

September 15, 1998

Ref. : SBF - 98 - 04

The Honorable Dr. Hernan SALGADO PESANTES
 President of the I.A.Court of Human Rights.
 San Jose,
 Costa Rica.

Subject : 1997 Annual Report Foundation Aloeboetoe.

Dear Dr.Salgado,

In compliance with "Judgment of September 10,1993" from the I.A.Court of Human Rights, we have the pleasure to submit two copies of the 1997 Financial Report of the " Foundation Finance Management Aloeboetoe" by the Bureau " Ernst and Young Suriname Accountants ".

With the exception of the descendants of the late ADAME Aoedoe all the adults have collected their allotments. We have called the beneficiaries of Adame through several notes but only three children showed up. There seem to be seven children of the deceased but they do not live in one village and are difficult to be reached.We recently sent a note to the village Chief to ask them to visit the Foundation in Paramaribo in order to receive their portion of their parent allotment. The names of these decendants are :

Adame Kaje	date of birth	March 01,1980
Adame Nelia Anna		November 29,1981
Adame Mawin Glenn (a minor)		May 12,1984
Adame Lenna	I.D.#.(05.87 FD 038879 V)	
Adame Frans	I.D.#.(10.88-FD 038880-M)	
Adame Lanni	I.D.#.(11.89-FD 038881-V)	and
Adame Similie	I.D.#.(03.91-FD 038882-M)	

Those with the I.D.#. have already received part of their portion because they responded to our first message; the others did not show on the first call and we hope the village chief will be able to reach these 3 children.

To date the Foundation has paid ~~some~~ US\$.295.079 out of the 313.225 to the adults; this being 94.2 %.

The minors received a total of \$.26.442 to date out of the allotment total of \$.139.877; this is 18.9%. This year, 1997, the Foundation again approved some small allowance to the parents or foster parents of these minors to cover needy expenses.

All payments were executed in Suriname Guilders at the then prevailing Bank exchange rates.

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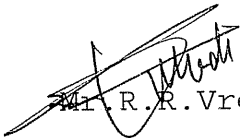
Out of the balance the Foundation continued her investment of US\$.120.000 in a Certificate of Deposit at the same Bank which produces a higher annual interest of 6.25 %

Regarding art.116 sub.5. the Foundation was informed by the pertinent entities that the medical and school dispensaries are in full operation despite the Governments intension to reduce the financial subsidies for the private education and medical services in the Hinterland. As we have already reported, the schools in the hinterland of Suriname are managed by the Religeous sections and the medical services similarly.



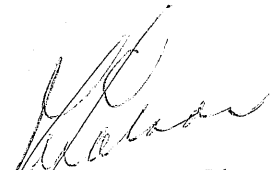
Mr. A.R.Tjong A Hung

Chairman



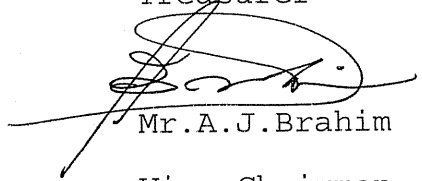
Mr. R.R.Vrede

Secretary



Mrs. I. Labadie

Treasurer



Mr. A.J. Brahim

Vice Chairman



REPORT
to
The committee of the
STICHTING BEHEER FONDSEN
ALOEBOETOE E.A.

Regarding
Financial statements for the year
ended December 31, 1997

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The Committee of the
STICHTING BEHEER FONDSSEN ALOEBOETOE E.A.
PARAMARIBO

Paramaribo, August 14, 1998

Madam, dear Sirs,

1. REPORT OF THE AUDITORS

We have audited the 1997 financial statements of the Stichting Beheer Fondsen Aloeboetoe E.A. at Paramaribo, as included in this report. These financial statements are the responsibility of the foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


In our opinion, the financial statements give a true and fair view of the financial position of the foundation as of 31 December 1997 and of the net balance of operations for the year then ended in accordance with generally accepted accounting principles.

2. GENERAL

2.1 *The establishment of Stichting Beheer Fondsen Aloeboetoe E.A*

The 'Stichting Beheer Fondsen Aloeboetoe E.A.' is a foundation established in Suriname on February 17, 1994 in order to comply with the judgement of September 10, 1993 of the Inter American Court of Human Rights in the Aloeboetoe et. al. Case Reparations as contemplated in paragraphs 100 to 108 of said judgement. The main objective of the foundation is to act as trustee of the funds deposited in the "Surinaamse Trust Maatschappij N.V." and to advise the beneficiaries as to the allocation of the reparations received and the income they obtain from the trust funds.

Yours faithfully,
Ernst & Young Suriname Accountants


L. Bhawanie AA

Annex 1
to our report dated August 14, 1998
STICHTING BEHEER FONDSSEN
ALOEBOETOE E.A.

BALANCE SHEET AS AT DECEMBER 31, 1997


	<u>1997</u> US\$	<u>1996</u> US\$
ASSETS		
Current assets		
Cash	32,202	24,817
Other receivables	2,500	3,570
Term deposit	<u>120,000</u>	<u>120,000</u>
Total assets	<u>154,702</u>	<u>148,387</u>
LIABILITIES		
Funds		
Foundation capital	1	1
Funds for exploitation	23,120	15,192
Reparation funds	<u>131,581</u>	<u>133,194</u>
Total Funds	<u>154,702</u>	<u>148,387</u>

Annex 2

to our report dated August 14, 1998
STICHTING BEHEER FONDSSEN
ALOEBOETOE E.A.

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>1997</u> US\$	<u>1996</u> US\$
Income		
Interest income	7,968 -----	8,189 -----
Expenses		
Payments to beneficiaries	1,613	27,110
Personnel expenses	30	30
Operating expenses	<u>10</u>	<u>-2</u>
	1,653 -----	27,138 -----
Net balance of operations	<u>6,315</u>	<u>-18,949</u>
Appropriation		
Funds for exploitation	7,928	8,161
Reparation funds	<u>-1,613</u>	<u>-27,110</u>
	<u>6,315</u>	<u>-18,949</u>



Annex 3
to our report dated August 14, 1998
STICHTING BEHEER FONDSEN
ALOEBOETOE E.A.

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Assets and liabilities are stated at the amounts at which they were acquired or incurred.

Translation of foreign currencies

Since the Funds for exploitation and the Reparation Funds have been settled in US\$-currency all transactions are recorded in US\$ currency. Transactions arising in local currency are translated into foreign currency (US\$) at the exchange rate at the date of the transactions. Assets and liabilities are translated at closing rate.

Income and expenses

Income and expenses are allocated to the year to which they relate.

Annex 4

to our report dated August 14, 1998
STICHTING BEHEER FONDSEN
ALOEBOETOE E.A.

EXPLANATORY NOTES**Cash**

Cash comprise of the following bank balances:

	<u>1997</u> US\$	<u>1996</u> US\$
De Surinaamsche Bank N.V., reparation funds (US\$-account)	28,088	20,980
De Surinaamsche Bank N.V. working capital (US\$-account)	2,530	2,350
De Surinaamsche Bank N.V. checking Sf account (Sf 627,268 1996 Sf 588,941)	<u>1,584</u>	<u>1,487</u>
	<u>32,202</u>	<u>24,817</u>

The US\$ bank accounts are interest bearing at a rate of 3,75% per year.

	<u>1997</u> US\$	<u>1996</u> US\$
Term deposit	<u>120,000</u>	<u>120,000</u>

The foundation has set a trust fund of US\$ 120,000 for the beneficiaries at an interest rate of 6,25 per year. The interest earned is included under the heading "Other receivables".

Funds for exploitation

Pursuant to paragraph 107 of the judgement, the Republic of Suriname has contributed an amount of US\$ 4,000 to cover the operating expenses of the Foundation.

The movements in the funds for exploitation can be explained as follows:

	<u>1997</u> US\$	<u>1996</u> US\$
Balance at December 31, 1996/95	15,192	7,031
Add: appropriation of net balance of operations	<u>7,928</u>	<u>8,161</u>
Balance at December 31, 1997/96	<u>23,120</u>	<u>15,192</u>

Annex 4

to our report dated August 14, 1998
STICHTING BEHEER FONDSEN
ALOEBOETOE E.A.

Reparation funds

The outstanding balance at year-end is arrived at as follows:

	<u>1997</u> US\$	<u>1996</u> US\$
Balance at December 31, 1996/95	133,194	160,304
Less: appropriation of net balance of operations	<u>- 1,613</u>	<u>-27,110</u>
Balance at December 31, 1997/96	<u>131,581</u>	<u>133,194</u>

The total reparation funds for adults and minor children amounts to US\$ 313,225 and US\$ 139,877, while the year to date payments amount to US\$ 295,079 and US\$ 26,442 respectively. The year to date payments expressed in a percentage of the total reparation funds amounts for adults (including children reaching the adult status) and minor children approximately 94,2% and 18,9%.

The compensation sum for the minor children and unmarried beneficiaries will not be payable until they have reached the age of 21. On special request of Parents and "Foster Parents" however, some payments varying between 5% to 10% of the reparation amount were made on behalf of minor children. All the payments were carried out in local currency per prevailing selling rate of exchange.

Personnel expenses

Regards the salary of the administrative assistant of the foundation. The Foundation has one employee on a part time basis.

Other operating expenses

A breakdown of the other operating expenses is as follows:

	<u>1997</u> US\$	<u>1996</u> US\$
Office expenses		8
Bank charges	10	1
Exchange rate difference		22
Other expenses	<u> </u>	<u>11</u>
	<u>10</u>	<u>-2</u>

Annex 5

to our report dated August 14, 1998
**STICHTING BEHEER FONDSSEN
ALOEBOETOE E.A.**

OTHER INFORMATION**Committee of the Foundation**

The committee of the Foundation is composed of the following members:

A.R. Tjong A Hung	-	Chairman
A.J. Brahim	-	Vice Chairman
R.R. Vrede	-	Secretary
I. Labadie	-	Treasurer
J.C. de Miranda	-	Vice Treasurer
A.H. te Dorsthorst	-	Member
J. Kent	-	Member

The members are carrying out their functions ad honorem until resignation or discontinuation of the activities of the Foundation.

Appropriation of net balance of operations of the Foundation

The net balance of operations on account of:

- the investment of the reparation amount received is added to c.q. withdrawn from the Reparation funds;
- the exploitation result of the Foundation will be added to c.q. charged to the funds for exploitation