Construction Workers' Pension Scheme

Trustees Report & Accounts to 31 December 2007

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CWPS Construction Workers Pension Scheme

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A message from our

With the presentation of this report, CWPS has completed its first full calendar year in operation. Our new Scheme has been widely welcomed within the construction industry, with 1466 additional employer companies joining the Scheme and enrolling their staff members in the course of the year.

2007 signed off with a total membership of 283,579 and a total fund value of €988,070,210. This is an exceptional outcome and huge encouragement to the take-up of occupational pensions in Ireland, even outside the scope of the construction industry.

It was also a very valuable year for consolidation of the new Trustee Company and the new Administration Company. It provided time to come to terms with all the statutory pension regulations and obligations old and new, and to design appropriate key strategies in investment policy and best corporate governance.

It was a year also when ominous storm clouds began to overshadow investment markets, and 'sub-prime' became a dirty word. Most pension schemes are adrift in this storm now, but thankfully we came through the year like most in negative territory but like few less than 10%.

To all members I would say please read our 2007 Report, and in understanding more about your Scheme, realise how vitally important your pension will be to you in your retirement years.

Oliver Haslette
Chairman, CWPS

Highlights of the year

During the twelve months to 31 December 2007:

- €182,631,286 was collected in contributions:
  - €102,639,685 from employers,
  - €74,067,388 from members, and
  - €5,924,213 in AVCs.
- 1466 employers joined the Scheme and 204 ceased to be active employers.
- 2036 members retired.
- The Scheme made pension payments including Lump Sums totalling €35,395,536.
- The Scheme made Lump Sum Death Benefit payments totalling €8,349,519
- The Scheme's investment income amounted to €13,574,215.
- The Scheme's assets decreased in value by €58,176,714.

As at 31 December 2007:

- There were 283,579 individual member accounts in the Scheme.
- The value of these accounts (including contributions received but not yet allocated) totalled €758 million.
- 7,283 pensioners and dependants received pension benefits from the Scheme.
- The estimated value of the Annuity Fund (including the associated solvency margin) was €148 million.
- 9500 employers were members of the Scheme. A list of these employers is available on request to the Scheme.

About the Scheme

The Construction Workers' Pension Scheme (the Scheme) was established by a Trust Deed dated 25 May 2006, and was set up by the industry as a non-profit making occupational pension scheme. It replaced the Construction Federation Operatives' Pension Scheme (CFOPS). As part of this process, it was agreed that the assets of CFOPS would be transferred to the Scheme in three bulk transfers. The third and final transfer took place on 31 August 2007 and represented any remaining liabilities including potential or unascertained liabilities, for benefits under the CFOPS Scheme.

The Construction Industry's Registered Employment Agreement (REA) legally requires all employers covered by the agreement to provide pension and death benefits for eligible employees as set out in the REA. The Scheme provides a cost effective and secure way for employers to meet these obligations. If any changes are required to the Rules of the Scheme, the Trustee will notify members.

During the year ending 31 December 2007, there where two changes to the Trust Deed and Rules by Deed of Amendment. These changes where:

- On 25 June 2007, Clauses 13.16, 13.17 and 13.18 covering the indemnity of Trustees were amended
- On 27 June 2007, Clause 12.1(i) covering eligibility for Death in Service Benefit was amended

Copies of the respective Deeds of Amendment are available from our Customer Service team on request

Although the Scheme is classed as a defined benefit scheme for the purposes of the Pensions Act 1990, this relates only to pensions paid by the Scheme. While members contribute to the Scheme, an account builds up in the member's name, based on the contributions paid in and the investment returns generated by these contributions. Further details about how the Scheme works and the benefits it provides are on page 6.

The Scheme is approved by the Revenue Commissioners under the Taxes Consolidation Act 1997. It is also registered with the Pensions Board and its registration number is PB 185038.

Looking after the Scheme

The Scheme is administered on behalf of the industry through a trustee company, the Construction Workers' Pension Scheme Trustee Limited. The trust company is run by a Board of Directors. This Board comprises employers operating in the industry and full-time Trade Union officials.

There are ordinarily 11 Directors: five Employer Directors, five Trade Union (Member) Directors and a Chairman. All Directors are actively involved in the Construction Industry. The right of Scheme members to select or approve the selection of the Directors is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996 (S.I. No 376 of 1996).

The Trustee is responsible for looking after the Scheme and for ensuring that it is run according to the legal document which governs it, the Trust Deed and Rules. The Trustee must make sure that the Scheme complies with current legislation, that benefits are paid correctly and on time, and that the fund is invested prudently with the aim of meeting its obligations as they fall due. The Trustee has a duty to act in the best interests of the membership as a whole.

During the twelve months to 31 December 2007, the Directors were:

- Oliver Haslette (Chairman)
- Michael Anglim
- Eric Fleming
- George Hennessy
- Niall Irwin
- Jim Moore
- Bernard O'Connell
- Patrick O'Shaughnessy
- Sean Stewart
- Richard P Treacy
- Thomas White

Being a Trustee Director of the Scheme is an important and demanding role. Whilst the Directors do not need any prior experience of pensions and investments, it is important that the Directors have a knowledge and understanding of pension and trust law, and the principles for funding a pension plan and the investment of assets. All new Directors of CWPS Trustee Ltd are required to attend a Trustee Training Course.

To help the Directors keep pace with changes affecting pensions, they attend seminars organised by the pensions industry and receive ongoing briefings from the Scheme's advisers on financial, actuarial and legal issues. As part of their training, all of the Trustee Directors have access to the Pension Board's 'Trustee Handbook and Guidance Notes'.

This knowledge enables the Trustee Directors to carry out their duties and ensure that the Scheme is well run. However, the Directors are not pension experts, so they have appointed a number of external advisers to assist on issues such as pension funding, investment and pension law. The advisers during the period under review are listed overleaf.

Advisers to the Trustee

Actuaries and Consultants	Watson Wyatt (Ireland) Limited 65/66 Lower Mount Street, Dublin 2
Administrators	CIF Pension Administration Services Ltd (CPAS) Canal House, Canal Road, Dublin 6
Auditors	Grant Thornton Chartered Accountants & Registered Auditors 24 – 26 City Quay, Dublin 2
Bankers	Allied Irish Banks plc 1 Lower Baggot Street, Dublin 2
Custodians	Bank of Ireland Securities Services New Century House, Mayor Street Lower, Dublin 1 Caceis La Touche House, IFSC, Dublin 1 Northern Trust George's Quay House, 43 Townsend Street ,Dublin 2
Investment managers	Bank of Ireland Asset Management Limited 40 Mespil Road, Dublin 4 Credit Agricole Asset Management 123 Leadenhall Street, London EC3V 4QH Irish Life Investment Managers Beresford Court, Beresford Place, Dublin 1 KBC Asset Management Limited Joshua Dawson House, Dawson Street, Dublin 2
Investment adviser	Acuvest 10 Fitzwilliam Square, Dublin 2
Solicitors	McCann Fitzgerald Riverside One, Sir John Rogerson's Quay, Dublin 2 O'Donnell Sweeney One Earlsfort Centre, Earlsfort Terrace, Dublin 2
Property Managers	Jones Lang Lasalle 10/11 Molesworth Street, Dublin 2 Insignia Richard Ellis Gunne 164 Shelbourne Road, Ballsbridge, Dublin 4

Administering the Scheme

The Scheme is administered by the CIF Pension Administration Services Limited (CPAS). It is responsible for: collecting contributions, setting up new members and employers, maintaining member records, calculating and paying benefits to members, and assisting with any member queries, including running a dedicated Customer Service team.

The Administrators also have access to the Pension Board's 'Trustee Handbook and Guidance Notes'

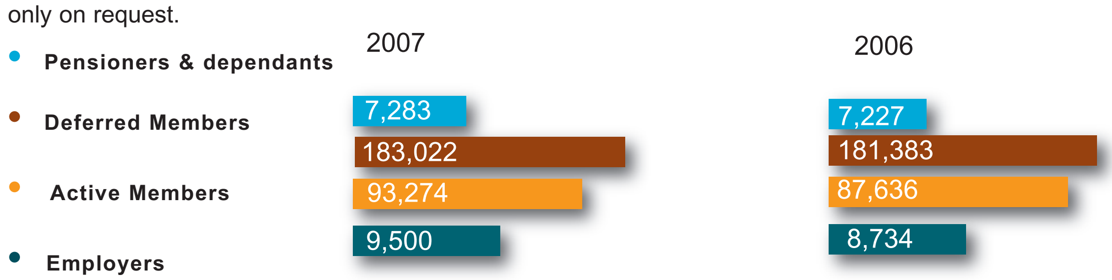
Looking after our people

Our members

At 31 December 2007 there were 9,500 employers participating in the Scheme, and 283,579 members: comprising of 93,274 contributing members, 7,283 pensioners and dependants, and 183,022 deferred members (former members who did not contribute to the Scheme during the 2007 year but who have left their benefits in the Scheme to draw at a later date).

The chart below shows the Scheme's membership at 31 December 2007 and comparison figures for 2006

Due to the large number of employers participating in the Scheme, the Trustee is exempt from being required to list all their names in this document. However, the names of the Scheme's participating employers are published as an appendix to this report. As it is in excess of 350 pages it is available only on request.



Scheme benefits

The aim of the Scheme is to provide members with the opportunity of building up pension benefits for retirement and to provide a degree of financial protection for them and their families whilst they are still working.

Members' benefits build up on a defined contribution basis. Each active member has a pension account in the Scheme. The member and their employer pay contributions into this account totalling 7% (employer: 4.2%, member: 2.8%) of the average basic construction industry salary. In addition, members may make Additional Voluntary Contributions to build up a larger account within the fund. For the purposes of completeness, the weekly rate for the Benevolent Funds, CWHT, and CIMA/EPACE (which amount to €2.33) are collected by way of a combined payment resulting in an overall contribution rate of €51.27

Contribution rates for the year to 31 December 2007

Contribution	Member	Employer	Total
Pension	€17.92	€26.88	
Death in service	€1.11	€1.11	
Sick pay	€0.64	€1.28	
Total	€19.67	€29.27	€48.94

The Trustee invests members' accounts in a range of age-related investment funds, with the contributions used to secure units within each fund. The Trustee declares an investment return for each fund which then is used to change the unit price for each fund. The value of each member's account is then adjusted to reflect these returns and moves in line with the change in the unit prices. The aim is for the member's account to grow through investment returns and the contributions paid in.

Because of how member accounts build up, their value depends ultimately on the amount of contributions paid and the performance of the funds in which the member's account is invested. The main risk in relation to how benefits build up is that these contributions may be inadequate to meet members' pension expectations, investment returns may be lower than anticipated, or the cost of converting members' accounts into annual pension may be higher than anticipated. The Trustee therefore regularly reviews how the Scheme's investments have performed and the overall funding position of the Scheme.

When the member retires, the Trustee will use the member's account to provide pension benefits through the Annuity Fund within the Scheme. Members can decide, within certain limits, what benefits they receive. Once in payment, members' benefits are classed as defined benefit entitlements. Because benefits are paid from the Scheme, the security of members' benefits depends ultimately on the Scheme's financial health. The main risk is that the investments held by the Scheme (the assets) might be insufficient to meet the benefits built up by members (the liabilities) when they are due.

To reduce this risk, the Trustee:

- has prepared a Statement of Investment Policy Principles, setting out its approach to how the Scheme is invested;
- has appointed independent professional investment managers to manage the Scheme's investments and independent consultants to advise them;
- receives ongoing investment advice and guidance from the Scheme's Investment Adviser;
- instructs the Scheme Actuary to carry out regular reviews to look at the appropriate rates for converting members' pension accounts into pension, and the appropriate returns which should be applied to members' pension accounts;
- instructs the Scheme Actuary to carry out an annual review of the Scheme's financial health to determine whether the Scheme meets the statutory Minimum Funding Standard; and
- employs professional consultants to advise it on all aspects of the Scheme's management.

A summary of Scheme benefits

Member's pension account
value depends on the contributions paid in by the member and their employer adjusted by the investment return achieved

The member's account is used to provide benefits

If the member stops working for an employer who participates in the Scheme, they can choose:

- to leave their benefits invested in their pension account until they retire
  OR
- to transfer the value of their pension account to another pension

If the member retires, they will receive:

- a percentage of the fund value paid as tax-free cash at retirement,
  AND/OR
- a choice of pension options.

If the member dies, the following benefits will be paid:

If they were still contributing to the Scheme:

- a lump sum, plus a lump sum in respect of each eligible child, plus
- a refund of the value of their pension

If they had left the Scheme but their account is still invested in the Scheme:

- benefits for the member's dependants provided from the member's account.

If they had already retired:

- a pension for their spouse (if they are married); other benefits will depend on the options the member chose when they retired.

Protecting members' interests

Each year, Scheme staff visit sites and offices of building firms throughout the country. The aim of these visits is to ensure that contributions due to the Scheme on behalf of members are paid on time.

The Scheme also maintains regular contact with Local Authorities throughout the country; Government departments, particularly the Departments of Enterprise and Employment, Finance, Environment, and Education; the Office of Public Works; semi-State bodies; and major clients of the Industry. The main purpose of this contact is to make sure that contractors employed by these bodies are paying contributions on behalf of their employees.

The Trustee is pleased to acknowledge the assistance and goodwill extended to the Scheme by the Ministers and staff of the Government Departments concerned, and by the Officials and personnel of the other bodies referred to. The Scheme also acknowledges the assistance given by the various Trade Unions in the Industry, the Construction Industry Monitoring Agency (CIMA), and EPACE in ensuring contributions due are paid on behalf of Scheme members.

This assistance and co-operation provides an extra safeguard to members.

Communicating with members

For the Trustee, communication is a top priority. This means making sure our members understand how the Scheme works and the benefits they are building up; that employers have the necessary tools and information to operate the Scheme; and that the Scheme is publicised to encourage take-up amongst eligible employers.

In communicating with members, the Trustee is committed to using language that is clear and simple, and providing information in an easily accessible manner and has also translated a number of documents into Polish.

To this end, there is a range of information available about the Scheme. This is available both in paper format and electronically via the Scheme's website – www.cwps.ie – giving members instant access 24-hours a day wherever they are. In addition, the Trustee issues the following documents each year:

- a personal benefit statement to active members;
- Leaving Service Options statement to members who have left the Scheme; and
- the full Annual Report and Accounts – this is issued to all Trade Unions in the Industry and to all participating employers. This report is available to members on request and a shortened version will be issued to all active members summarising the Scheme's progress.

Every third year, a benefit statement is issued to all deferred members.

Providing support to members

The Scheme also has a dedicated Customer Service department staffed by a team of five permanent people. The team deals with everything from simple queries to helping members and employers complete forms and other relevant paperwork. Customer Service is a very valued service and deals with in excess of 800 calls a week.

General questions about the Scheme should be directed to the Customer Service team by:

phone: 1850 940221
fax: (01) 496 6611
email: info@cwps.ie
write to: Construction Workers' Pension Scheme, Canal House, Canal Road, Dublin 6

Resolving any disputes

Whilst Customer Service can deal with the majority of member queries, any issues which they cannot resolve are referred to the Trustee. Where a member is not satisfied with the response they receive, the Scheme has an Internal Dispute Resolution Procedure. This procedure is a legal requirement under Article 5(1) of the Pensions Ombudsman Regulations, 2003 and is designed to ensure that, if a dispute arises, it is properly investigated and, where possible, resolved to the satisfaction of all parties. Members, beneficiaries and prospective members of the Scheme can request a copy of the procedure from the Trustee at the address above.

If you have followed the Scheme's internal dispute resolution procedure and are still not satisfied or have a complaint, you can contact the Pensions Ombudsman. The Ombudsman can determine disputes of fact and law relating to Occupational Pension Schemes and Personal Retirement Savings Accounts (PRSAs). There are certain issues which are not covered by the Pensions Ombudsman's office and which remain the responsibility of the Pensions Board.

You can contact these various bodies by:

writing to: The Pensions Board, Verschoyle House, 28/30 Lower Mount Street, Dublin 2
calling: 01 613 1900 or lo-call: 1890 656565
emailing: info@pensionsboard.ie

writing to: National Employment Rights Authority (NERA) Government Buildings, O'Brien Road, Carlow
calling: Lo-call: 1890 808090
emailing: info@employmentrights.ie

writing to: Office of the Pensions Ombudsman, 36 Upper Mount Street, Dublin 2
calling: 01 647 1650
emailing: info@pensionsombudsman.ie

Looking after the fund

Setting the strategy

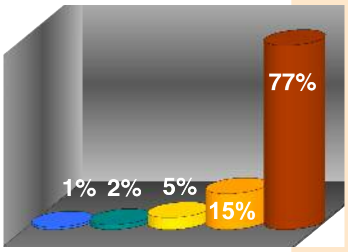
Although members build up a pension account in their name, the underlying assets of these accounts are held in a common fund. The Trustee is ultimately responsible for looking after this fund and for making sure that it is invested prudently so that members' benefits can be paid when they are due.

The fund's investment strategy is set out in a document called the Statement of Investment Principles. This sets out the Trustee's approach to investments and their aims for the fund. It includes details of the level of returns the fund's assets should aim to generate, and how much of the fund should be invested in assets which have the potential to generate good growth and how much should be invested in assets which carry less investment risk but generally produce lower returns. In setting the strategy, the Trustee receives expert advice from independent investment consultants. The Trustee also reviews the Statement of Investment Principles from time to time to make sure that it remains appropriate.

In investing the fund's assets, the Trustee has structured the fund to meet three main aims:

- **Member accounts**: to hold the assets making up members' accounts and invest them in such a way that will cause the value of the accounts to grow
- **Annuity Fund**: to hold assets so that pensions can be paid to members who have already retired
- **Reserve Fund**: to hold reserves to meet other potential costs and risks associated with the day-to-day running of the Scheme.

The pie chart shows how the fund is allocated; further details are set out below.



- Members' accounts
- Annuity Fund
- General Reserve
- Former Members 'Reserve Fund
- Death in Service fund

Although the Trustee is ultimately responsible for how the fund is invested, it delegates the actual day-to-day investment of the fund's assets to four firms of investment managers. Each manager is given a different remit by the Trustee as well as a benchmark that the Trustee expects it to meet. Within this remit the investment managers have discretion to decide which assets to buy, sell or hold onto with a view to generating suitable returns.

The table below shows how the fund's assets were allocated between the different managers at 31 December 2007. These percentages will vary from time to time due to rises and falls in the markets.

Type of asset	Investment manager	% of fund
Fixed interest securities and cash		
Bonds	Crédit Agricole Asset Management	19%
Cash	KBC Asset Management	4%
Total fixed interest securities and cash		23%
Equities		
Passive	Bank of Ireland Asset Management	23%
Passive	Irish Life Investment Managers	37%
High Yield	KBC Asset Management	5%
Sub total		65%
Property		11%
Commodities		1%
Total equities		100%

Member accounts

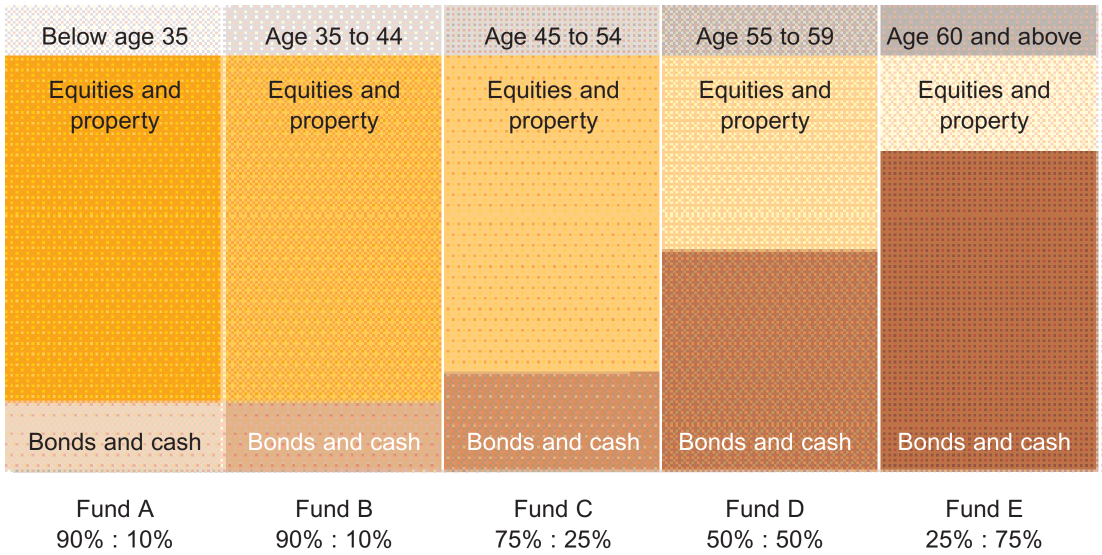
How members' accounts are invested

The majority of the fund's assets make up the value of each individual member's account. The assets are managed and invested by external specialist investment managers. All pension contributions, after a small initial charge made by the Trustee to meet the expenses of running the Scheme, are invested. The expenses incurred by the Scheme (the initial charge of 2% on contributions and a quarterly charge of 0.125% applied to members' accounts) are well below those which a member would be charged individually, mainly because the fund's assets are pooled (invested collectively) thereby producing cost savings.

Contributions are allocated by the Trustee to five separate investment funds depending on the member's age:

- Members who are a long way from retirement have their accounts invested mainly in shares and property. This is because, over long periods, these types of investments have historically provided good returns above inflation.
- As members approach retirement, their accounts are gradually moved into bonds issued by the Government which deliver a fixed-rate of interest, as the returns achieved by these funds more closely match the cost of providing a pension.

The table below illustrates how the investments in each age-related fund are allocated between the various investment types. The Trustee sets a target asset allocation for each sub fund but recognises that the actual asset allocation of the Scheme's assets at a point in time may diverge from the strategic asset allocation due to reasons of cashflow, investment performance, market return expectations etc. The percentages shown are guidelines as the Trustee does have the flexibility to invest the overall assets of the fund differently to generate better returns in the interest of members.



The Trustee, in conjunction with its advisers, monitors the investment performance of the Scheme's assets and determines any investment return adjustments to be made to the five sub funds based on the underlying performance of the Scheme's assets. The Trustee regularly monitors the investment performance of the investment managers and the assets they manage. As part of its duty to act in the best interests of members at all times, the Trustee will revise the investment management arrangements if necessary. Later in this document you will find reports on the performance on the assets held by each investment manager.

How members' accounts build up

Each member's account builds up through contributions from the member, the employer and any Additional Voluntary Contributions (AVCs) that the member chooses to pay, together with the investment returns declared by the Trustee.

Each year the Trustee declares an investment return for each of the five separate investment funds. This return is based on the actual performance of the Scheme's assets and the overall funding level of the Scheme, after taking advice from the Scheme Actuary. This return is then applied to the member's account. Because of the way that the fund is invested, the return may be a negative rather than a positive amount, for example, if there was a fall in asset values. However, the Trustee's aim is that any negative returns are balanced out by positive ones in the long term.

The member's account is used to provide benefits for the member on retirement or their dependants if the member dies before retirement.

Returns for 2007

The returns declared by the Trustee for the 12 month period 1 January to 31 December 07:

Fund	Age band	Return declared
A	Below age 35	5.7%
B	Age 35 to 44	5.7%
C	Age 45 to 54	4.4%
D	Age 55 to 59	2.5%
E	Age 60 and above	2.7%

Annuity Fund

Investing the fund for pensioners

The Trustee also holds assets so that the Scheme can pay pensions to members who have already retired. The actual assets in which this part of the fund is invested depend on the overall level of funding within the Scheme, and the solvency levels required by law.

At present these assets are primarily invested in fixed-interest bonds. The Trustee's intention is that these match the pension cash flows which the Scheme must make to retired members, whilst continuing to meet the statutory funding requirements set by the Pensions Board. The Trustee monitors the performance of the fixed-interest investment manager against the targets set.

Monitoring funding levels

As members' pensions are paid by the Scheme, it is important that the Scheme's financial health is examined regularly to make sure that sufficient money is building up to pay benefits when they are due. It is also important to make sure that the Scheme's assets and funding meet the levels of the statutory Minimum Funding Standard set by the Pensions Board. To this end, the Trustee arranges for the Scheme Actuary to carry out a thorough review of the Scheme at least every three years.

In order to provide greater security for the Scheme, a reserve above the value of the statutory liabilities is also held.

The Actuary's Report is on page 13 and the Scheme's Actuarial Statement on page 14. As the Scheme was only established during 2006, the first formal actuarial valuation will be completed at 31 December 2008.
The Scheme's first Actuarial Funding Certificate will also be prepared at this date.

Options on retirement

When they come to retire, members use their accounts to provide pension and other benefits. They can choose from a number of options as shown in the table below:

	Option A	Option B	Option C	Option D
A pension for the rest of the member's life	X	X	X	X
A pension guaranteed to be paid for at least five years	X	X	X	X
Annual increases to the member's pension of 3% a year			X	X
A pension for the member's spouse on their death of 50% of the value of the member's pension		X		X
Option to take a percentage of the account as a tax-free lump sum	X	X	X	X

The rate at which a member's account is converted into pension varies from time to time. The Trustee obtains actuarial advice each month to determine the conversion rate to ensure that the options provided to members fairly reflect market conditions at the time the member retires. The current conversion rates used by the Scheme are intended to be more attractive than those which a member could obtain in the marketplace on an individual basis.

If a member chooses for their pension to be increased each year once in payment, the annual increase will be made on 31st December each year. Members who chose an indexed pension at retirement had a 3% increase in pension applied on 31 December 2007.

Reserve Fund

The Trustee also need to hold reserves to meet a number of other potential costs and risks associated with the day-to-day running of the Scheme. While these surpluses may ultimately be used to the benefit of members and pensioners, they do not represent contributions paid by Scheme members and as such are not available to members as part of their fund. The reserve fund is made up of:

- The Annuity Fund
- Member Reserve
- Death in Service and Expense Reserve
- Former Member's Reserve
- General Reserve

Full details on each of these funds are available in the Actuarial Review on pages 13 and 14.

Actuarial position as at 31 December 2007

The Construction Workers' Pension Scheme (the Scheme) was established by a Trust Deed dated 25 May 2006 and commenced with effect from 1 July 2006. Under the Pensions Act, I am required to carry out a formal actuarial valuation of the Scheme within three years of its establishment. The first formal actuarial valuation of the Scheme is scheduled to be completed as at 31 December 2008 and the Scheme's first Actuarial Funding Certificate will be prepared at that date.

The assets of the Scheme have been accumulated through contributions from members and employers and three Bulk Transfer payments from CFOPS. The Trustee has allocated the Scheme's assets to form separate reserves within the Scheme to provide for members' benefit entitlements under the Scheme. We carried out an actuarial assessment of the funding position of the Scheme as at 31 December 2007 to assess the value that might be placed on these reserves within the Scheme and further information is contained below. The values of the various reserves as at 31 December 2006 is included in brackets.

The Annuity Fund

The Trustee holds a reserve within the Scheme to cover the payment of pensions to members who have already retired. The actual assets held within this reserve depend on the overall level of funding within the Scheme, and the solvency levels required by law (and include an allowance for the expenses which would be incurred in winding up the Scheme). In addition, in order to provide greater security for the Scheme, a margin above the value of the statutory liabilities is also held. The assets backing the Annuity Fund are predominately invested in fixed interest securities. As at 31 December 2007, the estimated value of the Annuity Fund including the associated solvency margin was €148 million (€155 million)

Member accounts

The majority of the Scheme's assets make up the values of individual member accounts for each member of the Scheme who has not yet retired. The individual member accounts are invested within the Scheme on a defined contribution basis and allocated to five separate investment funds depending on the member's age. The Trustee sets a target asset allocation for each sub fund but recognises that the actual asset allocation of the Scheme's assets at a point in time may diverge from the strategic asset allocation due to reasons of cashflow, investment performance, market return expectations, etc.

The Trustee has invested the assets on behalf of members who have not yet retired with the aim of providing a reasonable rate of investment return over the period to their retirement. The Trustee monitors and reviews the Scheme's asset allocation in conjunction with its advisers. The assets which make up the values of individual member accounts for each member of the Scheme are mainly invested in equity and property investments.

Under the rules of the Scheme, the Trustee has the ability to hold back an element of investment return when markets are performing strongly in order to enable it to smooth any investment return or adjustment during falling markets. This investment smoothing reserve forms part of the Members Reserve.

As at 31 December 2007, the value of Member Accounts (including contributions received but not yet allocated) was €758 million (€585 million). As at 31 December 2007, the value of the Investment Smoothing Reserve was €nil (€nil).

Death-in-service and Expense Reserves

The Trustee holds a reserve within the Scheme to meet the death-in-service benefits payable under the Scheme rules should the death-in-service portion of employee and employer contributions prove to be insufficient to meet the actual benefit payments due. The estimated value of this reserve at 31 December 2007 was €6.7 million (€6 million). A reserve is also held to provide the Trustee with additional resources to meet any expenses incurred which are not covered by the charges applied under the Scheme. The estimated value of this reserve at 31 December 2007 was €1.4 million ((€1 million).

Former Members' Reserve Fund

The benefit entitlements of former members of CFOPS have been transferred to the Scheme and the value placed on these entitlements has been invested in individual member accounts within the Scheme. For some members, full and complete membership data was not available and, in addition, there exists a number of members who have passed age 65 and have not yet claimed their benefit entitlements. A reserve has been established by the Trustee to provide for the potential additional liability which might occur should former CFOPS members come forward to claim their benefits and the assets within their individual member accounts prove to be insufficient to meet the benefit entitlements of these members. The estimated value of this reserve at 31 December 2007 was €23.4 million (€25 million).

General Reserve

The balance of the Scheme's assets in excess of the above reserves is held by the Trustee as a general reserve to support the overall solvency of the Scheme and smooth investment returns from time to time. The estimated value of this reserve at 31 December 2007 was €50 million (€26 million).

The total net asset value of the Scheme's assets as at 31 December 2007 was €988 million (€798 million).

The review of the actuarial position of the scheme was presented to the Trustee on 24 April 2008.

Actuarial Statement

To the Trustee and members of the Construction Workers Pension Scheme

Pensions Board registration number: 185038

As part of our actuarial assessment of the funding position of the Scheme as at 31 December 2007, we also assessed the value that might be placed on the Scheme's liabilities were the Scheme to wind up at that date.

In the event of winding up the Scheme, the Trustee will apply the Scheme's assets to:

(a)Firstly, provide for benefits in respect of any Additional Voluntary Contributions (AVCs) made by members to the Scheme, including any AVCs made to CFOPS;

(b)Secondly, pay or secure benefits for members in receipt of pensions under the Scheme and any associated dependants' pensions and provide benefits in respect of any members over age 65 (the Scheme's Normal Retirement Age);

(c)Thirdly, provide for benefits in respect of remaining members through applying the value of Members' Accounts and former Members' Accounts to provide benefits for those members. I have assumed that if the scheme had been wound up the Trustee would, in accordance with Paragraph 48(b) of the Pensions Act, 1990, transfer the value of each member's individual account to another scheme or to approved insurance contracts.

Based on the results of our actuarial assessment, I can confirm that if the Scheme had discontinued on 31 December 2007 and the actuarial, membership and financial assumptions underlying the assessment were to be realised, the resources of the Scheme would have been sufficient to cover the liabilities for benefits payable to members under the rules of the Scheme as outlined above.

Name: Paul O'Brien   Date: 31 July 2008

Qualification: Fellow of the Institute of Actuaries

Name of Actuary's Employer/Firm: Watson Wyatt (Ireland) Limited

Investment managers' reports

1 January to 31 December 2007

The Scheme's assets are primarily invested with four investment managers. As explained on page 9, each manager is given a different remit by the Trustee and different benchmarks which they are expected to meet. Reports from the four managers are set out on the following pages. Each report explains how the assets under the manager's control are invested, how the value of assets has changed during the period under review, and a commentary on the performance of the assets.

Investment managers' fees

Investment management and custody fees charged by the managers of unitised or managed funds are levied by adjusting the relevant unit prices of the funds. Throughout the period under review the investment managers provided the Trustee with detailed reports on the management of monies invested.

The investment management expenses disclosed in the accounts do not include similar charges levied by the managers of unitised or managed funds. The investment managers concerned are remunerated on a fee basis calculated as a percentage of the assets under management. As part of the investment management arrangements agreed with Irish Life Investment Managers and Crédit Agricole Asset Management, the Scheme receives a rebate on the investment management expenses incurred and these financial statements include the rebate received in relation to the 2007 year.

With effect from 23 September 2005, the Trustee adopted a formal Statement of Investment Policy Principles (SIPP) in accordance with the requirements of the Social Welfare & Pensions Act 2005.

CRÉDIT AGRICOLE ASSET MANAGEMENT

Crédit Agricole Asset Management

Crédit Agricole Asset Management (CAAM)

Value of the assets

Crédit Agricole invests in a range of assets including: government bonds, agency bonds, supranational bonds, corporate bonds, negotiable debt instruments, derivatives and repurchase agreements denominated in or hedged into Euro.

It aims to deliver returns which are either equal to or no less than 1.5% above the Merrill Lynch EMU Direct Government 10+ years Total Return index.

Whilst Crédit Agricole has the flexibility to decide how to invest its portfolio (the assets under its management), the Trustee has stipulated that the maximum that Crédit Agricole can invest in issues rated below AA- is 25%, and that it cannot invest in non-investment grade issues below BBB-.

Market value of the assets held at 1 January 2007:	€179,324,087.00
Net contributions:	€ 16,889,820.00
Capital Loss	€ 6,889,890.00
Market value of assets held at 31st December 2007	€189,324,017.00

How the assets are invested

Bonds by country	
France	36.34%
Pooled Funds	12.01%
Italy	11.44%
Greece	8.67%
Germany	8.47%
Spain	7.36%
Belgium	4.34%
Austria	4.26%
Ireland	3.99%
Finland	3.12%
	100.00%

Investment performance

At the end of the first quarter, the investment guidelines were widened to permit the investment in currency, high yield bond and emerging market debt funds, for the purposes of diversification and yield enhancement. In the event market conditions did not show these market segments at their best.

In the first quarter of the year, strong consumption and employment figures led to a fall in bond prices. The bearish pressures on bond markets observed in March continued into Q2, with 10-year yields reaching a high in June of 4.7% (the highest level seen since summer 2004). We believed this to be an overreaction, exaggerating the implicit interest rate increases. However, industrial surveys confirmed, continuing robust growth and strong employment, leading to an improvement in household confidence. Bond markets thus continued to fall. We remained slightly underweight on duration and positioned for a steepening of the curve (weakening economic scenario).

Despite strong economic fundamentals, concern about the US Asset-Backed Security market caused a flight to quality. This led to a rise in bond markets, with 10-year yields falling by 0.31% to 4.2% at the end of August, a steepening of the yield curve and widening of credit spreads. These movements hit all our major positions in July, including our holdings in the currency and long/short high yield funds. Further spread-widening in August outweighed the benefits of the credit position having been partially hedged and our move to over-weight duration and yield-steepening positions.

The Fed cut interest rates by 0.75% over the quarter, while the ECB stayed on hold with a rather hawkish tone since inflation remains the primary concern.

In Qtr 4 relative performance suffered from the credit diversification and the investments on diversification funds (CAAM Oblig Haut Rendement max 5%, CAAM Dynarbitrage Forex max 10%, CAAM Dynarbitrage High Yield max 10%), especially high yield. The swap spread continued to widen and European Government Bonds continued decreasing. An increase in volatility rewarded a switching from a long futures position to a long option position at 4.30% on the Bund 10y yield. However the portfolio suffered from the widening of swap and credit spreads throughout the quarter and we fear that a global slowdown scenario could impact more corporate spreads than just the already large banking ones.

The annual Investment return for 2007 was -3.71%

Bank of Ireland Asset Management (BIAM)

How the assets are managed

Following instructions received from the Trustees as part of the reorganisation of the Scheme in 2007, the portfolio with BIAM went through a significant restructuring in February 2007.

The opening value of the Scheme's assets with BIAM at 1st January 2007 were as follows:

Passive Equity Portfolio	€238,928,631
Property Portfolio	€ 15,046,505
Total Fund at 31.12.06	€253,975,136

The restructuring in February 2007 involved the closure of the old Equity Portfolio with its assets being transferred into a new Passive Consensus account.

The closing value of the Scheme's assets with BIAM at 31st December 2007 were as follows:

Passive Consensus Portfolio	€224,232,934	- 5.6%
Property Portfolio	€ 14,997,737	- 0.3%
(Residual) Venture Capital Portfolio	€ 1,616,795	+ 8.8%
Market value of assets held at 31st December 2007	€240,847,466	

How the assets are invested

By country	
Eurozone	30.68%
Ireland	20.15%
North America	17.13%
U.K	13.17%
Other	11.54%
Japan	7.33%
	100.00%

Investment Performance

A weak December brought the curtain down on a year of extraordinary activity on global equity markets. It was a year of extremes as China's stock market doubled in value and Irish equities shed 27%; some banks boasted record profits before succumbing to massive write downs in the second half of the year as sub-prime default worries mounted. The US dollar slumped as the American economic prognosis turned sour.

Oil and food prices gained appreciably through 2007, with oil closing in on the $100 per barrel level. The global credit crunch was the principal weight on financial markets in 2007, with liquidity drying up and money market rates spiking higher.

Government bonds rallied as investors sought safe-haven investments in the midst of the worsening credit crisis. Bond yields dropped sharply, particularly in the US where expectations of interest rate cuts were at the highest. This was very much a second-half-of-2007 phenomenon as bond markets had struggled to make headway in the first half as economic growth forecasts had been at much more robust levels at the time. Bond markets typically generated modestly positive returns for the full year.

As the Eurozone economy continued to display robust growth characteristics, the ECB raised interest rates in March and June. The second half of the year was characterised by investors seeking the relative safety of fixed interest assets amid mounting losses in credit markets and substantial equity market volatility.

Credit spreads widened sharply in the second half of the year, particularly for financial paper as banks became reluctant to lend to one another amid concerns about which banks were heavily exposed to sub-prime mortgage debt.

Commercial property returns in the final quarter of 2007 reflected the more difficult conditions that dominated financial markets in the second half of the year. Growth in capital values in the last months of the year was negligible as the credit crunch impacted on sentiment.

After displaying steady growth through the first three quarters of the year, the commercial property market struggled to maintain that momentum in recent months. While prime yields have remained close to record lows, yields in general are under upward pressure, partly due to a more negative outlook and partly to increased supply.

Bank of Ireland
Asset Management

Irish Life
Investment Managers

Irish Life

Irish Life Investment Managers

How the assets are managed

The long term investment objective of your pension fund is to earn a rate of return on its assets that will exceed inflation and provide a reasonable rate of return in excess of cash. In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term returns obtained from the different asset types in the past indicates that the objective is most likely to be achieved by a high concentration in real assets, such as equities and property, which have given historic real returns of approximately 7% and 5% respectively. Monetary assets such as fixed interest (bonds) and cash have given lower long term rates of return, but may perform better over shorter periods, and are certainly less volatile than equities

The Consensus Equity fund is completely invested in equities. The country allocation is determined by the asset allocation of the investment managers included in the Pooled Pension Fund Survey i.e. Consensus Fund mix. The Consensus Fund fixed interest, property and cash weightings are excluded and the remaining regional equity investments are grossed up on a pro rata basis. Within each market, the fund tracks the market return by investing in a basket of securities in the same proportion as they are represented in the relevant market index

Value of assets

Mid market value of the assets held at 31 December 2006	€303,053.844.00
Net contributions:	€88,346,411.00
Appreciation/depreciation:	(€22,755,456.00)
Mid market value of assets held at 31 December 2007:	€368,644,799.00

How the assets are invested

The asset allocation by country/region as at 31 December 2007 was:

Equity

Euro zone	26.54%
US	19.17%
Ireland	15.18%
UK	14.57%
Pacific	12.03%
Japan	6.26%
Europe (outside the Euro zone)	6.25%
	100.00%

Investment performance

Global equity markets performed well in the first half of the year to the 31st December 2007. The second half of the year produced very different returns with growing concerns surrounding poor credit conditions, tightening liquidity in capital markets and higher energy and food prices taking their toll.

Irish equities underperformed global equities, in particular since the start of 2007, reversing their outperformance over the past five years, mainly due to the negative sentiment towards the housing sector in Ireland.

Bond markets were weaker with Eurozone bonds (ML >5 year index) growing only 0.46%, reflecting the rising interest rate environment in the early part of the period under review. Increased investment in bonds as a result of the sub-prime mortgage crisis drove prices higher in the latter months of the year.

Property continued to generate strong returns for the portfolio with a total return in the year of 10.65%.

Investment return achieved for the period: -4.8%

KBC Asset Management

How the assets are managed

KBCAM are the only manager of High Dividend Funds to adopt a region and sector neutral approach. The KBCAM Dividend Plus Funds invest worldwide in all regions and industry groups and aims to have a dividend yield considerably higher than the MSCI Equity index. The quantitative process developed by KBCAM produces an all cap portfolio with low volatility that combines growth and value stocks and has an excellent track record of out-performing its benchmark. The Fund consists of attractively valued mature companies with healthy and sustainable earnings.

Value of the assets

Market value of the assets held at 1 January 2007:	€54,137,209
Net contributions:	0
Appreciation/depreciation:	(€4,528,799)
Market value of assets held at 31 December 2007:	€49,608,410

How the assets are invested

The asset allocation as at 31 December 2007 was:

US Equities	32.7%
Euroland ex Ireland Equities	31.3%
Irish Equities	14.6%
Europe ex Euroland Equities	11.0%
Japanese Equities	6.1%
Pacific Basin Equities	3.4%
Cash	0.9%
	100.0%

Investment performance

The year started strongly as healthy corporate earnings, positive economic news and high levels of M&A activity drove equity markets higher - the fund had risen 8.3% by the end of May. After a strong first half to the year things changed dramatically from the summer onwards, giving up all of the gains that were made in the earlier part of the year. Lack of confidence and nervousness dominated markets as the US sub-prime mortgage problem came to the fore. Although European and Asian markets finished the year in positive territory the Irish market in particular was hit severely. The ISEQ index fell 25% over the course of the year over worries of an economic downturn, coupled with the slowdown in the housing market and the impact of the sub-prime crisis on the financial sector.

The Fund suffered as traditional High Dividend sectors such as Financials and Real Estate underperformed. However, the impact of this was limited by the sector and regional neutral approach adopted by the funds (see how the assets are managed above). While 2007 was a disappointing year overall we believe that the fund is well positioned to outperform the broader market in 2008, as the defensive benefits and income offered by the funds offer protection against continued market volatility

Investment return achieved for the period: -8.4%

Statement of the Trustee's responsibilities

The Trustee is required by law to prepare accounts for the Scheme each year. These accounts must give a true and fair view of the financial transactions for the Scheme year and of the status of the fund at the end of the Scheme year. They must also include a statement as to whether the accounts have been prepared according to the Statement of Recommended Practice (SORP) No. 1, subject to any material departures disclosed and explained in the accounts. The accounts must be signed by the Trustee or, if there is more than one Trustee, by two such Trustees, or if there is a person authorised under the rules of the Scheme, by this person.

The Trustee must ensure that when the accounts are prepared:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made; and
- SORP No.1 has been followed, or if there are any material departures, that the reasons for these departures are disclosed and explained.

The Trustee is responsible for ensuring that proper membership and financial records are kept. They are also responsible for safeguarding the assets of the Scheme and for taking reasonable steps to prevent and detect fraud and other irregularities.

Independent Auditor's Report

We have audited the accounts on pages 22 to 27 which have been prepared under the accounting policies set out on pages 24.

This report is made solely to the scheme's members, as a body. Our audit work has been undertaken so that we might state to the scheme's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme and the scheme's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditors

As described above the scheme's trustee is responsible for the preparation of the accounts in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants.

Our responsibility is to form an independent opinion, based on the audit of the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) and report the opinion to you.

We report to you our opinion as to whether the financial statements show a true and fair view and contain the information required by the relevant legislation. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements inconsistencies with the financial statements. This information is required to be disclosed in an annual report as per article 7(5) Occupational Pension Schemes (Disclosure of Information) Regulations 2006, comprising of the Members Information, the Trustees Report, the Investment Report and the Actuarial Report.

Emphasis of matter

In forming our opinion we have considered the adequacy of the disclosures made in notes 1(a) and 3 to the financial statements in relation to contributions recognised on a cash receipts basis. While our opinion is not qualified in this respect, International Auditing Standards require the auditors to draw this fact to the attention of the readers.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the trustee in the preparation of the accounts, and of whether the accounting policies are appropriate to the scheme's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that (i) the accounts are free from material misstatement, whether caused by fraud or other irregularity or error, and (ii) the contributions payable to the scheme have been paid in accordance with the scheme rules. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the financial statements give a true and fair view of:

- the financial transactions of the Scheme during the period ended 31 December 2007 and
- the disposition at that date of its assets and liabilities

In our opinion, the financial statements also contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006.

Contributions: Qualified statement relating to receipt of contributions within 30 days of the Scheme year end

In forming our statement as to whether contributions payable to the scheme during the scheme period have been received by the trustees within 30 days of the end of the scheme year, we have considered the particular unique nature of the scheme. The trustees of the scheme may not be aware contributions are due to the scheme until returns are made by the employer on behalf of the scheme members in his employment. As set out in note 1(a) of the financial statements, the trustees are unable to ensure at all times that all contributions are collected within 30 days of the scheme year end.

We are aware that once arrears of contributions are identified the trustees have procedures for enforcement of contributions payment in place, one of which includes notification to the members of the scheme of contributions not remitted on their behalf to the scheme.

As a result of this element of uncertainty we are unable to state whether contributions payable to the scheme by all employers on behalf of scheme members have been received by the scheme within 30 days of the end of the scheme year.

24 – 26 City Quay
Dublin 2

GRANT THORNTON
Chartered Accountants
& Registered Auditors

26th June 2008

Fund account

	Note	2 months to 31 December 2007 €	6 months to 31 December 2006 €
Contributions and other income			
Contributions received	3	182,631,286	42,607,165
Transfers in	4	102,941,876	764,591,163
Other income	5	-	150,000
		285,573,162	807,348,328
Benefits payable	6	(43,745,055)	(11,902,658)
Transfers to other schemes		(1,667,136)	(281,411)
		(45,412,191)	(12,184,069)
		240,160,671	795,164,259
Administrative expenses	7	5,799,654	2,789,503
Canal House Redevelopment		354,318	-
Pension Board Registration Fees		286,625	286,624
Pension Board Refund		(265,953)	-
		6,174,644	3,076,127
Net additions from dealings with members		233,986,327	792,088,132
Return on investments			
Investment income	8	13,574,215	2,187,168
Net movement in market value of investments	9	(58,176,714)	3,609,039
Increase(Decrease) in Value of property		1,195,000	-
Property Management fees		(45,807)	-
Investment Manager fees		(325,738)	(21,412)
Net returns on investments		(43,779,044)	5,774,795
Net increase in the fund during the period		190,207,283	797,862,927
Accumulated fund at 1 January 2007		797,862,927	-
Accumulated fund at 31 December 2007		988,070,210	797,862,927

Sean Stewart
Trustee

Eric Fleming
Trustee

26 June 2008

Statement of net assets

	Note	12 months to 31 December 2007 €	6 months to 31 December 2006 €
Investments			
Fixed interest	9	187,263,513	180,480,701
Equities & Convertibles	9	59,324,503	289,176,128
Pooled Investments	9	630,571,064	303,053,844
Forward Currency Deals	9		333,088
Cash		41,154,958	28,893,075
		918,314,038	801,936,836
Investment Properties	10	71,760,000	
		990,074,038	801,936,836
Current assets			
Debtors & Prepayments		91,931	55,745
Amount due from related parties	11	838,238	
Cash at Bank		405,890	1,173,142
		1,336,059	1,228,887
Current liabilities			
Bank overdraft		(612,075)	(76,175)
Accruals		(2,727,812)	(4,249,767)
Amounts due to related parties		(976,854)	
		(3,339,887)	(5,302,796)
Net current (liabilities)/assets		(2,003,828)	(4,073,909)
Accumulated fund at 31 December 2007		988,070,210	797,862,927

Sean Stewart
Trustee

Eric Fleming
Trustee

26 June 2008

1 Basis of preparation and accounting policies

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 and with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised November 2002). We are aware that a revised Statement of Recommended Practice was issued in May 2007, however, as at the date of approval of the Financial Statements by the Trustees, supplemental information as required by this was not available.

The financial statements record the transactions of the Scheme during the period and summarise the assets held by the Trustees at the end of the financial period. They do not take account of obligations to pay pensions and benefits that fall due after the end of the scheme year.

Fund Account

The Principal accounting policies which the Trustee has adopted are set out below

Contributions

Contributions are recognised on a cash receipts basis when they are received by the Scheme. This treatment is a variance with the requirements of Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised November 2002) and FRS 12 'Provisions, Contingent Liabilities and Contingent Assets'. This policy is adopted because of the unique nature of the Scheme, the multiplicity of employers and the transient nature and multiplicity of those employed by employers. The Trustee of the Scheme is unable to estimate what contributions are due to the Scheme until returns are made by employers on behalf of the Scheme members in their employment.

The following items are included on the accruals basis:

- **Dividends** - accrued by reference to the ex-dividend date
- **Withholding tax** - accrued on the same basis as the income to which it relates
- **Interest** - accrued on a daily basis
- **Benefits** - amounts due in respect of the year
- **Transfers** in and out - accounted for when the transfer value is paid or received/when liability for the member's pension benefits has transferred
- **Administrative expense**s - amounts payable in respect of the year

Investments

Investments are stated at market value on the final working day of the accounting period as follows:

- Listed securities are stated at market value
- Pooled investment vehicles are stated at the average of the closing bid and offer prices quoted by the fund managers.

2 Constitution of the fund

The fund was established by a definitive Trust Deed dated 25 May 2006. The fund has been approved by the Revenue Commissioners. The Construction Workers' Pension Scheme is registered with the Pensions Board as a defined benefit pension scheme. The Scheme pays pensions to retired members from the resources of the Scheme and in the period up to retirement, individual member accounts are maintained within the Scheme for each member on a defined contribution basis.

3 Contributions receivable

	12 months to 31 December 2007 €	6 months to 31 December 2006 €
Employers' normal contributions	102,639,685	23,733,015
Members' normal contributions	74,067,388	15,822,009
Members' AVCs	5,924,213	3,052,141
	182,631,286	42,607,165

Contributions are recognised on a cash receipts basis as set out in note 1.

4 Transfers in

	12 months to 31 December 2007 €	6 months to 31 December 2006 €
Bulk transfers from other scheme	102,941,876	764,591,163

Under the terms of the Definitive Trust Deed and Rules, the Scheme was established on 25 May 2006, to commence and operate from 1 July 2006, to provide relevant benefits (as defined in Section 770 of the Taxes Act) for certain employees of Construction Industry Employers.

Over the course of three transfer payments, the Trustee of the Scheme agreed to assume responsibility for entitlements and benefits of persons who were members of the Construction Federation Operatives' Pension Scheme (CFOPS) (to include pensioners, active and deferred members) in exchange for the transfer of certain assets into the Scheme.

Two out of three planned transfer payments occurred in 2006:

- On 14 September 2006 approximately €159 million (investments) was transferred to the Construction Workers' Pension Scheme which represented the liability of all members receiving a pension at 3 July 2006 (the Annuity Fund).
- The second transfer of approximately €605 million (investments and cash) took place on 15 December 2006 and represented liabilities of all active and deferred pensioners.
- The third and final transfer payment of approximately €103 million (property and investments) took place on the 31 August 2007 and represented any remaining liabilities, including potential or unascertained liabilities, for benefits under the CFOPS Scheme.

5 Other income

	12 months to 31 December 2007 €	6 months to 31 December 2006 €
Construction Federation Sick Pay Scheme:	-	€150,000

6 Benefits payable

Pensions	35,343,712	9,201,784
Commutations and lump sum retirement benefits	51,824	73,297
Lump sum death benefits	8,349,519	2,627,577
	43,745,055	11,902,658

Notes to the financial statements

	12 months to 31 December 2007 €	6 months to 31 December 2006 €

7 Administrative expenses

Administration charges	4,942,863	2,548,357
Legal & professional fees	585,598	167,608
Audit fees	60,500	50,000
Trustee expenses	171,162	15,075
General expenses	39,531	8,463
	5,799,654	2,789,503

8 Investment income

Income from fixed interest securities	8,997,526	2,111,287
Dividends from equities	364,956	55,451
Rental Income	1,444,547	-
Deposit interest	2,767,186	20,430
	13,574,215	2,187,168

9 Investments

	31 December 2007 Market Value €	31 December 2006 Market Value €
Fixed interest securities	187, 263,513	180,480,701
Equities	59,324,053	289,176,128
Pooled investment vehicles	631,571,064	303,053,844
Other	333,088	-
Cash deposits	41,154,958	28,893,075
	918,314,038	801,936,836

The following investments exceed 5% of the net assets of the Scheme:

	2007 €	2006 €
Irish Life Consensus Equity Fund	368,644,799	303,053,844

The change in market value during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

	31 December 2007 Market Value €	31 December 2006 Market Value €
Fixed Interest		
Irish	-	-
Overseas	187,263,513	180,480,701
	187,263,513	180,480,701
Equities		
Irish	17,008,280	80,951,377
United Kingdom	-	19,328,239
Overseas	42,316,223	188,896,512
	59,324,503	289,176,128
Pooled investment vehicles		
Unit trusts	368,644,799	303,053,844
Property fund	36,080,284	-
Passive Fund	225,845,981	-
630,571,064	303,053,844	
Forward currency deals		
Overseas	-	333,088
Cash	41,154,958	28,893,075
	918,314,038	801,936,836

10 Investment Properties

Clanwilliam Court

Block 4, Clonskeagh

Block B & C, Canal Road

16 Henry Street

69 Grafton Street

47/48 Lower O'Connell Street

The above properties were transferred from CIF First Holdings Limited, as property holding company of Construction Federation Operatives Pension Scheme to Construction Workers Pension Scheme Trustees Limited, Trustee Company of Construction Workers Pension Scheme, by deeds dated the 14th August 2007 at a value of €70,565,000.

11 Related Party Transactions

Included in administration charges are amounts of €171,162 (2006: €15,075) paid to the Trustees by the Scheme during the year in respect of reimbursement of expenses and annual Trustee fee. No balances were due to the Trustee at the year end.

12 Potential Benefit Liabilities

The Trustees are not aware of any significant potential liabilities that exist at the year end which relate to members leaving or retiring from the scheme at or before the year end.

Notes