

**Roma Education Fund
Zug**

**Report of the Statutory Auditors
to the Board of Foundation
on the Financial Statements 2006**

Report of the statutory auditors
to the Board of Foundation of
Roma Education Fund
Zug

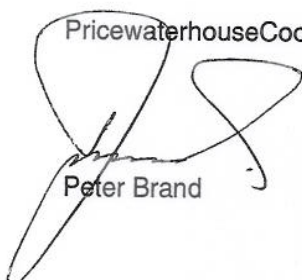
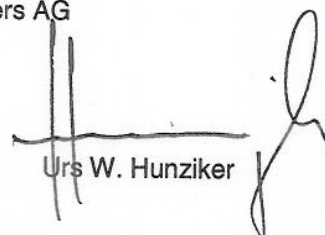
As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, statements of income and expenditures and notes of the financial statements) of Roma Education Fund for the year ended 31 December 2006.

These financial statements are the responsibility of the Board of Foundations. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the applicable accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with Swiss law and the charter of the foundation.

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

PricewaterhouseCoopers AG

Peter Brand

Urs W. Hunziker

Zurich, 11. May 2007

Enclosure

Financial statements (balance sheet, statements of income and expenditures and notes of the financial statements)

ROMA EDUCATION FUND, ZUG

BALANCE SHEETS AS AT DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS	CHF	CHF
Cash at banks	208'695	244'673
Time deposits	6'687'289	5'693'791
Other current assets	1'601	1'409
Accrued income	520'342	437
Total Current assets	7'417'927	5'940'310
Loans	140'792	0
Total Non-current assets	140'792	0
	7'558'719	5'940'310
 LIABILITIES AND FOUNDATION CAPITAL		
Accrued expenses	68'989	28'035
Provisions for projects granted	6'002'483	1'910'450
Total Liabilities and provisions	6'071'472	1'938'485
Foundation Capital at January 1	4'001'825	200'000
Difference on conversion into CHF	91'997	7'032
Excess/deficit of income over expenditure	-2'606'575	3'794'793
Total Foundation Capital	1'487'247	4'001'825
	7'558'719	5'940'310

ROMA EDUCATION FUND

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ROMA EDUCATION FUND, ZUG

NOTES OF THE FINANCIAL STATEMENTS 2006 AND 2005

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. The Euro amounts in the financial statements have been translated into Swiss Francs (CHF) at the following rates:

	2006	2005
Assets and liabilities - at the closing rate	1.6097	1.5546
Income and expenses - at the average yearly rate	1.5734	1.5485

The resulting unrealised translation gain/loss has been deferred.

ROMA EDUCATION FUND, ZUG

NOTES OF THE FINANCIAL STATEMENTS 2006 AND 2005

Balance Sheets as at December 31 (in Euro)	2006	2005
Cash at banks	129'648	157'387
Time deposits	4'154'370	3'662'544
Other current assets	995	906
Accrued income	323'254	281
Loans	87'465	0
Total Assets	4'695'732	3'821'118
Accrued expenses	42'858	18'034
Provisions for projects granted	3'728'945	1'228'901
Foundation Capital at January 1	2'574'183	128'650
Excess/deficit of income over expenditure	-1'650'254	2'445'533
Total Liabilities and Foundation Capital	4'695'732	3'821'118
Statements of Income and Expenditure (in Euro)	2006	2005
Donations	5'675'581	4'814'755
Interest income	193'404	42'214
Unrealised gains on foreign exchange	7'470	36'801
Deficit of income over expenditure	1'650'254	0
Total Income	7'526'709	4'893'770
Program expenses and grants	7'002'561	2'233'012
Personnel expenses	42'616	105'861
Office expenses	820	12'258
Administrative expenses	32'150	56'685
Travel and representation expenses	7'716	27'418
Bank charges and interest	26'330	10'864
Realised losses on foreign exchange (net)	523	382
Unrealised losses on foreign exchange	413'993	1'757
Excess of income over expenditure	0	2'445'533
Total Expenditure	7'526'709	4'893'770

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NOTES OF THE FINANCIAL STATEMENTS 2006 AND 2005

DETAILS ON DONATIONS RECEIVED	2006	2005
	EUR	EUR
Canadian International Development Agency	0	700'574
Council of Europe Development Bank	0	560'128
Department for International Development, United Kingdom	0	290'660
Development Corporation Ireland	100'000	100'000
Hellenic AID, Greece	0	109'890
International Bank for Reconstruction and Development	1'653'986	699'328
Ministry for Foreign Affairs and Finance, Slovenia	0	10'000
Netherland Ministry of Foreign Affairs	300'000	700'000
Network of European Foundations	99'230	0
Open Society Institute	2'668'591	1'239'356
Swedish International Development Cooperation Agency	423'112	0
Swiss Agency for Development and Cooperation	400'000	404'819
James D. Wolfensohn Roma Scholarship Grant	7'688	0
Nicolas Burnett	19'534	0
Nicolae Gheorghe	2'849	0
William H. Newton-Smith	591	0
	5'675'581	4'814'755

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.

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NOTES OF THE FINANCIAL STATEMENTS 2006 AND 2005

DETAILS ON PROGRAM EXPENSES AND GRANTS SPENT	2006	2005
	EUR	EUR
a) Project Support Programme	5'995'353	2'204'157
b) Policy Development and Technical Assistance Programme	257'219	0
c) Communication and Advocacy Programme	168'782	0
d) The Roma Memorial University Scholarship Program RMUSP	3'208	0
e) REF Administration, Office and Grants to REF Hungary	577'999	28'855
	7'002'561	2'233'012

ROMA EDUCATION FUND

