

Report of the statutory auditors
on the limited statutory examination
to the Board of
Roma Education Fund
Zug

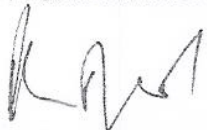
As statutory auditors, we have examined the financial statements of Roma Education Fund, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2008.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

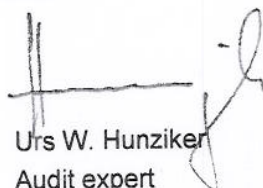
We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's deed.

PricewaterhouseCoopers AG



Philippe Bingert
Audit expert
Auditor in charge



Urs W. Hunziker
Audit expert

Basel, 10 June 2009

Enclosure

Financial statements (balance sheet, income statement and notes)

ROMA EDUCATION FUND, ZUG

BALANCE SHEETS AS AT DECEMBER 31, 2008 AND 2007

	Dec. 31, 2008	Dec. 31, 2007
	<u>CHF</u>	<u>CHF</u>
ASSETS		
Cash at banks	550'135	391'900
Time deposits	2'765'089	5'422'798
Other current assets	58'568	54'812
Accrued income	21'451	8'480
Total Current assets	3'395'243	5'877'990
Recoverable Grants	382'162	398'679
Total Non-current assets	382'162	398'679
	<u>3'777'405</u>	<u>6'276'669</u>
	<u>3'777'405</u>	<u>6'276'669</u>
 LIABILITIES AND FOUNDATION CAPITAL		
Accrued expenses	61'801	123'939
Provisions for projects granted	3'452'437	6'008'033
Total Liabilities and provisions	3'514'238	6'131'972
Foundation Capital at January 1	144'697	1'487'247
Difference on conversion into CHF	-21'462	-34'547
Excess/deficit of income over expenditure	139'932	-1'308'003
Total Foundation Capital	263'167	144'697
	<u>3'777'405</u>	<u>6'276'669</u>
	<u>3'777'405</u>	<u>6'276'669</u>

ROMA EDUCATION FUND, ZUG

STATEMENT OF INCOME AND EXPENDITURE 2008 AND 2007

	2008	2007
	CHF	CHF
INCOME		
Donations	9'672'220	9'961'557
Interest income	89'926	307'260
Realised gains on foreign exchange (net)	0	374'126
Deficit of income over expenditure	0	1'308'003
	<u>9'762'146</u>	<u>11'950'946</u>
	<u><u>9'762'146</u></u>	<u><u>11'950'946</u></u>
 EXPENDITURE		
Program expenses and grants	9'024'244	10'990'040
Personnel expenses	0	39'986
Administrative expenses	231'039	189'959
Travel and representation expenses	2'729	7'171
Bank charges and interest	52'254	27'647
Realised losses on foreign exchange (net)	0	4'304
Unrealised losses on foreign exchange	311'948	691'839
Excess of income over expenditure	139'932	0
	<u>9'762'146</u>	<u>11'950'946</u>
	<u><u>9'762'146</u></u>	<u><u>11'950'946</u></u>

Zug, June 10, 2009

ROMA EDUCATION FUND

ROMA EDUCATION FUND, ZUG

NOTES TO THE FINANCIAL STATEMENTS 2008 AND 2007

OBJECTS

The objectives of the foundation are to contribute to closing the gap in educational outcomes between Roma and non-Roma, including through the desegregation of educational systems primarily (but not exclusively) in Central and Eastern Europe and the countries that have formally joined the Decade of Roma Inclusion; in particular

- a) through support of projects and programs that improve educational outcomes for Roma in the context of the Decade of Roma Inclusion 2005-2015 with a particular emphasis on scaling up interventions that have been successfully piloted;
- b) through support of activities that are respectful and inclusive of Roma and the wishes of the Roma community;
- c) through providing a forum for advocacy and discussion of Roma education issues;
- d) through becoming a centralized source of information on Roma education issues.

The Foundation may participate in projects of other organizations with similar objectives or support Swiss or foreign organizations with similar objectives. It may engage in all actions arising from, and related to, its activities. It may acquire real estate and related rights and title in Switzerland and abroad.

DETAILS ON FINANCIAL STATEMENTS PRESENTED IN FUNCTIONAL CURRENCY

The books of the foundation are maintained in Euro (EUR) since the majority of its transactions are denominated in this currency.

Transactions in currencies other than EUR are translated at the daily rate.

Balance sheet positions at the year end, are translated at the year-end-rate. The resulting unrealized and realized gains and losses are recorded in the statement of income and expenditure. A provision is built for net unrealized gains.

ROMA EDUCATION FUND, ZUG

NOTES TO THE FINANCIAL STATEMENTS 2008 AND 2007

Balance Sheets as at December 31 (in EUR)

	2008	2007
Cash at banks	390'243	236'755
Time deposits	1'961'474	3'276'021
Other current assets	41'549	83'113
Accrued income	15'217	5'123
Loans	271'095	190'850
Total Assets	2'679'578	3'791'862
Accrued expenses	43'840	74'873
Provisions for projects granted	2'449'058	3'629'573
Foundation Capital at January 1	87'416	920'506
Excess/deficit of income over expenditure	99'264	-833'090
Total Liabilities and Foundation Capital	2'679'578	3'791'862

Statement of Income and Expenditure (in EUR)

	2008	2007
Donations	6'244'048	6'028'605
Interest income	56'709	186'013
Realised gain on foreign exchange	0	227'395
Deficit of income over expenditure	0	833'090
Total Income	6'300'757	7'275'103
Program expenses and grants	5'726'245	6'695'995
Personnel expenses	0	25'000
Administrative expenses	146'362	114'022
Travel and representation expenses	1'734	4'323
Bank charges and interest	33'405	16'754
Realised losses on foreign exchange (net)	0	4'731
Unrealised losses on foreign exchange	293'747	414'278
Excess of income over expenditure	99'264	0
Total Expenditure	6'300'757	7'275'103

ROMA EDUCATION FUND, ZUG

NOTES TO THE FINANCIAL STATEMENTS 2008 AND 2007

DETAILS ON DONATIONS RECEIVED

	2008	2006
	EUR	EUR
Government of Spain	80'000	80'000
Development Corporation Ireland	0	450'000
International Bank for Reconstruction and Development	798'900	1'545'261
Netherland Ministry of Foreign Affairs	88'367	710'000
Network of European Foundations	200'000	200'000
Open Society Institute	3'786'508	2'131'754
Slovenian Ministry for Foreign Affaires	10'000	0
Swedish International Development Cooperation Agency	551'454	431'544
Swiss Agency for Development and Cooperation	182'050	473'313
DFID Department for International Development	423'888	0
Putomayo World Music	421	1'229
Yehudi Menuhin Foundation	1'797	0
Foundation Remembrance, Responsibility and Future	112'430	0
Parishioners of St. Thomas	254	0
Others	4'226	0
World Bank Community Connection Fund	3'753	5'504
	6'244'048	6'028'605

Above figures represent actual donations received by the Foundation in Switzerland, only, and hence occasionally differ from the total annual commitments made by the respective donors.

Roma Education Fund (REF), Ungary

The Hungarian government had donated EUR 0 (prior year EUR 0.15 Mio.) to support the activities of the REF Zug though REF Hungary, which is a legally separate foundation. Furthermore the Hungarian Regional Development Holding has donated EUR 0.005 Mio. to REF Hungary.

ROMA EDUCATION FUND, ZUG

NOTES TO THE FINANCIAL STATEMENTS 2008 AND 2007

DETAILS ON PROGRAM EXPENSES AND GRANTS SPENT

	2008	2007
	EUR	EUR
a) Project Support Programme	3'548'046	4'737'800
b) Policy Development and Technical Assistance Programme	465'209	284'584
c) Communication and Advocacy Programme	152'335	102'598
d) The Roma Memorial University Scholarship Program RMUSP	939'921	681'308
e) REF Administration, Office and Grants to REF Hungary	1'098'890	907'282
f) Grant refunds	-478'156	-17'577
	5'726'245	6'695'995

OTHER INFORMATION

Cost of administration

The cost of administration amounts to corresponding to of the total of expenditure

1'098'890	907'282
18%	12%

Zug, June 10, 2009

ROMA EDUCATION FUND