

Roma Education Fund

Zug (Switzerland)

Report of the statutory auditor
to the Foundation Board

on the financial statements 2023

Report of the statutory auditor

on the limited statutory examination to the Foundation Board of
Roma Education Fund

Zug (Switzerland)

As statutory auditor, we have examined the financial statements (the statements of income and expenditure, balance sheet and notes) of Roma Education Fund, Zug (Switzerland) for the year ended 31 December 2023.

These financial statements are the responsibility of the Foundation 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.

Additionally, we point out that contrary to the requirements of article 958 para. 3 CO, a business report was not prepared within six months of the end of the financial year and submitted to the Foundation Board for approval.

PricewaterhouseCoopers AG

Michael Stämpfli
Licensed audit expert
Auditor in charge

Urs W. Hunziker
Licensed audit expert

Zurich, 4 September 2024

Enclosure

Financial statements 2023 (statements of income and expenditure, balance sheet and notes)

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich
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ROMA EDUCATION FUND, ZUG

STATEMENTS OF INCOME AND EXPENDITURE 2022 AND 2023

	Note	2022 EUR	2023 EUR
Donations received (<i>partly restricted</i>)	4.1	2'110'992	0
Project support and other program refunds		0	0
Income from previous years		43'950	14'072
Release of provisions for future projects and co-funding		1'873'900	1'769'000
Release of provisions for projects granted		0	22'880
Total operating income		4'028'842	1'805'952
Project support program		-12'800	0
Tertiary scholarships	4.2	-786'238	-13'600
Communications		0	0
Policy development and capacity building		0	0
Building provisions for future projects and co-funding		-1'769'000	0
Total of program expenditure		-2'568'038	-13'600
Grants to national Roma Education Funds	4.3	-4'163'474	-1'990'000
Grants according to objectives of the foundation		-6'731'512	-2'003'600
Accounting, financial and legal services		-275'863	-51'579
Other administrative, travel and representation expenses		-89'380	-4'238
Administrative costs		-365'243	-55'817
Total operating expenses		-7'096'755	-2'059'417
OPERATING RESULT		-3'067'913	-253'465
Interest income		8'475	14'876
Gain from foreign exchange		44'087	18'380
Financial income		52'562	33'256
Bank charges and commissions		-12'955	-6'227
Loss from foreign exchange		-20'276	-19'715
Financial costs		-33'231	-25'942
Financial result		19'331	7'314
LOSS OF THE YEAR		-3'048'582	-246'151

Zug, August 28, 2024

ROMA EDUCATION FUND

Ciprian Necula
Chair of the Board

ROMA EDUCATION FUND, ZUG

BALANCE SHEETS AS AT DECEMBER 31, 2022 AND 2023

	Note	31.12.2022 EUR	31.12.2023 EUR
Cash and cash equivalents	5.1	2'205'825	355'027
TOTAL ASSETS		2'205'825	355'027
Short-term liabilities		-2'087	-1'755
Accrued expenses		93'100	280'000
Total short-term liabilities		91'013	278'245
Provisions for projects granted		97'912	75'032
Provision for future projects and co-funding		1'769'000	0
Total non-current liabilities		1'866'912	75'032
Foundation capital at January 1		3'296'483	247'901
Loss of the year		-3'048'582	-246'151
Foundation capital at December 31		247'901	1'750
TOTAL LIABILITIES		2'205'825	355'027

Zug, August 28, 2024

ROMA EDUCATION FUND

Ciprian Necula
Chair of the Board

ROMA EDUCATION FUND
Reg.no.: CH-170.7.000.624-0
Baarerstrasse 12, 6300 Zug
Switzerland

NOTES OF THE FINANCIAL STATEMENTS 2022 AND 2023

1 GENERAL INFORMATION

Name of the foundation	ROMA EDUCATION FUND, Zug
Legal form	Foundation according to art. 80 ff. Swiss Civil Code
Legal basis	Public Deed dated January 05, 2005
Domicile	Baarerstrasse 12, 6300 Zug
Foundation board	Ciprian Catalin Necula (Chairman) Timea Junghaus (Member) Sonja Licht (Member) Pierre Mirel (Member) Jamele Paolo Rigolini (Member)
Auditor	PricewaterhouseCoopers AG, Zurich
Supervisory authority	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.

ROMA EDUCATION FUND, ZUG

2.2 Organization of Roma Education Funds (REF)

The Roma Education Fund entities are established as legally separate foundations. The Roma Education Funds 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.

- 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

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 hereafter.

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:

	31.12.2022	31.12.2023
Swiss Franc	0.9893	0.9287
British Pound	0.8843	0.8668
Hungarian Forint	398.8000	383.0250
US Dollar	1.0699	1.1036

ROMA EDUCATION FUND, ZUG

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 are 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 relate to the projects. The administrative expenses are recognized at nominal value. Costs already known are accrued.

ROMA EDUCATION FUND, ZUG

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) less impairment, if any. Receivables maintained in foreign currency are recorded at the exchange rate of the transaction day and revaluated at the exchange rates published by OANDA at year end.

Criteria for provisioning if impairment is necessary

The following risks are evaluated in case of receivables:

- Risk of the country (including political risk)
- Risk of the partner
- Risk of the transaction such as:
 - Probability of reimbursement request rejection based on management evaluation
 - How cash flow problems can jeopardize to reach minimal indicators which can precipitate project termination by management

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 expenses

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

Recoverable grants

Recoverable grants are shown at nominal value.

ROMA EDUCATION FUND, ZUG

4 NOTES TO THE STATEMENT OF INCOME

4.1 Details on donations received - 2019 - 2023

	2023	2022	2021	2020	2019
	EUR	EUR	EUR	EUR	EUR
EVZ Stiftung "Erinnerung, Verantwortung und Zukunft"	0	0	68'500	151'700	336'700
Open Society Foundations	0	1'973'992	4'697'933	2'155'221	5'345'709
CEU University	0	0	0	0	8'663
Swedish International Development Cooperation Agency	0	0	0	492'095	764'705
Swiss Agency for Development and Cooperation	0	137'000	250'000	600'000	850'000
World Bank Community Connection Fund	0	0	0	0	13'451
Individuals	0	0	0	0	4'021
Total	0	2'110'992	5'016'433	3'399'016	7'323'249

Due to the planned liquidation of the Roma Education Fund in Switzerland no donations were solicited for 2023.

4.2 Tertiary Scholarships

The target of this project is to provide scholarships 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).

4.3 Grants to national Roma Education Funds

	2022	2023
	EUR	EUR
Grants to Roma Education Fund, Hungary	-433'634	0
Grants to Roma Education Fund, Romania	-3'114'728	-1'465'000
Grants to Roma Education Fund, Slovakia	-160'000	0
Grants to Roma Education Fund, Serbia	-435'365	-505'000
Grants to Roma Education Fund, Macedonia	-19'747	-20'000
Total	-4'163'474	-1'990'000

ROMA EDUCATION FUND, ZUG

5	NOTES TO THE BALANCE SHEET	31.12.2022	31.12.2023
		EUR	EUR
5.1	Cash and Cash Equivalents		
	Petty Cash	0	0
	Bank Julius Bär, Zürich, current account	353'920	24'168
	Bank Julius Bär, call deposit	393'255	177'038
	Erste Bank, Wien	1'458'650	153'821
	Total	2'205'825	355'027
5.2	Provision for Projects Granted		
	Project Support Program	97'912	75'032
	Total	97'912	75'032
6	OTHER LEGALLY REQUIRED INFORMATION		
6.1	Administrative expenses		
	Administrative cost incurred in Switzerland	378'198	62'044
	corresponding to	5.62%	3.10%
	of the total of grants expenditure	6'731'512	2'003'600

6.2 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

6.3	Financial Statements in Swiss Francs	FX 0.9893	FX 0.9287
6.3.1	Statement of Income and Expenditure	2022	2023
		CHF	CHF
	Donations received (partly restricted)	2'088'447	0
	Income from previous years	43'481	13'069
	Release of provisions for future projects and co-funding	1'853'887	1'642'870
	Release of provisions for projects granted	0	21'249
	Total operating income	3'985'814	1'677'188
	Project support program	-12'663	0
	Tertiary scholarships	-777'841	-12'630
	Building provisions for future projects and co-funding	-1'750'107	0
	Total of program expenditure	-2'540'611	-12'630
	Grants to national Roma Education Funds:		
	Roma Education Fund, Hungary	-429'003	0
	Roma Education Fund, Romania	-3'081'463	-1'360'546
	Roma Education Fund, Slovakia	-158'291	0
	Roma Education Fund, Serbia	-430'715	-468'994
	Roma Education Fund, Macedonia	-19'536	-18'574
	Grants according to objectives of the foundation	-6'659'619	-1'860'743
	Accounting, financial and legal services	-272'917	-47'901
	Other administrative, travel and representation expenses	-88'425	-3'936
	Administrative costs	-361'342	-51'837
	Total operating expenses	-7'020'962	-1'912'581
	OPERATING RESULT	-3'035'148	-235'393
	Interest income	8'384	13'815
	Gain from foreign exchange	43'616	17'070
	Financial income	52'001	30'885
	Bank charges and commissions	-12'817	-5'783
	Loss from foreign exchange	-20'059	-18'309
	Financial costs	-32'876	-24'092
	Financial result	19'125	6'793
	LOSS OF THE YEAR	-3'016'023	-228'600

ROMA EDUCATION FUND, ZUG

6.3.2	Balance Sheets as at December 31	31.12.2022	31.12.2023
		CHF	CHF
	Cash and cash equivalents	2'182'267	329'714
	TOTAL ASSETS	2'182'267	329'714
	Short-term liabilities	-2'065	-1'630
	Accrued expenses	92'106	260'036
	Total short-term liabilities	90'041	258'406
	Provisions for projects granted	96'866	69'682
	Provision for future projects and co-funding	1'750'107	0
	Total non-current liabilities	1'846'973	69'682
	Foundation capital at January 1	3'412'915	245'253
	Currency reserve	-151'639	-15'027
	Loss of the year	-3'016'023	-228'600
	Foundation capital at December 31	245'253	1'626
	TOTAL LIABILITIES	2'182'267	329'714

6.4 Events after the balance sheet date

After the balance sheet date there were no significant events influencing the balance sheet of the foundation as of December 31, 2023.

Due to the planned liquidation of the Roma Education Fund in Switzerland the provisions for projects granted as of December 31, 2023, in the amount of EUR 75'032 were released and already paid out to the grantees in spring 2024. The prudently calculated accrued expenses for pending costs including the liquidation costs as of December 31, 2023, in the amount of EUR 280'000 were already released in 2024. The remaining cash as of July 31, 2024, in the amount of EUR 197'802 reflects the rest of the released accrued expenses and the foundation capital and will be used to pay the costs 2024 including liquidation costs. The remaining rest after liquidation will be paid out as a grant to Roma Education Fund in Romania in accordance with the objectives of the foundation.

Zug, August 28, 2024

ROMA EDUCATION FUND

Ciprian Necula
Chair of the Board