

**ROMA EDUCATION FOUNDATION,
BELGRADE**

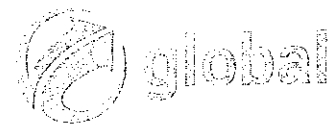
**Special Purpose Financial Statements
as of and for the year ended 31 December 2023
and Independent Auditor's Report**

**ROMA EDUCATION FOUNDATION,
BELGRADE**

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

To the Management of Roma Education Foundation, Belgrade

Opinion

We have audited the accompanying Special Purpose Financial Statements of Roma Education Foundation, Belgrade (hereinafter: the "Foundation") which comprise the balance sheet as at 31 December 2023 and the related income and expenditure statement for the year then ended and the notes to the financial statements, compiled in accordance with REF Group Accounting Policy.

In our opinion, the accompanying Special Purpose Financial Statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2023 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the policies and instructions contained in the REF Group Accounting Policy.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the fact that the Special Purpose Financial Statements are prepared only to provide information to the Management of Foundation. As a result, the report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other matters

Special Purpose Financial Statements for the year ended as at 31 December 2022 were not in the scope of Auditor's engagement, and therefore we do not express opinion on them.

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

To the Management of Roma Education Foundation, Belgrade (continued)

Going Concern

The Foundation's Special Purpose Financial Statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Foundation or to cease the operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of going concern basis of accounting in the preparation of the Foundation's Special Purpose Financial Statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly, none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Foundation's ability to continue as a going concern.

Management's Responsibilities for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Financial Statements in accordance with International Financial Reporting Standards (IFRSs) and policies and instructions outlined in REF Group Accounting Policy, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

To the Management of Roma Education Foundation, Belgrade (continued)

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Global Audit Services d.o.o.
Global Audit Services d.o.o.
Belgrade
16 May 2024

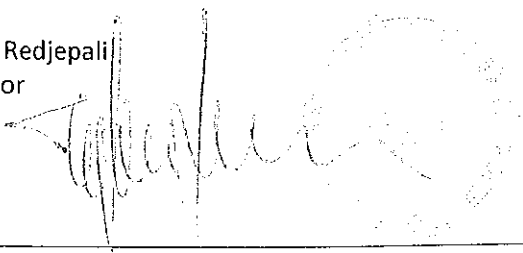


STATEMENT OF INCOME AND EXPENDITURE
Year Ended 31 December 2023 (in EUR)

	Note	2023	2022
Donations received (restricted)		476,693	548,408
Donations received (partly restricted)		505,217	404,653
Revenue from previous Year Income		118,946	239,249
Other income		2,984	4,560
Total operating income	4.2	1,103,840	1,196,870
KfW – Improved education and integration Serbia		553,897	494,555
ADA		88,877	333,420
Roma force of nature		-	9,758
DGN2		87,812	-
Roma faces of change		29,986	17,230
Total of program expenditure	4.3	760,572	854,963
Grants according to objectives of the foundation		760,572	854,963
Accounting, financial and legal services		18,054	31,095
Other administrative, travel and representation expenses		321,566	306,906
Administrative costs	4.4	339,620	338,001
Total operating expenses		1,100,192	1,192,964
OPERATING RESULT		3,648	3,906
Interest income		-	-
Gain from foreign exchange		926	660
Financial income	4.5	926	660
Bank charges and interest		1,079	2,143
Loss from foreign exchange		3,494	2,424
Financial costs	4.6	4,573	4,567
FINANCIAL RESULT		(3,648)	(3,907)
PROFIT/LOSS OF THE YEAR		-	-

The accompanying notes on the following pages
are an integral part of these financial statements.

Chupi Redjepali
Director



NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS**31 December 2023**

1. FINANCIAL ORGANIZATION**1.1. Organization of Roma Education Fund („REF “)**

The network of Roma Education Fund, four entities („REF Entities“) that are established as legally separate foundations in Switzerland, Hungary, Romania and Slovakia, Macedonia and Serbia, respectively. The REF Entities cooperate based on a memorandum of understanding to achieve their shared primary objective to close the gap in educational outcomes between Roma and non-Roma. Each REF entity has its separate board with independent members for their decisions. These boards engaged in Switzerland and Hungary Admin Group to act as their independent bookkeepers. Furthermore, Admin Group Ltd. in Hungary established an expense coding system to ensure cost analysis among the several programs implemented by the REF Entities and supports the entities with consultations in their financial operations.

1.2. List of REF Entities

- Roma Education Fund Switzerland, established in 2005
- Roma Education Fund Hungary, established in 2006
- Roma Education Fund Romania, established in 2009
- Roma Education Fund Slovakia, established in 2014
- Roma Education Fund Macedonia, established in 2019
- Roma Education Fund Serbia, established in 2019

2. BOOK-KEEPING AND REPORTING REQUIREMENTS

The business and reporting period is defined on a yearly basis, starting at January 1 and ending at December 31. In general, the financial statements of each legal entity should be prepared by the middle of February of the following year in accordance with this policy.

REF Entities maintain double-entry bookkeeping. The bookkeeping is maintained in local currency.

3. ACCOUNTING PRINCIPLES**3.1. General terms**

The books of the REF Entities are basically maintained in local currency as of legal requirement with the exception of REF Switzerland where the books are maintained in EUR since its functional currency is EUR.

Many of the financial transactions of REF Entities are denominated in Euro (EUR). To compare and for a better understanding, these financial statements are presented in EUR.

3.1.1. Currency Translation

All resulting unrealized and realized gains and losses from currency translations are recorded in a separate position in the statement of income and expenditure. All local currency positions in the profit and loss statement of Foundation in Serbia shall be translated from RSD into EUR at the yearly average exchange rate of RSD/EUR. All balance sheet positions at year end are translated at the year-end rate of RSD/EUR. All exchange rates are based on a publication of the Serbian National Bank.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

3.1.2. Reporting Period

The business and reporting period are defined on a yearly basis, starting on January 1 and ending on December 31.

3.1.3. Comparability with prior year

Financial statements have to present the prior year and the actual reporting period from January 1, to December 31. Material errors from previous years have to be restated and presented. Errors shall be construed as material in our cases if in the year when discovered by the audit, the aggregate amount of all errors (either negative or positive) for the same year and their impact on the Foundation capital exceed 2% of the balance sheet total of the financial year audited.

3.2. Income**3.2.1. Donations Received**

The donation income has to be recognized at nominal value when received. The promised donation income is not allowed to be recorded for prudency reasons, which means, that the donation income has to be presented on a cash basis.

3.2.2. Interest Income

The interest income has to be recorded and timely appointed by using the effective received interest rates by banks.

3.3. Expenses**3.3.1. Programs and Grants**

The program and grant expenses paid have to be recognized at nominal value. Already known costs have to be accrued. The grants at the Project Support Program and Tertiary Scholarships have to be presented at the actual year on total contractual value while other program related expenses on the value they were paid.

3.3.2. Administrative expenses

This 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 have to be recognized at nominal value. Already known costs have to be accrued.

3.3.3. Partner expenses

If REF is a main project leader (direct contract with the donor) and channels funds to Partners all expenses relates to Partners have to be presented as REF expenditure in the financial statement due to the fact that REF is in charge of reporting the entire project cost.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

3.4. Balance sheet**3.4.1. Intangible and tangible asset valuation, depreciation accounting principles**

Tangible and intangible assets have to be carried at their costs less depreciation and any accumulated impairment loss.

The useful life of property rights has to be determined by each REF entity.

The useful life of an intellectual product has to be determined by each REF entity.

The qualification and classification of fixed assets have to be determined according to the applicable national rule of each REF entity.

The depreciable amount of a depreciable asset has to be allocated on a systematic basis using straight line method to each accounting period during the useful life of the asset.

The fixed assets above a certain value - defined by the applicable national rule of each REF entity - have to be accounted as depreciation in lump sum when it started to use.

REF Entities have to apply extraordinary depreciation by devaluation when the asset is permanently reduced, because it has become redundant and/or damaged. The foundations shouldn't use the revaluation model of assets.

3.4.2. Receivables valuation

Receivables must be valued on book value, except the receivables recorded in foreign currency.

Valuation rules of foreign currency receivables and liabilities:

- Receivables and liabilities maintained in foreign currency are recorded on the exchange rate of the transaction day and revalued on the exchange rates published by the respective sources of foreign currency rates, as include in section 3.1.1.
- If the receivables are not expected to be recovered on basis of individual rating and this is enduring and significant in this case impairment loss is recognised. In the case of small amount receivables considered per debtor are applied in accordance with the accounting act in percent impairment.

Rules of provisioning

The following risks must be 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 European Social Fund ("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 the MA.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

Revolving loans provided by the foundations must be monitored by every 6 months with evaluation sheet which must include action proposal as well.

If these risks are evaluated and indicate the creation of provision, its amount needs to be defined based on the national rule.

3.4.3. Deferred costs

Costs have to be accrued actively, which has emerged until the balance sheet date but not relates the activities of the year.

3.4.4. Accrued costs

Costs have to be accrued which are recognised until the balance sheet preparation and relates the activities of the year.

4. NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

4.1. Details on Donations received from third parties 2019 – 2023

	2023 EUR	2022 EUR	2021 EUR	2020 EUR	2019 EUR
Roma Education Fund, Zug Switzerland	505,000	404,365	778,198	700,000	97,702
Kreditanstalt für Wiederaufbau, Frankfurt am Main, Germany	384,000	400,000	846,037	-	-
Austrian Development Agency, Vienna, Austria	-	149,000	410,000	250,000	-
EU Regional Action for Education: Increased education opportunities for Roma students and Roma youth in Western Balkans and Turkey	92,836	-	-	-	-
Total Donations received	981,836	953,365	2,034,235	950,000	97,702

4.2. Operating income

	2023 EUR	2022 EUR
Donations received (restricted)	476,693	548,408
Donations received (partly restricted)	505,217	404,653
Revenue from previous Year Income	118,946	239,249
Other Income	2,984	4,560
Total Operating income	1,103,840	1,196,870

Operating income that relates to restricted donations represent costs approved by the donors in 2023, remainder is coming from ref CH grants.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

4.3. Expenses of Program and Grants

	2023	2022
	EUR	EUR
KfW – Improved education and integration Serbia	553,897	494,555
ADA	88,877	333,420
Roma force of nature	-	9,758
DGN2	87,812	-
Roma faces of change	29,986	17,230
Total Program and Grants	760,572	854,963

Partner expenses

	2023	2022
	EUR	EUR
Roma Versitas Albania	20,000	120,277
Roma Versitas Kosovo	20,000	110,000
Total Partner expenses	40,000	230,277

Roma Versitas Albania and Roma Versitas Kosovo are partners on Austrian Development Agency ("ADA"). Combating poverty, ensuring peace and preserving the environment Project. REF Serbia is a main project leader, holds direct contract with the donor and channels funds to Partners. Expenses relates 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.

4.4. Administrative expenses

	2023	2022
	EUR	EUR
Accounting, financial and legal services	18,054	31,095
Other administrative, travel and representation expenses	321,566	306,906
Total Administrative expenses	339,620	338,001

This includes administrative expenses of the operation, capital & equipment, contractors, HR related expenses of the administrative staff and their travel expenditures which do not directly belongs to the projects. The administrative expenses have to be recognized at nominal value. Already known costs have to be accrued.

4.5. Financial income

	2023	2022
	EUR	EUR
Gain from foreign exchange	926	660
Total Financial income	926	660

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

4.6. Financial costs

	2023	2022
	EUR	EUR
Bank charges and interest	1,079	2,143
Loss from foreign exchange	3,494	2,424
Total Financial costs	4,573	4,567

5. NOTES TO THE BALANCE SHEET

5.1. Cash at banks

	31.12.2023.	31.12.2022.
	EUR	EUR
Cash and cash equivalents	526,841	678,952
Total Cash at banks	526,841	678,952

5.2. Other current assets

	31.12.2023.	31.12.2022.
	EUR	EUR
Prepayments to suppliers	28,757	4,064
Other prepayments	500	447
Total Other current assets	29,257	4,511

5.3. Tangible assets

	31.12.2023.	31.12.2022.
	EUR	EUR
Equipment	142,927	102,429
Works of fine, sculptural, film and other arts	542	541
Investments in other people's real estate, plants and equipment	185,754	185,518
Accumulated depreciations Total tangible assets	(120,888)	(86,617)
Total Tangible assets	208,335	201,871

5.4. Intangible assets

	31.12.2023.	31.12.2022.
	EUR	EUR
System software	142	864
Total Intangible assets	142	864

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
31 December 2023

5.5. Short-term liabilities

	31.12.2023.	31.12.2022.
	EUR	EUR
Funds unused Kreditanstalt für Wiederaufbau, Frankfurt am Main, Germany	161,661	331,447
Funds unused Austrian Development Agency, Vienna, Austria	50,334	139,181
Funds unused EU Regional Action for Education: Increased education opportunities for Roma students and Roma youth in Western Balkans and Turkey	4,734	-
Suppliers	5,819	9,080
Salary Payable	-	448
Total Short-term liabilities	222,548	480,156

5.6. Foundation Capital

	31.12.2023.	31.12.2022.
	EUR	EUR
Foundation Capital at December 31	542,027	406,042
Total Foundation Capital	542,027	406,042

Foundation Capital is the difference between unspent funds received from REF CH, and the Foundation's short-term liabilities.

6. OTHER INFORMATION

Foundation have not been raised any funds from reporting date until the date this special purpose financial information was authorized for issue.

The financial statements have been prepared by applying going concern principle, i.e., assuming that the Foundation will continue to operate indefinitely for the foreseeable future. This assumption is based on the fact that the Foundation is obliged by donor agreements in the coming period and planned operations. In the following reporting periods, the Foundation's management does not expect significant changes in operations.

Chupi Redjepali
Director

