

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2006, and its financial performance and its cash flows for the year then ended in accordance with the National Financial Reporting Standards for Small and Medium-sized Enterprises, adopted for use in the Republic of Bulgaria.

AFA OOD

**AFA OOD**

*Registered Specialised Audit Firm*

**Renny Georgieva Iordanova**

*General Manager*

**Valia Iordanova Iordanova**

*Registered CPA in charge of the audit*

**11.06.2007**

**38, Oborishte Street  
1504-Sofia, Bulgaria**

*This is a translation from Bulgarian of the Independent Auditor's Report on the Financial Statements of Foundation Institute for Market Economics the year ended 31 December 2006.*