourds, Bridge 1 House, Kigali, Rwanda  
T +250 787 77 33 74, E [d.ripoche@vsf-belgium.org](mailto:d.ripoche@vsf-belgium.org)



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