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PREFACE

The 2000 Annual Report of the Anguilla Social Security Board is a comprehensive review of the operations of the Social Security System for the nineteenth full year of its existence. It is prepared in accordance with Section 4(6) of the Social Security Ordinance 1980 and supported by Statistical Analyses and Audited Financial Statements.

This report serves as a record of the work of the Board and its staff, while providing an overview of the structure and functioning of the System. It is also hoped to serve as a useful working document to assist future planning for, and management of, Social Security in Anguilla.

We take this opportunity to express our thanks and appreciation to the staff of the Social Security Office for their services and devotion to duty during the past year. This dedicated support has continued to help us in the achievement of the objectives set out in our Mission Statement. We are grateful and also express our appreciation for the support of employers, employees, the Government of Anguilla, and for technical and other forms of cooperation received from our regional and extra-regional colleagues.

Anguilla Social Security Board



MISSION STATEMENT

To be a customer-driven, future focused, knowledge-based, high performance learning enterprise, creating value by delivering timely social security benefits and other financial services by managing the Fund in the best interest of our stakeholders everywhere.



VISION STATEMENT

We are committed to providing quality social and economic benefits and other financial services for the well being of our stakeholders everywhere.

SECTION 1



INTRODUCTION



2000 Highlights

- 549 Employed Persons were registered, bringing the total registered to 9,237, an increase of 6.3%.
- 115 employers were registered, bringing the total as at 31/12/00 to 1604.
- \$11,529,217 in Social Security Contributions was received, \$1,329,812 (13%) more than the amount in 1999.
- Total income amounted to \$16,978,994, a 22% increase over 1999.
- Benefit Expenditure amounted to \$2,714,319, 32.6% more than in 1999.
- Administrative Expenditure increased by \$336,401 (21%) to \$1,941,591 in 2000. Administrative Expenditure amounted to 11.4 % of Total Income and 13.6% of Contribution Income plus Benefit Expenditure.
- Total Expenditure (including Development Fund Expenditure) amounted to \$5,017,511 (17%) more than 1999.
- The Reserves of the Fund stood at \$82,780,809 as at 31/12/00, an increase of \$11,961,483 (16.9%) over that of 1999.
- 1,802 Claims for benefit were received, 1.3% less than in 1999.
- Social Security Development Fund Expenditure was \$316,518 with 7 projects receiving funding.
- The Short-term benefits branch reserve grew by \$166,660 to \$3,469,098, while the Long-term benefits branch reserve grew by \$11,630,638 to \$78,512,889.

1999 AT A GLANCE

- 503 Employed Persons were registered carrying the total up by 6.2% to 8,688 Employed Persons.
- 72 employers were registered, bringing the total as at 31/12/99 to 1,482.
- \$10,199,405 in social Security Contributions was received, 16.9% more than 1998.
- Total Income amounted to \$13,917,145.
- The Reserves of the Fund stood at \$70,819,326 at 31/12/99, an increase of \$9,630,025 (15.7%).



MINISTERIAL RESPONSIBILITY

Social Security falls under the portfolio of the Minister of Finance and Economic Development. At the commencement of 2000, the portfolio was held by the Honourable Hubert Hughes; following the March 2000 elections it was held by the Honourable Victor F. Banks.

SOCIAL SECURITY BOARD

The Anguilla Social Security Board is a corporate body established under the Social Security Ordinance 1980. The Board consists of five persons: four appointed by the Minister and the Director of Social Security appointed by the Governor-in-Council.

The Board at during the period under review consisted of:

Mr. Ralph V. C. Hodge, Chairman	- Government Representative
Miss Barbara Webster	- Employees' Representative
Mr. Evan Lake	- Employers' Representative
Pastor Ambrose Richardson	- Independent Member
Mr. Timothy A. Hodge	- Ex-Officio Member, Director of Social Security

INVESTMENT COMMITTEE

The Investment Committee, established to give specific or general directions on the investment of surplus funds, is comprised of five members: two persons knowledgeable in investment matters nominated by the Minister, one of whom shall be Chairman; the Chairman of the Board; the Director of Finance; and the Director of Social Security.

The Members of the Investment Committee at year-end 2000 were:

Mr. Claudel Romney	- Chairman
Mr. Ralph Hodge	- Chairman Social Security Board, Member
Mr. Carl Harrigan	- Director of Finance, Member
Mr. Leroy Martinez	- Member
Mr. Timothy A. Hodge	- Director of Social Security, Member

APPEAL TRIBUNAL

The Social Security (Decisions and Appeals) Regulations 1981 established an Appeal Tribunal drawn from Members of the Social Security Board, for the purpose of hearing appeals from persons dissatisfied with decisions given by the Director or any authorized person, in relation to benefits and contributions. The Appeal Tribunal consists of the Member representing Government, who shall act as Chairman, and the Members representing Employers and Employees.

STAFF MATTERS

BOARD OFFICERS

Mr. Timothy A. Hodge	Director of Social Security
Mrs. Yolanda Gumbs	Deputy Director
Miss Lena Sasso	Operations Manager
Mrs. Dorice Fleming	Finance & Accounts Manager, Statistics Function
Mrs. Maglan Richardson	Internal Auditor/Board Secretary
Mrs. Donna Gumbs	Accounts Officer
Mrs. Bertha Gumbs	Contributions/Systems Officer
Mr. Liston Adams	Inspector
Mr. Elkin Richardson	Inspector
Miss Brenda Hughes	Compliance Officer
Mrs. Jacqueline Reid	Senior Operations Clerk
Miss Pauleta Gumbs	Senior Operations Clerk
Miss Delphine Richardson	Administrative Assistant
Mrs. Elaine Carty	Cashier
Mr. Fitzroy Browne	Accounts Clerk
Miss Mavis Rogers	Operations Clerk
Mrs. Ingrid Richardson	Operations Clerk
Miss Melissa Carty	Operations Clerk
Miss Denise Buchanan	Operations Clerk
Miss Charo Barry	Receptionist/Secretary
Mrs. Evelyn Bryan	Custodian

HUMAN RESOURCE DEVELOPMENT

The Board continued to actively promote the training of its staff during the year. Training activities included those agreed to by Directors of Caribbean Social Security Schemes for the triennium 1999 – 2001.

- Contributions/Systems Officer, Mrs. Bertha Gumbs, attended a Computer Information and Technology Seminar in St. Vincent, February 14 – 18.
- The Deputy Director, Mrs. Yolanda Gumbs and Operations Manager, Miss Lena Sasso attended a 5-day CIESS/SVB Course on Pension and Social Insurance Issues and Programmes in Aruba, April 10 – 14.
- Deputy Director, Mrs. Yolanda Gumbs and Finance & Accounts Manager, Mrs. Dorice Fleming, attended the P. A. Douglas & Associates Advanced Administrative Professional Course in Banff, Canada, October 17 – 23.
- Contributions/Systems Officer, Mrs. Bertha Gumbs attended the Regional IT Forum 2000 in St. Kitts, December 4 – 6.
- Miss Vernetta Richardson continued studies for a Law Degree at the Mona Campus, University of The West Indies, Jamaica.

- Internal Auditor, Mrs. Maglan Richardson continued studies for an Executive Masters of Business Administration (EMBA) at the Cave Hill Campus of the University of The West Indies, Barbados.

In addition, several members of staff continued with private studies to improve their academic qualifications. This effort is highly commended by the Social Security Board.

SECTION 2



OPERATIONS OF THE SOCIAL SECURITY SYSTEM

ECONOMIC ENVIRONMENT

The Social Security System's performance is closely linked to the overall economic performance of the island. Accordingly, a synopsis of the economic environment in which the Scheme operated during 2000 is presented below. The information was extracted from the country report for Anguilla in the Eastern Caribbean Central Bank's Report and Statement of Accounts for the Financial Year Ended 31st March 2001 (pages 21 – 26). Anguilla is a member territory of the Eastern Caribbean Central Bank.

OVERVIEW

The economy of Anguilla contracted marginally in 2000 after experiencing relatively strong rates of growth in the previous three years. Based on provisional data gross domestic product (GDP) was estimated to have declined by 0.7% during 2000 in contrast to the revised rate of growth of 8.7% in 1999.

OUTPUT

Output in the hotel and restaurant sector, which largely mirrors developments in tourism – the major economic activity – declined by 6.4 % following a 6.6% increase in 1999. As a share of GDP that sector declined to 30.1% from 31.9% in 1999. This outturn largely reflected the lingering effects of hurricane damage to hotels that were closed temporarily in 2000 for rehabilitative work. Construction activity contracted after five consecutive years of expansion. Real output in that sector fell by 8.9%, largely reflecting the completion of a major hotel in 1999. The contribution of the construction sector to GDP declined to 14.8% from 16.2% in 1999. Construction activity during 2000 included rehabilitation of hotels, building of additional hotel rooms and residential properties, maintenance and construction of roads and new school buildings. Among the other sectors increases were recorded for banks and insurance services (25.7%), communications (9.1%) and electricity and water (8.3%). Value added in the transportation sector fell by 2.2% reflecting in part the decline in activity in the tourism and construction industries.

PRICES, WAGES AND EMPLOYMENT

The rate of inflation as measured by the change in the consumer price index (CPI) rose to 6.5% in 2000 from 2.2% in 1999. This sharp rise in inflation was reflected in part by increases in the sub-indices "rent & rates" (19.8%), clothing & footwear (15.1%) and transport (9.2%). Wage rates in the public sector remained unchanged in 2000 following a 10% increase in 1999. Private sector wage increases ranged from 5 – 10%. In the hotel and restaurant sector employment was likely to have increased in the latter half of the year as a result of reopening of hotels. Employment in the construction sector may have decreased based on the decline in activity in that sector.

CENTRAL GOVERNMENT FISCAL OPERATIONS

The current account position of the central government weakened in 2000. A current account surplus of \$0.1m was realized compared with one of \$5.6m (2% of GDP) in 1999. The decline in savings was due to relatively strong growth in current expenditure,

which outpaced the increase in revenue. Current expenditure grew by 18.4% in 2000 to \$71.6m, compared with growth of 2.1% in 1999. As a share of GDP, current expenditure rose to 24.6% from 21.3% in 1999. Current revenue increased by 8.5% to \$71.1m in 2000 in contrast to a decline of 8.6% in the previous year. As a share of GDP, current revenue rose to 24.7% from 23.3% in 1999. During 2000 capital expenditure grew by 1.6% to \$13m in contrast to the 20% decline in 1999 and remained stable at 4.5% of GDP. An overall deficit of \$3.1m was recorded compared with one of \$4.7m in 1999.

MONEY AND CREDIT

Broad money (M2) expanded by 16.8 % compared with the rate of 8.4% in 1999. The growth in money supply continued to be reflected in all deposit categories. Net foreign assets of Anguilla stood at \$102.5m, a 6% fall below the level at the end of 1999. The net foreign assets held by commercial banks declined by 13.6% (\$7.5m). This development largely reflected an increase in commercial banks' liabilities to banks and other institutions outside the Eastern Caribbean currency union, possibly to finance the expansion in domestic credit. There were a further tightening of commercial bank liquidity evidenced by an increase in loans and advances to deposit ratio to 73.6% at year-end from 70% at year-end 1999. Domestic credit expanded by 28.3% following an increase of 36.2% in 1999. There were some changes in interests on time deposits during 2000.

BALANCE OF PAYMENTS

The external position of Anguilla weakened in 2000. An overall surplus of \$0.1m (0.3% of GDP) was recorded compared with one of \$4.8m (1.7% of GDP) in 1999. This performance was largely attributed to lower inflows on the capital and financial account.

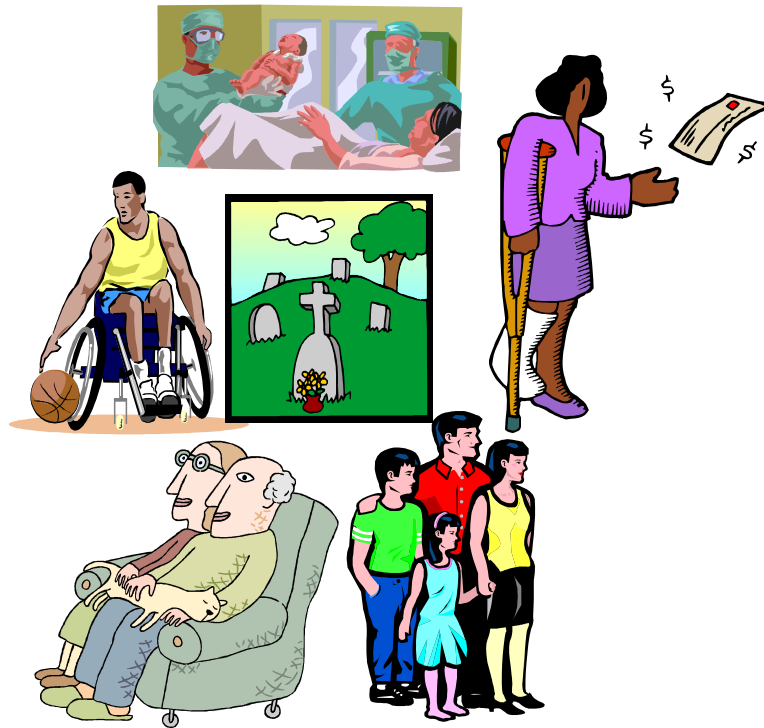
COVERAGE

At the end of 2000 there were 9,237 persons registered with the System. The Social Security (Contributions) Regulations 1981 provide that contributions shall be payable in respect of all persons employed between the ages of 15 and 65, and such insured persons qualify for all benefits under the Ordinance. These are sickness benefit, maternity allowance and grant, funeral grant, age pension and grant, invalidity pensions and grant, and survivor's pension and grant.

While the Ordinance also makes provision for the inclusion of self-employed workers, such persons remain outside the System until such time as Government appoints for the commencement of the coverage.

Any person between the ages of 15 and 65 who has paid at least 50 contributions and who ceases to be compulsory insurable is entitled to become a voluntary contributor. The voluntary contributions count only for the purpose of age, invalidity and survivor's benefit and funeral grant.

It should be noted that the Social Security System extends its coverage far beyond those persons insured at 31st December 2000, for the dependents of those persons (spouses, children, adopted children and parents) may qualify to receive benefits based on the contributions of the insured persons.



SOCIAL SECURITY REGISTRATION

REGISTRATION OF EMPLOYED PERSONS

During the year 2000, 549 new employees were registered with the Social Security System. This was 46 (9.1%) more than 1999, bringing the total number of persons on register as at 31st December 2000 to 9,237. An analysis of the registration statistics revealed that of those persons registered for 2000, 278 (50.6%) were males and 271 (49.4%) were females, compared to a distribution of 58.3% males and 41.8% female in 1999. Similarly, of the total number of persons on register at year-end, 5,073 (54.9%) were males and 4,164 (45.1%) were females. Of those persons registered for 2000, 275 (50%) were under the age of 25.

Table 1 below shows the registration of new employees by age group and sex for the year in question.

**TABLE 1
ANNUAL REGISTRATION OF EMPLOYEES - 2000**

AGE GROUPS	MALES	%	FEMALES	%	TOTAL	%
15 – 19	79	14.4	118	21.5	197	35.9
20 – 24	35	6.4	43	7.8	78	14.2
25 – 29	34	6.2	33	6.0	67	12.2
30 – 34	42	7.7	24	4.4	66	12.0
35 – 39	27	4.9	17	3.1	44	8.0
40 – 44	15	2.7	19	3.5	34	6.2
45 – 49	24	4.4	8	1.5	32	5.8
50 – 54	15	2.7	7	1.3	22	4.0
55 – 59	4	0.7	2	0.4	6	1.1
60 – 64	3	0.5	0	0.0	3	0.5
65 & OVER	0	0.0	0	0.0	0	0.0
TOTALS	278	50.6	271	49.4	549	100.0

GRAPH 1

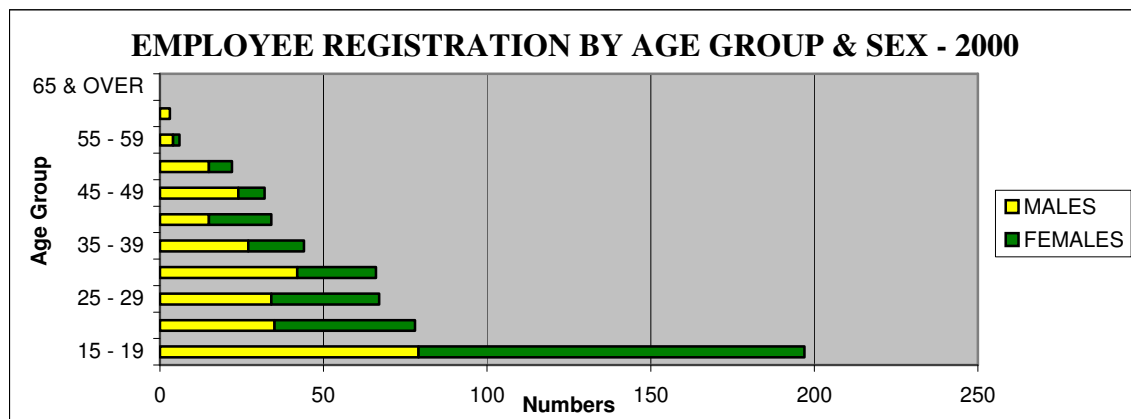
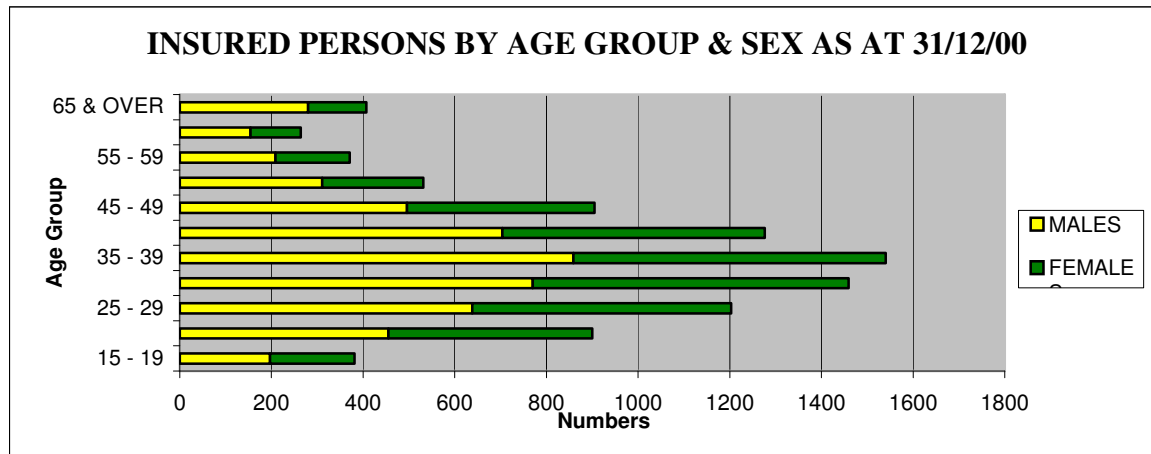


Table 2 below shows the distribution of all insured persons as at year-end 2000. This is a useful indicator both in terms of the demography of the country and anticipated increase in long-term benefit expenditure in future years.

**TABLE 2
INSURED PERSONS BY AGE GROUP & SEX AS AT 31/12/00**

AGE GROUPS	MALES	%	FEMALES	%	TOTAL	%
15 – 19	197	2.1	184	2.0	381	4.1
20 – 24	455	4.9	445	4.8	900	9.7
25 – 29	638	6.9	565	6.1	1203	13.0
30 – 34	770	8.3	689	7.5	1459	15.8
35 – 39	859	9.3	681	7.4	1540	16.7
40 – 44	704	7.6	572	6.2	1276	13.8
45 – 49	496	5.4	409	4.4	905	9.8
50 – 54	311	3.4	220	2.4	531	5.7
55 – 59	209	2.3	162	1.8	371	4.0
60 – 64	154	1.7	110	1.2	264	2.9
65 & OVER	280	3.0	127	1.4	407	4.4
TOTALS	5073	54.9	4164	45.1	9237	100.0

GRAPH 2



**TABLE 3
REGISTRATION OF EMPLOYEES 1997 - 2000**

YEAR	MALE	%	FEMALE	%	TOTAL
1997	238	55.2	193	44.8	431
1998	221	51.0	213	49.1	434
1999	293	58.3	210	41.8	503
2000	278	50.6	271	49.4	549

REGISTRATION OF EMPLOYERS

One hundred and fifteen (115) new employers were registered in 2000. This was an increase of 44 of the previous year's total of 71. At year-end, total number of employers on register was 1,597. Of the new registrants, 44 (38.3%) registered under Personal & Household Services, 10 (8.7%) under Restaurants & Bars and 16 (13.9%) under Construction.

TABLE 4
REGISTRY OF EMPLOYERS BY INDUSTRY – 2000

ILO CODE	INDUSTRY	No.	%
14	Livestock	1	0.9
31	Food & Beverage Manufacture	1	0.9
33	Boat Building, Wood Product Manufacture	3	2.6
34	Printing & Publishing	1	0.9
39	Other Manufacturing Industries	1	0.9
41	Electricity	4	3.5
42	Water Works & Supply	1	0.9
50	Construction	16	13.9
62	Retail Trade	14	12.2
63	Hotels & Guest Houses	8	7.0
64	Restaurants & Bars	10	8.7
65	Night Clubs	1	0.9
71	Transport & Storage	6	5.2
83	Real Estate, Architecture, Business	2	1.7
93	Social & Related Community Services	2	1.7
95	Personal & Household Services	44	38.3
TOTAL		115	100.0

Table 5 below has been presented to permit analysis of employer registration for the four most recent years and of registered employers considered active at the end of those years.

TABLE 5
REGISTRATION OF EMPLOYERS 1997 – 2000

YEAR	NEWLY REGISTERED EMPLOYERS	EMPLOYERS REGISTERED AT YEAR-END	ACTIVE EMPLOYERS AT YEAR-END
1997	86	1,328	388
1998	84	1,412	418
1999	71	1,483	522
2000	115	1,597	424

BENEFITS

A total of 1,802 claims were submitted to the Office in 2000, 23 (1.3%) less than in 1999. Additionally, 263 claims were brought forward from previous years, bringing the total to 2,065 claims for processing during the year. This represented a 5.3% decrease when compared with 1999's total of 2,181.

Benefit expenditure during 2000 increased by \$667,517 (32.6%) when compared to 1999, with the increase in Short-term benefit expenditure accounting for \$387,117 (58.0%) of the increase.

Of the claims received in 2000, 1,473 (81.7%) were allowed, 267 (14.8%) were disallowed and 62 (3.4%) remained unpaid at year-end. Thus the Benefits Section was able to completely process a higher percentage of claims (96.6%) in 2000 compared to 86.6% in 1999. Table 6 below gives an analysis of, and progress report on, the claims received in 2000.

**TABLE 6
CLAIMS RECEIVED – 2000**

TYPE	# RECEIVED	# PAID	# PENDING	
			# DENIED	AT 31/12/00
SICKNESS	1,586	1,276	260	50
MATERNITY	156	140	5	11
FUNERAL	17	16	0	1
AGE	24	24	0	0
SURVIVORS	11	10	1	0
INVALIDITY	8	7	1	0
TOTALS	1,802	1,473	267	62

The number of Short-term benefit claims (Sickness, Maternity and Funeral) decreased by 14 (0.8%) less than 1773 in 1999. Long-term benefit claims (Age, Invalidity and Survivors) decreased by 9 (17.3%) from 52 in 1999 to 43 in 2000.

Short-term benefit payments are disbursed in weekly installments, while Long-term benefit payments are disbursed fortnightly. As a claim may relate to a period of many weeks, several payments may be made in respect of each approved claim. Long-term benefit claims involve regular payments, which may continue for an indefinite period.

PENDING CLAIMS

The majority of claims that were awaiting settlement as at 31st December 2000 had been received shortly before the end of the year, and thus the settlement process could not be completed by year-end. There were however, several claims that could not be settled due to the non-receipt of information required for them to be processed.

Of the 263 benefit claims brought forward from previous years, 239 were processed as follows:

**TABLE 7
CLAIMS BROUGHT FORWARD FROM PREVIOUS YEARS**

TYPE	CLAIMS B/F	ALLOWED	PENDING	
		OR PAID	DISALLOWED AT 31/12/00	
SICKNESS	202	165	25	12
MATERNITY	54	38	5	11
FUNERAL	0	0	0	0
AGE	7	0	6	1
SURVIVORS	0	0	0	0
INVALIDITY	0	0	0	0
TOTALS	263	203	36	24

BENEFIT CLAIMS PAID

Table 8 below details the breakdown of benefit claims (including claims from previous years) paid in the years 1997, 1998, 1999 and 2000.

**TABLE 8
BENEFIT CLAIMS PAID BY TYPE 1997 – 2000**

BENEFIT TYPE	1997	1998	1999	2000
SICKNESS	848	982	1,140	1,441
MATERNITY	149	118	224	178
FUNERAL	16	12	16	16
TOTAL SHORT-TERM	1,013	1,112	1,380	1,635
AGE	43	18	16	24
SURVIVORS	9	8	7	10
INVALIDITY	3	3	9	7
TOTAL LONG-TERM	55	29	32	41
TOTAL CLAIMS PAID	1,068	1,141	1,412	1,676
% CHANGE	-9.5	6.8	23.8	18.3

LONG –TERM BENEFITS IN PAYMENT

At the end of 2000 there were 119 persons in receipt of Age Pension, 18 persons in receipt of Invalidity Benefit and 43 persons in receipt of Survivor's Pension (21 Widows, 2 Widowers and 20 Dependent Children). With exception of the latter, which is payable until age 15 or 18 if the child is still a student, all the long-term benefits are payable for the remainder of the lives of the beneficiaries.

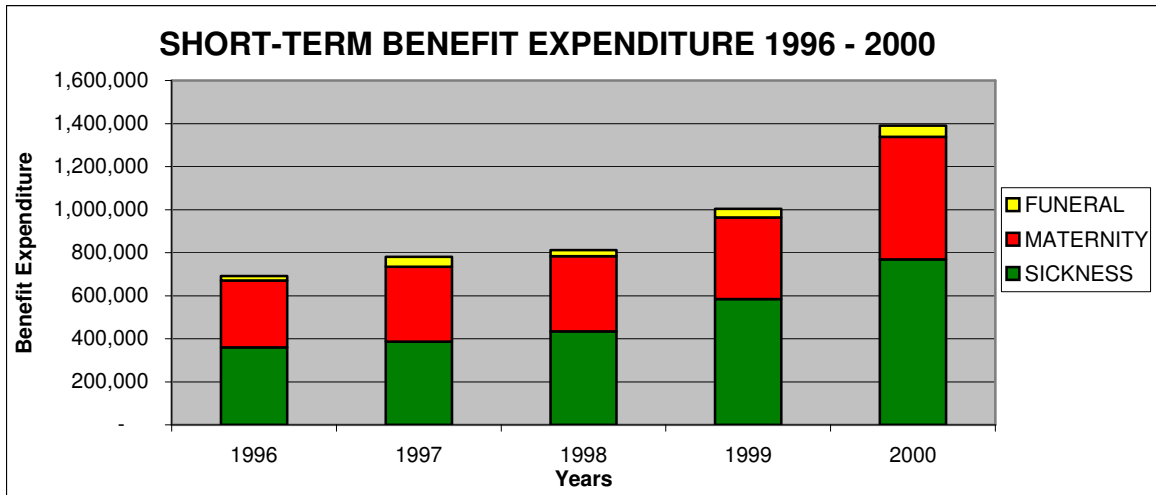
BENEFIT EXPENDITURE

Tables 9 and 10 below present details of benefit expenditure by benefit type 1996 – 2000.

**TABLE 9
SHORT-TERM BENEFIT EXPENDITURE 1996 – 2000**

SHORT-TERM BENEFIT	1996	1997	1998	1999	2000
SICKNESS	359,150	387,258	433,775	583,868	768,423
MATERNITY	311,746	347,649	349,257	379,341	569,903
FUNERAL	20,000	45,100	29,100	40,000	52,000
TOTAL	690,896	780,007	812,132	1,003,209	1,390,326

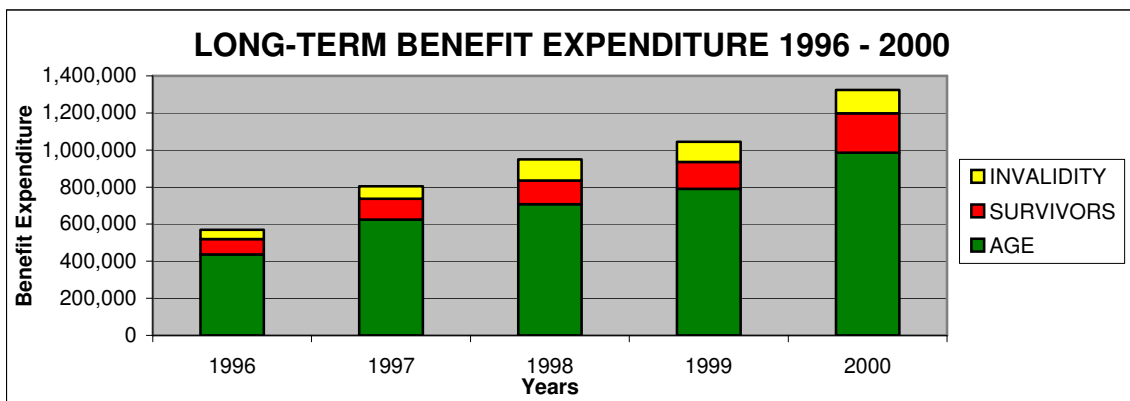
GRAPH 3



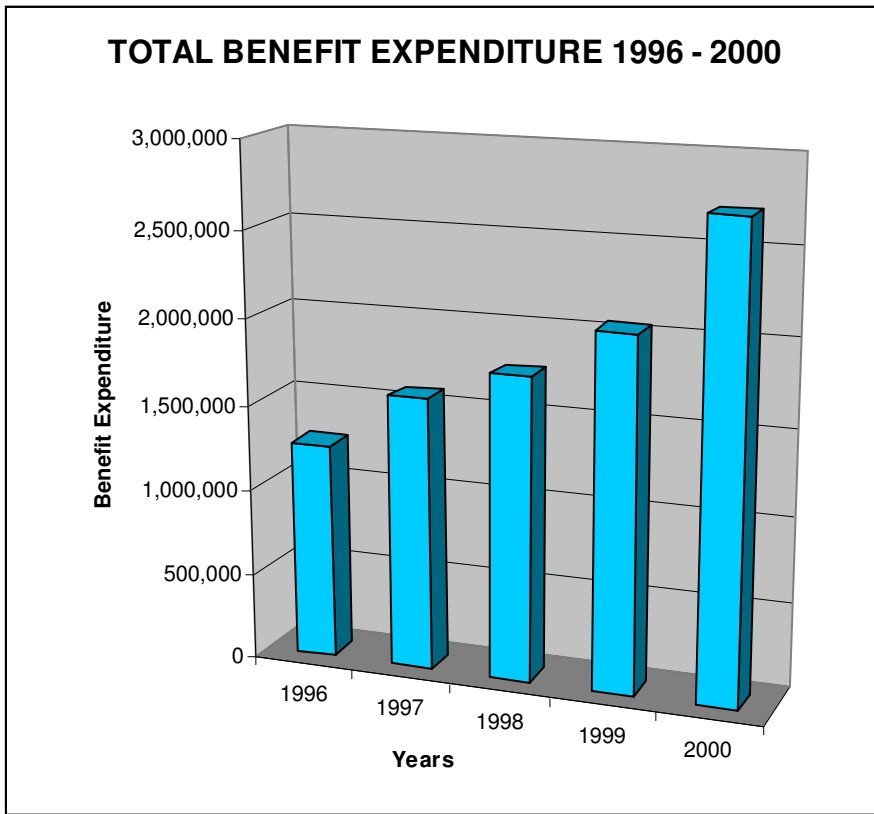
**TABLE 10
LONG-TERM BENEFIT EXPENDITURE 1996 – 2000**

LONG-TERM BENEFIT	1996	1997	1998	1999	2000
AGE	436,131	624,299	708,512	790,283	986,267
SURVIVORS	84,292	113,189	127,388	144,557	211,122
INVALIDITY	49,343	67,481	113,651	108,752	126,604
TOTAL	569,766	804,969	949,551	1,043,592	1,323,993

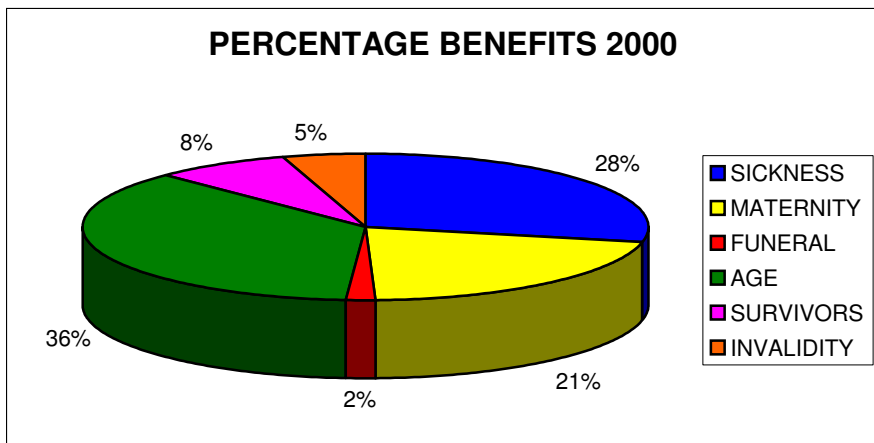
GRAPH 4



GRAPH 5



GRAPH 6



FINANCIAL OPERATIONS

CONTRIBUTION INCOME

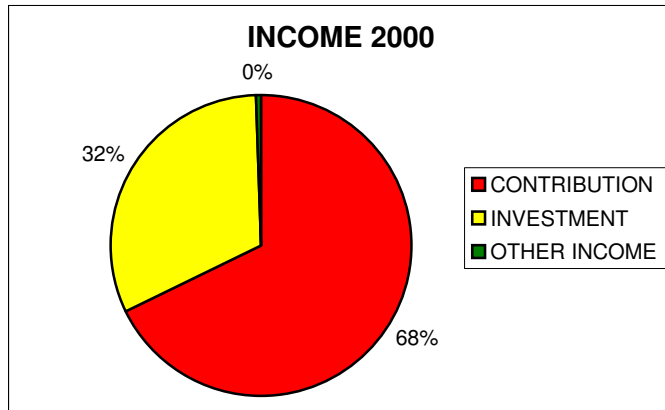
A total of \$11,547,518 in Social Security contributions was paid into the Fund in 2000, while refunds of \$18,301 were made, leaving net contributions of \$11,529,217. This represented an increase in contribution income of \$1,329,812 (13%) over 1999 contribution total. Contributions paid in to the office during 2000 exceeded those for any previous year of the Scheme's existence.

INVESTMENT INCOME

In 2000 income from investment of the reserves of the Social Security Fund amounted to \$5,373,044 and continued to account for a significant portion (28.6%) of total revenues.

Income from investments in 2000 was derived from interest received on fixed deposits, loans to the Government and the Development Board and from rental of commercial units. Income from the investment of Social Security monies in fixed deposits and loans amounted to \$5,288,693 of which \$1,744,568 was interest earned but not received by December 31st. Revenue realized from the rental of commercial units was \$160,084, while expenditure, including insurance and cost of the maintenance and upkeep of the complex, was \$75,733. Net rental income amounted to \$84,351, a decrease of \$27,233 (24.4%) when compared with 1999.

GRAPH 7



The overall nominal rate of return of the Fund was 7.2%. The nominal rate of return C, is determined by use of the formula:

$$C = \frac{2I}{B - I + A}$$

where A is total reserves at the beginning of the year,
B is total reserves at the end of the year, and
I is investment income for the year.

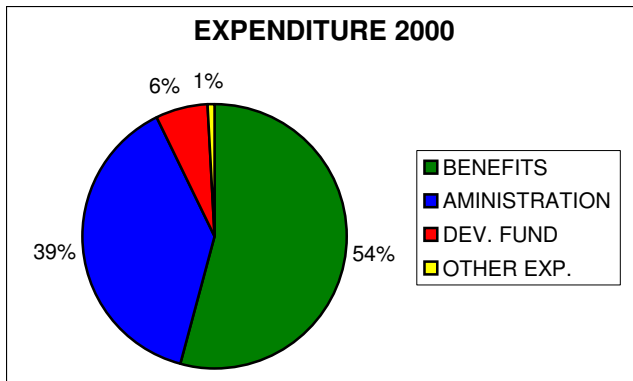
BENEFIT EXPENDITURE

In 2000 Benefit Expenditure amounted to \$2,714,319, 32.6% more than in 1999. This was equivalent to 16% of 2000 Total Income.

ADMINISTRATIVE EXPENDITURE

In 2000 Administrative Expenditure including depreciation on the office complex was \$1,986,673, an increase of \$337,026 (20.4%). Administrative Expenditure amounted to 17.2% of Contribution Income, or 11.7% of Total Income.

GRAPH 8



GROWTH IN RESERVES

There was an increase of \$3,061,849 (22%) in total income and an increase of \$730,391 (17%) in total expenditure during 2000. Net Income for the year of \$11,961,483 was \$2,331,458 (24.2%) higher than that of 1999.

The Short-term benefits branch reserve grew by \$166,660 to \$3,469,098 during the year, while Long-term benefits branch reserve grew by \$11,630,638 to \$78,512,889. The Contingencies Reserve stood at \$800,000.

GRAPH 9

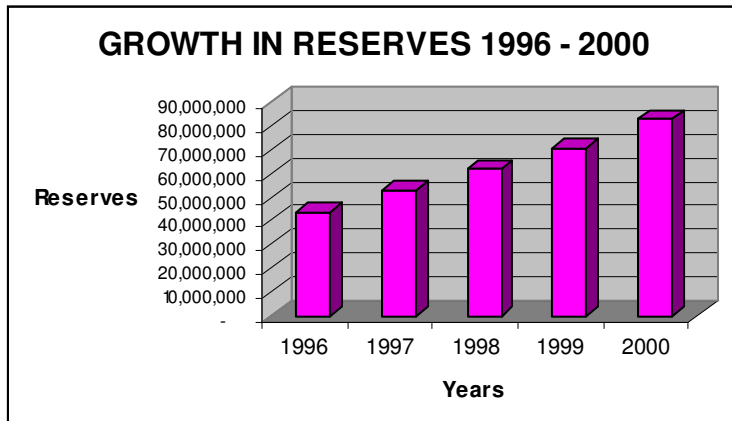


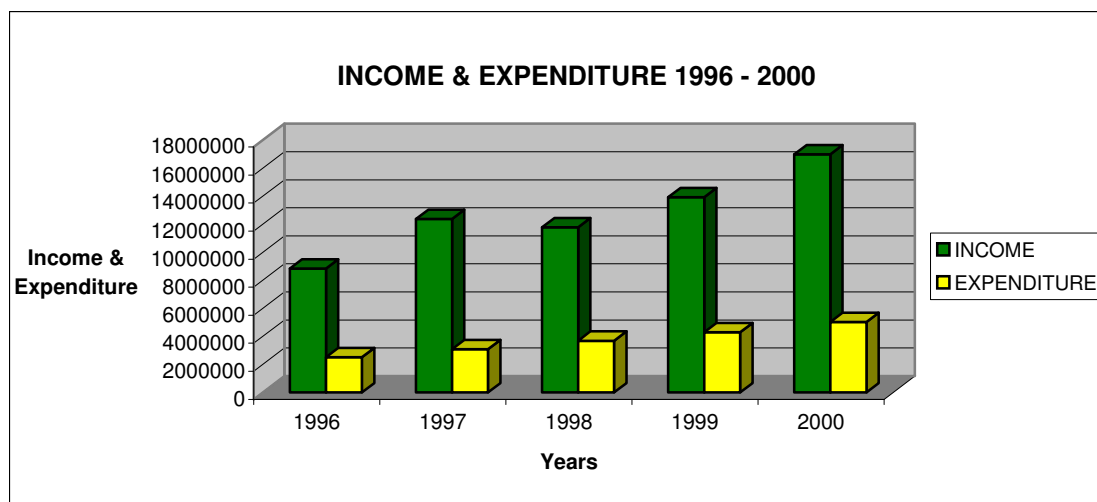
Table 10 below shows a five-year comparative analysis of the Consolidated Income & Expenditure Account:

TABLE 11
CONSOLIDATED INCOME & EXPENDITURE ACCOUNT
FIVE-YEAR COMPARATIVE ANALYSIS EC\$000's 1996 – 2000

	1996	1997	1998	1999	2000
INCOME					
CONTRIBUTION	6,574	9,680	8,725	10,199	11,529
INVESTMENT	2,194	2,622	3,002	3,650	5,373
OTHER	55	67	56	68	77
TOTAL	8,823	12,369	11,783	13,917	16,979
EXPENSES					
ADMINISTRATIVE	1,119	1,454	1,813	1,605	1,942
BENEFITS	1,261	1,586	1,762	2,047	2,714
SSDF*	122	32	103	591	317
OTHER	0	1		44	45
TOTAL	2,502	3,073	3,678	4,287	5,018
NET YEARLY INCOME	6,321	9,296	8,105	9,630	11,961
% CHANGE	7.7	47.1	-12.8	18.8	24.2

* Social Security Development Fund

GRAPH 10



AUDIT

Under Section 16(2) of the Social Security Ordinance, the Chief Auditor of the Government of Anguilla is responsible for the audit of the Board's Accounts. The National Audit Office of Great Britain conducted the audit, and the Chief Auditor subsequently submitted her report to the Board. The audited accounts of the Social Security Fund form part of this report.

SOCIAL SECURITY DEVELOPMENT FUND (SSDF)

The Social Security Development Fund was established in 1986 for the purpose of funding such social projects as the Board may select, subject to the prior approval of the Minister responsible for Social Security. It is funded by 3.75% of contribution income and a percentage of investment income based on balance of reserves in each branch including the development fund at the end of the preceding year. In 2000 a total of \$316,519 was spent on projects as follows:

Wall Blake House Trust	\$ 26,882
Cricket Pitch	2,254
Steel Pans	15,565
3 rd Annual Cobleskill Programme	10,753
Anguilla Community Foundation	250,000
Camp Be Aware	8,065
Puppet Theatre	3,000

Total 2000 SSDF Expenditure	\$316,519
	=====

Brief descriptions of the projects are provided below:

- Donation towards the restoration of the historic Wall Blake House.
- Contribution towards upgrading the cricket pitch at the Ronald Webster Park.
- The Steel Pans Project is an on-going project which begun in 1994 aimed at assisting the Primary Schools with the purchase of steel pans as part of a Cultural Awareness Programme.
- The 3rd Annual SUNY Cobleskill Summer Programme in Tourism Management and Ornamental Horticulture is geared towards maximizing the potential of people through the process of education and training.
- The Anguilla Community Foundation Project is an ongoing project which begun in 1998 with expenditure to cover staffing, marketing and administrative costs. The contribution in 2000 to this project went mainly to the Permanent Endowment Fund.
- Camp Be Aware is an Environmental Education Summer Camp for the seven Primary Schools on the island.
- A grant paid to the Anguilla National Creative Arts Association for the start-up of the Puppet Theatre.

GENERAL

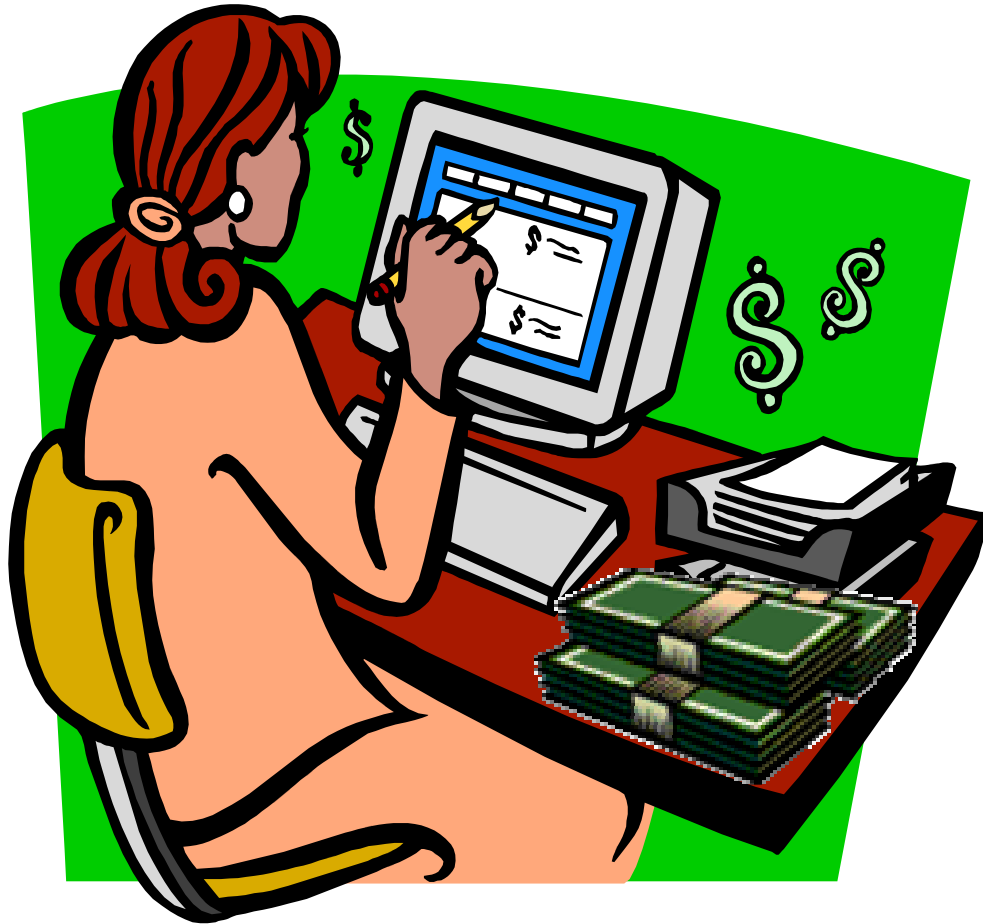
REGIONAL AND INTERNATIONAL ACTIVITIES

The Board was represented at the following regional and international meetings during 2000:

- Caribbean Social Security Boards Educational Conference on Investment Matters in the B V I, January 31 – February 2.
- Improving the Management & Investment Performance of Pension Plan Assets Workshop in Barbados on February 16.
- CAOSA Meeting in Guatemala, April 30 – May 6.
- ECCB Meeting in Antigua, May 25 – 26.
- The Paine Webber Investment Conference in New York, June 5 –11.
- Caricom Meeting and 20th Anniversary Celebration in the B V I, June 24 – 28.
- “Financing the Old Age Pension Beyond 2000” Conference in Curacao, August 29 – September 3.
- ISSA/CISS Meeting in Costa Rica, October 22 – 28.
- Investment Conference in St. Thomas, U S V I, October 31 – November 3.
- ECCB Meeting in Dominica, November 8 – 11.
- AIDS Meeting in Grenada November 30 – December 5.



SECTION 3



FINANCIAL STATEMENTS