



## AUDITORS' REPORT

**to the General Assembly  
of the Center for the Study of Democracy**

### *Scope*

We have audited the financial statements of Center for the Study of Democracy as at 31 December 2002 set out on pages 1 to 19 in accordance with International Standards on Auditing. The financial statements have been prepared in conformity with International Accounting Standards.

### *Responsibilities of management and auditors*

The financial statements have been prepared by, and are the sole responsibility of the management of Center for the Study of Democracy. Our responsibility is to express an opinion on these financial statements based on our audit.

### *Basis of opinion*

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

1. As at 31 December 2002 Center for the Study of Democracy has reported investments, which are carried at a cost - for the total of BGN 10,006. The financial statements of the subsidiaries are not consolidated as per requirements of IAS 27 Consolidated Financial Statements and Accounting for Investment in Subsidiaries.

In our opinion, except for the effect on the financial statements of the matters referred to in paragraph 1 the financial statements give a true and fair view of the financial position of Center for the Study of Democracy as at 31 December 2002 and the excess of revenue over expenditure in accordance with the International Accounting Standards adopted by International Accounting Standards Board.

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