

**ROMA EDUCATION FUND**

**ZUG**

**ANNUAL REPORT**

**2022**

## STATEMENTS OF INCOME AND EXPENDITURE 2021 AND 2022

	Note	2022 EUR	2021 EUR
Donations received ( <i>partly restricted</i> )	4.1	2.110.992	5.016.433
Project support and other program refund	4.2		150
Income from previous year		43.950	
<b>Total operating income</b>		<b>2.154.942</b>	<b>5.016.583</b>
Project support program	4.3	-12.800	-963.799
Tertiary scholarships	4.4	-786.238	-1.207.408
Communications	4.5		0
Policy development and capacity building	4.6		0
Building provisions for future projects and co-funding		-1.769.000	0
Release of provisions for future projects and co-funding		1.873.900	3.770.092
Release of provisions for projects granted		0	
<b>Total of program expenditure</b>		<b>-694.138</b>	<b>1.598.885</b>
Grants to national Roma Education Fund	4.7	-4.163.474	-3.671.024
<b>Grants according to objectives of the foundation</b>		<b>-4.857.612</b>	<b>-2.072.139</b>
Accounting, financial and legal services		-275.863	-52.062
Other administrative, travel and representation expenses		-89.380	-149.015
<b>Administrative costs</b>		<b>-365.243</b>	<b>-201.077</b>
<b>Total operating expenses</b>		<b>-5.222.855</b>	<b>-2.273.216</b>
<b>OPERATING RESULT</b>		<b>-3.067.913</b>	<b>2.743.367</b>
Interest income		8.475	2.806
Gain from foreign exchange		44.087	31.248
<b>Financial income</b>		<b>52.562</b>	<b>34.054</b>
Bank charges and interest		-12.955	-9.340
Loss from foreign exchange		-20.276	-1.566
Previous year related expense		0	-14.194
<b>Financial costs</b>		<b>-33.231</b>	<b>-25.100</b>
<b>Financial result</b>		<b>19.331</b>	<b>8.954</b>
<b>PROFIT / LOSS OF THE YEAR</b>		<b>-3.048.582</b>	<b>2.752.321</b>

Zug, June 06, 2022

ROMA EDUCATION FUND

**ROMA EDUCATION FUND**

Reg.no.: CH-170.7.000.624-0

Baarerstrasse 12, 6300 Zug

Switzerland

Ciprian Necula  
Chair of the BoardClaudia Uxander  
Co-Director

ROMA EDUCATION FUND, ZUG

**BALANCE SHEETS AS AT DECEMBER 31, 2021 AND 2022**

ASSETS	Note	2022	2021
		EUR	EUR
Cash and cash equivalents	5.1	2.205.825	5.147.256
<b>Total current assets</b>		<b>2.205.825</b>	<b>5.147.256</b>
<b>TOTAL ASSETS</b>		<b>2.205.825</b>	<b>5.147.256</b>
<b>LIABILITIES</b>			
Short-term liabilities		-2.087	-23.128
Accrued expenses		93.100	82.800
<b>Total short-term liabilities</b>		<b>91.013</b>	<b>59.672</b>
Provisions for projects granted	5.2	97.912	1.791.101
Provision for future projects and co-funding	5.3	1.769.000	0
<b>Total non-current Liabilities</b>		<b>1.866.912</b>	<b>1.791.101</b>
Foundation Capital at January 1		3.296.483	544.162
Profit / loss of the year		-3.048.582	2.752.321
<b>Foundation Capital at December 31</b>		<b>247.901</b>	<b>3.296.483</b>
<b>TOTAL LIABILITIES</b>		<b>2.205.825</b>	<b>5.147.256</b>
		<b>0</b>	<b>0</b>

Zug, June 06, 2022

ROMA EDUCATION FUND

Ciprian Necula  
Chair of the Board

Claudia Lixandru  
Co-Director

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## NOTES OF THE FINANCIAL STATEMENTS 2021 AND 2022

### 1 GENERAL INFORMATION

<b>Name of the foundation</b>	ROMA EDUCATION FUND, Zug
<b>Legal form</b>	Foundation according to art. 80 ff. Swiss Civil Code
<b>Legal basis</b>	Public Deed dated January 05, 2005
<b>Domicile</b>	Baarerstrasse 12, 6300 Zug
<b>Foundation board</b>	<b>Ciprian Catalin Necula (Chairman)</b> <b>Timea Junghaus (Member)</b> <b>Sonja Licht (Member)</b> <b>Pierre Mirel (Member)</b> <b>Jamele Paolo Rigolini (Member)</b> <b>Sybille Suter Tejada (Member) - resigned on June 9, 2021</b>
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich
<b>Supervisory authority</b>	Swiss Federal Supervisory Authority for Foundations

### 2 ORGANIZATION AND OBJECTIVES OF THE FOUNDATION

#### 2.1 Objectives of the Foundation

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.

## **2.2 Organization of Roma Education Fund (REF)**

The Roma Education Fund entities are established as legally separate foundations in Switzerland, Hungary and Romania respectively. The three Roma Education Fund entities work together based on a memorandum of understanding signed by each entity. Each country foundation has its separate board with independent members for their decisions. These boards engaged in Switzerland and Hungary a company called AdminGroup as their independent bookkeepers. Furthermore AdminGroup Ltd. in Hungary established an expense coding system to ensure cost analysis among the several programs of the Roma Education Funds and supports the foundations with consultations in their financial operations.

- Roma Education Fund in Switzerland, established in 2005
- Roma Education Fund in Hungary, established in 2006
- Roma Education Fund in Romania, established in 2009
- Roma Education Fund in Slovakia, established in 2014
- Roma Education Fund Serbia, established in 2019
- Roma Education Fund Macedonia, established in 2019 ( no business activities yet )

## **3 SIGNIFICANT ACCOUNTING POLICIES AND VALUATION PRINCIPLES**

### **3.1 Financial Reporting**

The present financial statements are set out in accordance with the 32nd Part of the Swiss Code of Obligations.

The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described here after.

### **3.2 Estimates and Assumptions made by the Board / Management**

Financial reporting requires the foundation board to decide on valuations and assessments which could influence the foundation's assets and liabilities, including contingent liabilities, on the date of the balance sheet as well as to evaluate the expenses and revenues during the period under review. Within the legal parameters the board decides at its discretion on valuation and accounting criteria. To protect the foundation depreciations, value adjustments and provisions may be made in line with applicable principles of prudence, beyond the scope of what is economically required.

### 3.3 Currency Translations

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.

The following exchange rates were used for currency translation at year end:

	<u>31.12.2022</u>	<u>31.12.2021</u>
Swiss Franc	0,9893	1,0353
British Pound	0,8843	0,8394
Hungarian Forint	398,8000	368,8965
US Dollar	1,0699	1,1342

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company operates at the exchange rate on the balance sheet day. Any profits or losses resulting from the exchange are recorded in the statement of income and expenses.

Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Foreign exchange losses are recorded as expense.

### 3.4 Reporting Period

The annual financial reporting period starts on January 1 and ends on December 31.

### 3.5 Basic Principles

The financial statements are prepared assuming a going concern basis and are expressed in Euro (EUR). Generally zero values and negative confirmations are not contained in these financial statements.

### 3.6 Principles of Accounting

The main accounting principles laid out below:

#### **INCOME**

##### ***Donations Received***

The donation income is recognized at nominal value when received. Promised donations are not recorded for prudence reasons, donation income is presented on a cash basis.

##### ***Interest Income***

Interest income is recorded and timely appointed by using the effective rates by banks.

## EXPENSES

### ***Programs and grants***

The program and grant expenses paid out are recognized at nominal value. Costs already known are accrued. The grants are presented at the actual year on total contractual value while other program related expenses are recognized at the value paid.

### ***Administrative expenses***

This item includes administrative expenses of the operation, capital & equipment, contractors, HR related expenses of the administrative staff and their travel expenditures which do not directly belong to the projects. The administrative expenses are recognized at nominal value. Costs already known are accrued.

### ***Partner expenses***

Where REF is a main project leader (direct contract with the donor) and funds are channeled to partners, all expenses relating to partners are presented as REF expenditure in the financial statement due to the fact that REF is in charge of reporting the entire project cost.

## BALANCE SHEET

### ***Cash and cash equivalents***

These items include cash on hand and bank account balances. All items are recorded at nominal value.

### ***Receivables and other current assets***

Receivables are recorded at nominal value, except the receivables in foreign currency. Receivables maintained in foreign currency are recorded at the exchange rate of the transaction day and revaluated on the exchange rates published by OANDA at year end.

Receivables not expected to be recovered on the basis of individual rating (enduring and significant) are value adjusted. In case of small amounts receivables considered per debtor are applied in accordance with the accounting principles in per cent impairment.

### ***Rules of provisioning***

The following risks are evaluated in case of receivables:

- Risk of the country where the loan was provided (including political risk)
- Risk of the partner
- Risk of the transaction such as:
  - In case of ESF related loans, the capacity of the Management Authority (MA)
  - Probability of reimbursement request rejection based on MA evaluation
  - How cash flow problems can jeopardize to reach minimal indicators which can precipitate project termination by MA

ROMA EDUCATION FUND, ZUG

***Receivables and other current assets (cont.)***

Revolving loans provided by the foundations are monitored every 6 months with evaluation sheet including action proposal as well.

Any creation of provision or value adjustment are defined based on the Swiss Accounting Principles.

Costs paid for during but not relating to the financial year are activated as deferred cost.

***Accrued costs***

Expenses already incurred but not invoiced in the financial year are recognized as accrued cost.

***Recoverable grants***

Recoverable grants are shown at nominal value.

**4** NOTES TO THE STATEMENT OF INCOME**4.1** Details on Donations received - 2017 - 2022

	2022 EUR	2021 EUR	2020 EUR	2019 EUR	2018 EUR	2017 EUR	Total EUR
Bill Cook Foundation	0	0	0	0	0	4.673	<b>4.673</b>
EPTISA Regional Office for Southeast Europe	0	0	0	0	2.880	4.275	<b>7.155</b>
EVZ Stiftung "Erinnerung, Verantwortung und Zukunft"	0	68.500	151.700	336.700	260.000	260.000	<b>1.076.900</b>
Open Society Foundations	1.973.992	4.697.933	2.155.221	5.345.709	5.813.501	4.506.490	<b>24.492.846</b>
CEU University	0	0	0	8.663	0	0	<b>8.663</b>
Swedish International Development Cooperation Agency			492.095	764.705	488.020	1.018.256	<b>2.763.076</b>
Swiss Agency for Development and Cooperation	137.000	250.000	600.000	850.000	850.000	850.000	<b>3.537.000</b>
World Bank Community Connection Fund	0	0	0	13.451	6.762	-14.725	<b>5.488</b>
Individuals	0	0	0	4.021	335	752	<b>5.108</b>
<b>Total</b>	<b>2.110.992</b>	<b>5.016.433</b>	<b>3.399.016</b>	<b>7.323.249</b>	<b>7.421.498</b>	<b>6.629.721</b>	<b>31.900.909</b>

#### **4 NOTES TO THE STATEMENT OF INCOME (cont.)**

##### **4.2 Project support and other program refund**

Concluded projects are reviewed, mostly by external parties with documentation in a compulsory report. If not all the funds were used they are refunded to the Roma Education Fund.

The refund means accrual reversal of that amount of the grant that was contracted but not paid and/or actual refund of the grant, which was already transferred to the grantee.

##### **4.3 Project Support Program**

The target of this project is to provide grants for initiatives by governmental and non-governmental agencies in the Decade of Roma Inclusion countries at all education levels.

##### **4.4 Tertiary Scholarships**

The target of this project is to provide scholarship for tertiary level Roma students. This position contains the accumulated costs of this year. The Program consists of five components:

- Roma Memorial University Scholarship Program (RMUSP),
- Law and Humanities Program (LHP),
- Roma Health Scholarship Program (RHSP),
- Interregional Scholarship Scheme (RISP),
- Professional Development Fund (PDF).

##### **4.5 Communication**

REF's Communications promote the exchange of knowledge and experiences, and communicating information on policies and programs that support Roma inclusion in education information on policies and programs that support Roma inclusion in education systems and represent one of the major pillars of REF's activities through conferences, workshops and publications.

##### **4.6 Policy Development and Capacity Building**

The target of this project is to support studies, technical assistance, strategy development, and learning activities to strengthen dialogue with governments and civil society on education reform and Roma inclusion.

ROMA EDUCATION FUND, ZUG

<b>4</b>	<b>NOTES TO THE STATEMENT OF INCOME (cont.)</b>	<b>2022</b>	<b>2021</b>
		<b>EUR</b>	<b>EUR</b>
<b>4.7</b>	<b>Grants to national Roma Education Fund</b>		
	Grants to Roma Education Fund, Hungary	-433.634	-1.028.086
	Grants to Roma Education Fund, Romania	-3.114.728	-1.734.999
	Grants to Roma Education Fund, Slovakia	-160.000	-129.751
	Grants to Roma Education Fund, Serbia	-435.365	-778.188
	Grants to Roma Education Fund, Macedonia	-19.747	0
	<b>Total</b>	<b>-4.163.474</b>	<b>-3.671.024</b>
<b>5</b>	<b>NOTES TO THE BALANCE SHEET</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
		<b>EUR</b>	<b>EUR</b>
<b>5.1</b>	<b>Cash and Cash Equivalents</b>		
	Petty Cash	0	0
	Bank Julius Bär, Zürich, current account	353.920	409.105
	Bank Julius Bär, call deposit	393.255	370.072
	Erste Bank, Wien	1.458.650	4.368.080
	<b>Total</b>	<b>2.205.825</b>	<b>5.147.256</b>
<b>5.2</b>	<b>Provision for Projects Granted</b>		
	Project Support Program	97.912	1.296.461
	Tertiary Scholarship		494.640
	<b>Total</b>	<b>97.912</b>	<b>1.791.101</b>
<b>5.3</b>	<b>Provision for Projects Granted</b>		
	Provision for future projects and co-funding	1.769.000	
	<b>Total</b>	<b>1.769.000</b>	<b>0</b>

ROMA EDUCATION FUND, ZUG

<b>6</b>	<b>OTHER LEGALLY REQUIRED INFORMATION</b>	<b>2022</b>	<b>2021</b>
		<b>EUR</b>	<b>EUR</b>
<b>6.1</b>	<b>Administrative expenses</b>		
	Administrative cost incurred in Hungary corresponding to of the total of expenditure in Hungary	747.089 100,00% 747.089	295.300 10,81% 2.732.068
	Administrative cost incurred in Romania corresponding to of the total of expenditure in Romania	455.467 15,67% 2.906.741	313.763 15,25% 2.057.466
	Administrative cost incurred in Serbia corresponding to of the total of expenditure in Serbia	322.092 27,00% 1.192.935	385.994 27,72% 1.392.703
	Administrative cost incurred in Slovakia corresponding to of the total of expenditure in Slovakia	184.618 48,26% 382.558	82.289 22,71% 362.349
	Administrative cost incurred in Switzerland corresponding to of the total of expenditure in Switzerland	378.198 7,24% 5.222.855	179.315 8,26% 2.171.207

Due to the various activities implemented in the REF entities, the level of administrative costs are significantly different from one country to another.

REF Hungary – considering that ROA terminated the employment relationship of its employees with effect from 30.06.2022, with the exception of one employee, and that, in 2022, all of ROA's grant projects were either suspended or transferred to another foundation, the administrative costs have increased compared to last year.

REF Romania – considering that during the last two years the level of project implementation from different sources remained almost the same, and that the internal procedures were significantly improved, the level of administrative percentage remained almost the same.

REF Serbia – considering that the level of project implementation from different sources remained almost the same, and the annual budget, too, the administrative costs maintained their level.

REF Slovakia – considering that during the last year the projects implementation from different sources was ended, the administrative costs have increased compared to last year.

**6.3 Number of employees**

The Roma Education Fund in Switzerland is professionally managed by a team of qualified lawyers and other professionals and did not engage any staff.

ROMA EDUCATION FUND, ZUG

**OTHER LEGALLY REQUIRED INFORMATION**

	FX	FX
<b>6.4 Financial Statements in Swiss Francs</b>	0,9893	1,0353
<b>6.4.1 Statement of Income and Expenditure 2021 and 2022</b>		
	<b>2022</b>	<b>2021</b>
	<b>CHF</b>	<b>CHF</b>
Donations received (partly restricted)	2.088.447	5.193.614
Project support and other program refund	0	155
Income from previous year	43.481	
<b>Total operating income</b>	<b>2.131.927</b>	<b>5.193.769</b>
Project support program	-12.663	-997.840
Tertiary scholarships	-777.841	-1.250.054
Communications	0	0
Policy development and capacity building	0	0
Release of provisions for future projects and co-funding	1.853.887	3.903.251
Building provisions for future projects and co-funding	-1.750.107	0
Release of provisions for projects granted	0	0
<b>Total of program expenditure</b>	<b>-686.725</b>	<b>1.655.357</b>
Grants to national Roma Education Fund		
Roma Education Fund, Hungary	-429.003	-1.064.398
Roma Education Fund, Romania	-3.081.463	-1.796.279
Roma Education Fund, Slovakia	-158.291	-134.334
Roma Education Fund, Serbia	-430.715	-805.674
Roma Education Fund, Macedonia	-19.536	0
<b>Grants according to objectives of the foundation</b>	<b>-4.805.733</b>	<b>-3.800.685</b>
Accounting, financial and legal services	-272.917	-53.901
Other administrative, travel and representation expenses	-88.425	-154.278
Provision to cover risks in loans and receivables	0	0
<b>Administrative costs</b>	<b>-361.342</b>	<b>-208.179</b>
<b>Total operating expenses</b>	<b>-5.167.075</b>	<b>2.353.506</b>
<b>OPERATING RESULT</b>	<b>-3.035.148</b>	<b>2.840.263</b>
Interest income	8.384	2.905
Gain from foreign exchange	43.616	32.352
<b>Financial income</b>	<b>52.001</b>	<b>35.257</b>
Bank charges and interest	-12.817	-9.669
Loss from foreign exchange	-20.059	-1.621
Previous year related expense	0	-14.695
<b>Financial costs</b>	<b>-32.876</b>	<b>-25.986</b>
<b>Financial result</b>	<b>19.125</b>	<b>9.270</b>
<b>PROFIT / LOSS OF THE YEAR</b>	<b>-3.016.023</b>	<b>2.849.533</b>

## BALANCE SHEETS AS AT DECEMBER 31, 2021 AND 2022

ASSETS	Note	12/31/2020 CHF	12/31/2021 CHF
Cash and cash equivalents	5.1	2.182.267	5.329.057
Other current assets		0	0
Accrued income		0	0
<b>Total current assets</b>		<b>2.182.267</b>	<b>5.329.057</b>
Short term loan to Roma Education Fund Hungary		0	0
Short term loan to Roma Education Fund Romania		0	0
Other receivables		0	0
Total non-current assets		0	0
<b>TOTAL ASSETS</b>		<b>2.182.267</b>	<b>5.329.057</b>
LIABILITIES			
Short-term liabilities		-2.065	-23.945
Accrued expenses		92.106	85.724
<b>Total short-term liabilities</b>		<b>90.041</b>	<b>61.780</b>
Provisions for projects granted	5.2	96.866	1.854.363
Provision for future projects and co-funding	5.3	1.750.107	0
Other provisions	5.4	0	0
<b>Total non-current Liabilities</b>		<b>1.846.973</b>	<b>1.854.363</b>
Foundation Capital at January 1		3.261.277	563.381
Profit / loss of the year		-3.016.023	2.849.533
Profit / loss brought forward		0	0
Foundation Capital		245.253	3.412.915
<b>TOTAL LIABILITIES</b>		<b>2.182.266</b>	<b>5.329.057</b>

**6.5 Influence of Covid-19 epidemic**

The pandemic had no significant influence to the financial position of the Foundation because the Foundation was prepared and home office was organized. The annual report has been prepared on a going concern basis, we have no information or estimate, which calls into question the principle of business continuity for the Foundation and the Foundation has adequate financial reserves to maintain liquidity.

**6.6 Events after the balance sheet date**

After the balance sheet date there were no significant events influencing the balance sheet of the foundation.

Zug, June 06, 2022

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