

**Roma Education Fund
Zug**

**Report of the Statutory Auditors
to the Board of Foundation
on the Financial Statements 2007**

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

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, statement of income and expenditure and notes) of Roma Education Fund for the year ended 31 December 2007.

These financial statements are the responsibility of the Board of Foundation. 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 Swiss Auditing Standards, 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 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 and regulations of the foundation.

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

PricewaterhouseCoopers AG


Philippe Bingert
Auditor in charge


Urs W. Hunziker

Zurich, 26 May 2008

Enclosure

Financial statements (balance sheet, statement of income and expenditure and notes)

ROMA EDUCATION FUND, ZUG

BALANCE SHEETS AS AT DECEMBER 31, 2007 AND 2006

	2007	2006
	CHF	CHF
ASSETS		
Cash at banks	391'900	208'695
Time deposits	5'422'798	6'687'289
Other current assets	54'812	1'601
Accrued income	8'480	520'342
Total Current assets	5'877'990	7'417'927
Recoverable Grants	398'679	140'792
Total Non-current assets	398'679	140'792
	6'276'669	7'558'719
 LIABILITIES AND FOUNDATION CAPITAL		
Accrued expenses	123'939	68'989
Provisions for projects granted	6'008'033	6'002'483
Total Liabilities and provisions	6'131'972	6'071'472
Foundation Capital at January 1	1'487'247	4'001'825
Difference on conversion into CHF	-34'547	91'997
Excess/deficit of income over expenditure	-1'308'003	-2'606'575
Total Foundation Capital	144'697	1'487'247
	6'276'669	7'558'719

ROMA EDUCATION FUND

ROMA EDUCATION FUND, ZUG

STATEMENTS OF INCOME AND EXPENDITURE 2007 AND 2006

	2007	2006
	CHF	CHF
INCOME		
Donations	9'961'558	8'918'879
Interest income	307'260	305'133
Realised gains on foreign exchange	374'126	
Unrealised gains on foreign exchange	0	18'963
Deficit of income over expenditure	1'308'003	2'606'575
	11'950'946	11'849'550
EXPENDITURE		
Program expenses and grants	10'990'040	11'014'330
Personnel expenses	39'986	66'899
Office expenses	0	1'293
Administrative expenses	189'959	51'348
Travel and representation expenses	7'171	12'136
Bank charges and interest	27'647	41'487
Realised losses on foreign exchange (net)	4'304	828
Unrealised losses on foreign exchange	691'839	661'229
	11'950'946	11'849'550

ROMA EDUCATION FUND

Zug, May 20, 2008

ROMA EDUCATION FUND, ZUG

NOTES OF THE FINANCIAL STATEMENTS 2007 AND 2006

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 OF THE FINANCIAL STATEMENTS 2007 AND 2006

Balance Sheets as at December 31 (in Euro)	2007	2006
Cash at banks	236'755	129'648
Time deposits	3'276'021	4'154'370
Other current assets	83'113	995
Accrued income	5'123	323'254
Loans	190'850	87'465
Total Assets	3'791'862	4'695'732
Accrued expenses	74'873	42'858
Provisions for projects granted	3'629'573	3'728'945
Foundation Capital at January 1	920'506	2'574'183
Excess/deficit of income over expenditure	-833'090	-1'650'254
Total Liabilities and Foundation Capital	3'791'862	4'695'732
Statements of Income and Expenditure (in Euro)	2007	2006
Donations	6'028'605	5'675'581
Interest income	186'013	193'404
Realised gain on foreign exchange	227'395	
Unrealised gains on foreign exchange	0	7'470
Deficit of income over expenditure	833'090	1'650'254
Total Income	7'275'103	7'526'709
Program expenses and grants	6'695'995	7'002'561
Personnel expenses	25'000	42'616
Office expenses	0	820
Administrative expenses	114'022	32'150
Travel and representation expenses	4'323	7'716
Bank charges and interest	16'754	26'330
Realised losses on foreign exchange (net)	4'731	523
Unrealised losses on foreign exchange	414'278	413'993
Total Expenditure	7'275'103	7'526'709

ROMA EDUCATION FUND, ZUG

NOTES OF THE FINANCIAL STATEMENTS 2007 AND 2006

DETAILS ON DONATIONS RECEIVED

	2007	2006
	EUR	EUR
International Bank for Reconstruction and Development	1'545'261	1'653'986
Government of Spain	80'000	0
Development Corporation Ireland	0	100'000
KFW - Development Bank, German Government	450'000	0
Netherland Ministry of Foreign Affairs	710'000	300'000
Network of European Foundations	200'000	99'230
Open Society Institute	2'131'754	2'668'591
Swedish International Development Cooperation Agency	431'544	423'112
Swiss Agency for Development and Cooperation	473'313	400'000
Putomayo World Music	1'229	0
James D. Wolfensohn Roma Scholarship Grant	0	7'688
Nicolas Burnett	0	19'534
Nicolae Gheorghe	0	2'849
William H. Newton-Smith	0	591
World Bank Community Connection Fund	5'504	0
	6'028'605	5'675'581

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, Hungary

The Hungarian government had donated Euro 150'000 to support the activities of the Roma Education Fund, Zug, though Roma Education Fund, Hungary, which is a legally separate foundation.

ROMA EDUCATION FUND, ZUG

NOTES OF THE FINANCIAL STATEMENTS 2007 AND 2006

DETAILS ON PROGRAM EXPENSES AND GRANTS SPENT	2007	2006
	EUR	EUR
a) Project Support Programme	4'737'800	5'995'353
b) Policy Development and Technical Assistance Programme	284'584	257'219
c) Communication and Advocacy Programme	102'598	168'782
d) The Roma Memorial University Scholarship Program RMUSP	681'308	3'208
e) REF Administration, Office and Grants to REF Hungary	907'282	577'999
f) Grant refunds	-17'577	
	6'695'995	7'002'561

OTHER INFORMATION

Cost of administration

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

907'282	577'999
12%	8%