Construction Workers' Pension Scheme

Trustee Report & Accounts to 31 December 2008

CWPS Construction Workers Pension Scheme

CWPS
Construction
Workers
Pension
Scheme

Contents

A message from our Chairman

Once more, it is a great pleasure for me to present to you, the members, the Trustee Annual Report for 2008. However, it is with a difference this year as it will be my last time to formally recommend the Report to you. A new Chairman will be in place in 2009.

I assumed the office of Chairman some twelve years ago. I can assure all that there is nobody more surprised than myself that I am still here. It has been much more a case of circumstances rather than choice that kept me in harness for so long.

After stepping into the shoes of the late and very much respected John Jennings in 1996, I soon began to realise that the old Construction Federation Operatives Pension Scheme (CFOPS) was unsuitable for the new style modern construction industry, which at that time was rapidly developing around us. Thus began the long and difficult pathway to tailor-make a new style Occupational Pension Scheme for the Irish Construction Industry that would fully encapsulate the change that was taking place in workers' lives. The old scheme designed in 1965 did not have the necessary framework to build a funding arrangement that would adequately cater for the needs of the construction worker of the new millennium. As such it had no future. The task we set ourselves was to create one that would. I am pleased to say that all of that is now history and the new scheme is at this time well up and running.

The Construction Workers' Pension Scheme (CWPS) which is reporting to you herein is the end result of a lot of dedicated people working together from both sides of the social partnership. Personally, I saw it as my job in a complex situation to ensure that the work would be finished. Why it took so long is a bigger story than can be told here.

What pleases me most about the new scheme is that it puts the member first in every respect. It has a strategy built-in to protect the funds of the individual member well in advance of approaching retirement. At the end of the day, all that matters to any member is how much will be available to secure a comfortable retirement when his/her working days are over.

It can be said that CWPS is one of the better design and build projects of the Celtic Tiger era. Investment markets may rise and fall, recessions may come and go, but I can assure all - **this scheme is built to last.**

As I step down now with the job done, it is my fervent wish, as our industry emerges from the dreadful abyss in which it now finds itself that:

- **Construction workers will continue to ensure they contribute to their retirement fund in CWPS and avoid the abject misery so many of the old timers endured who opted for the pint rather than the pension.**
- **Construction Employers will fully identify with the real value of their workers and what they add to the business and by so doing willingly make the agreed weekly contribution to the Scheme for all their people.**

When this happens, CWPS is ready to do all the rest.

In my twelve years in the Chair, I have worked with great people – former Trustees, current serving Trustees, different groups of Investment Advisers, Legal Advisers, Investment and Property Managers. They all played their part in putting together this, the largest Pension Scheme in Ireland, which has to date won three National Awards and one International Award for the excellence of the way it does its business. As this is the final platform from which I can acknowledge them publicly, I wish them to know how much their work, their commitment, their dedication and common sense was appreciated. On a personal note, I would like to say to them – thanks for the memories.

On a day to day basis, our Scheme is a big operation to run. One man has, in more ways than one, stood head and shoulders over that job. The more difficult it got, the more he grew in stature. I refer, of course, to our Chief Executive, Pat Ferguson. For years to come, this Scheme will owe him a huge debt of gratitude and he still remains 'the safe pair of hands'. He and I also became great friends – that also I value.

I extend as well my sincere gratitude to the second line of management. I found them to be true and committed professionals. I refer to Mary Burke, the Scheme Administration Manager and her management team, Doreen Molloy, Brigid Finn, Ann Grogan, Maureen Grace, Gerry Murphy, Brian Murphy, Kevin Walsh and receptionist Brenda Kelly.

To the remaining complement of our staff who conscientiously keep the daily wheels turning, I also say – you are part of a great team.

In conclusion, I would like to wish all our participating employers, continued success in business, all our active members, confidence and long term employment and all our pensioners, contentment and comfort in their retirement.

In CWPS, the Irish Construction Industry has now something to be really proud of. I am pleased to have been so much a part of it.

Oliver Haslette
Chairman, CWPS

Highlights of the year

During the twelve months to 31 December 2008:

- €166,474,851 was collected in contributions:
- €95,521,986 from employers,
- €63,703,444 from members, and
- €7,249,421 in AVCs.
- 1213 employers joined the Scheme and 715 ceased to be active employers.
- 2076 members retired.
- The Scheme made pension payments including Lump Sums totalling €24,925,246.
- The Scheme made Lump Sum Death Benefit payments totalling €8,010,821
- The Scheme's investment income amounted to €11,060,838.
- The Scheme's assets decreased in value by €313,457,069

As at 31 December 2008:

- There were 294,273 individual member accounts in the Scheme.
- The value of these accounts (including contributions received but not yet allocated) totalled €563 million.
- The total net asset value of the Scheme's assets totalled €785 million.
- 7,265 pensioners and dependants received pension benefits from the Scheme.
- The estimated value of the Annuity Fund (including the associated solvency margin) was €168 million.
- 10,070 employers were members of the Scheme. A list of these employers is available on request to the Scheme.

Report of the Trustees

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.

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 year ending 31 December 2008 there was one change to the Trust Deed and Rules by Deed of Amendment dated 28th November 2008. The amendment provides for changes to Rules 1.1, 5.7 and 6.3 to provide for a "General Reserve" and the provisions for the operation of that reserve. This Deed of Amendment also made changes to Rule 12.1(i) to add clarity to the conditions pertaining to the payment of Death in Service benefit.

Copies of this Deed are available 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 operated on behalf of the industry by a trustee company, the Construction Workers' Pension Scheme Trustees Limited ("The Trustee"). The Trustee 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 2008, 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 Pensions Board '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.

Report of the Trustees

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
	Northern Trust George's Quay House, 43 Townsend Street ,Dublin 2
Investment Managers	**Bank of Ireland Asset Management Limited** 40 Mespil Road, Dublin 4
	Fusion Alternative Investments 10 Fitzwilliam Square, Dublin 2
	Irish Life Investment Managers Beresford Court, Beresford Place, Dublin 1
	KBC Asset Management Limited Joshua Dawson House, Dawson Street, Dublin 2
	Principal Global Investors (Europe) Ltd 10 Gresham Street, London EC2V 7JD
	Standard Life Investments 1 George Street, Edinburgh, EH2 2LL
Investment Adviser	**Acuvest** 10 Fitzwilliam Square, Dublin 2
Solicitors	**McCann Fitzgerald** Riverside One, Sir John Rogerson's Quay, Dublin 2
	Eversheds O'Donnell Sweeney One Earlsfort Centre, Earlsfort Terrace, Dublin 2
Property Managers	**Jones Lang LaSalle** 10/11 Molesworth Street, Dublin 2
	CBRE Connaught House, 1 Burlington Road, 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 Pensions Board 'Trustee Handbook and Guidance Notes'

Report of the Trustees

Looking after our people

Our members

At 31 December 2008 there were 10,070 employers participating in the Scheme, and 294,273 members: comprising of 68,403 contributing members, 7,265 pensioners and dependants, and 218,605 deferred members (former members who did not contribute to the Scheme during the 2008 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 2008 and comparison figures for 2007. 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.

Contribution rates for the year to 31 December 2008

Contribution	Member	Employer	Total
Pension	€18.73	€28.09	
Death in service	€1.11	€1.11	
Sick pay	€0.67	€1.34	
Total	€20.51	€30.54	€51.05

For the purposes of completeness, the weekly amounts levied by the Benevolent Funds, CWHT, and CIMA/EPACE (which amount to €2.33) can be paid by way of a combined payment resulting in an overall contribution rate of €53.38

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 type of 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.

Report of the Trustees

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 examine 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 arrangement

If the member retires, they will receive:

- a percentage of their fund value paid as taxfree 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 the member's account

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.

Report of the Trustees

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:

- members are advised every three months when their contributions are outstanding for three months or more;
- CWPS News to all active members;
- a personal benefit statement to active members;
- Leaving Service Options statement to members who have left the Scheme;
- the full Annual Report and Accounts – this is available to all Trade Unions in the Industry, to all participating employers and members on line at www.cwps.ie
- 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 three 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: 01 4977663 / 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

Report of the Trustees

Looking after the fund

Setting the strategy

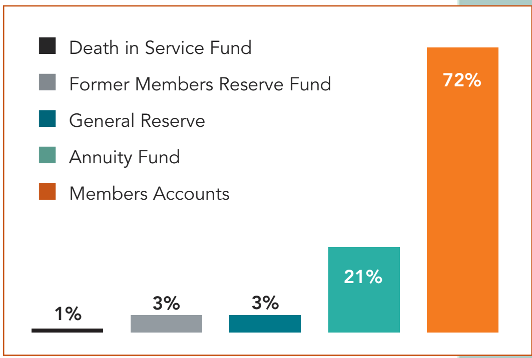
Although members build up a pension account in their name, the underlying assets of these accounts are held in a common fund. The Trustee is ultimately responsible for looking after this fund and for making sure that it is invested prudently so that members' benefits can be paid when they are due.

The fund's investment strategy is set out in a document called the Statement of Investment Policy Principles ("SIPP"). 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 SIPP 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 over time 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 graph shows how the fund is allocated; further details are set out below.



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 six 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 2008. 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	Irish Life Investment Managers	18%
Bonds	Bank of Ireland Asset Management	9%
Cash	KBC Asset Management	8%
Cash	Irish Life Investment Managers	1%
Total fixed interest securities and cash		36%
Equities		
Passive	Bank of Ireland Asset Management	10%
Passive	Irish Life Investment Managers	23%
High Yield	KBC Asset Management	4%
Active	Principal Global Investors	7%
Sub total		44%
Property		8%
Alternative Asset Classes	Fusion Alternative Investments	12%
Total equities		100%

Member accounts

How members' accounts are invested

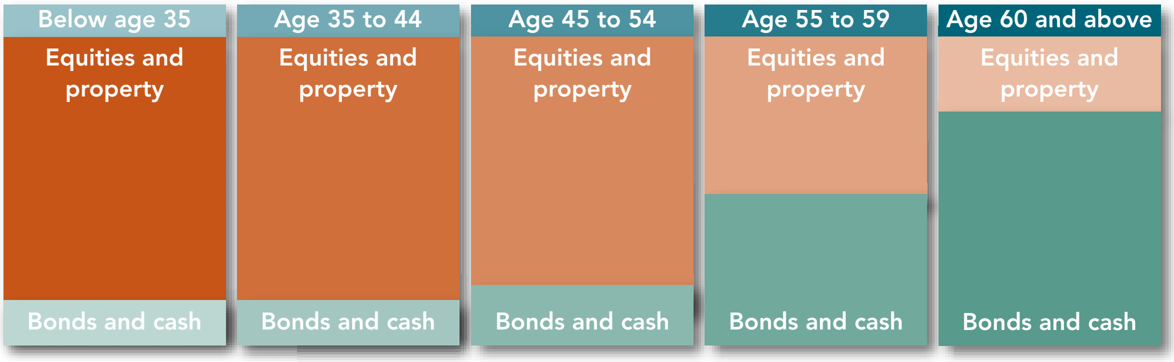
The majority of the fund's assets make up the value of each individual member's account. The assets are managed and invested by external specialist investment managers. All pension contributions, after a small initial charge made by the Trustee to meet the expenses of running the Scheme, are invested. The expenses incurred by the Scheme (the initial charge of 2% on contributions and a quarterly charge of 0.125% applied to members' accounts and annuity funds) 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.

Report of the Trustees

During the 2008 year, contributions were 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.



Fund A - 90% : 10% **Fund B** - 90% : 10% **Fund C** - 75% : 25% **Fund D** - 50% : 50% **Fund E** - 25% : 75%

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.

Subsequent to the year end, the Trustee revised the investment fund structure, such that with effect from 1 April 2009 there are eight age-related funds reflecting different allocations to the various asset types.

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.

During the year the Trustee declares an investment return for each of the five separate investment funds. This return was 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. This was particularly the case in 2008 when investment markets fell significantly.

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 2008

The returns declared by the Trustee for the 12 month period 1 January to 31 December 08:

Fund	Age Band	Return Declared
A	Below age 35	- 44.9%
B	Age 35 to 44	- 44.9%
C	Age 45 to 54	- 38.1%
D	Age 55 to 59	- 24.8%
E	Age 60 and above	- 3.8%

Report of the Trustees

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 12 and the Scheme's Actuarial Funding Certificate on page 14.

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 2008.

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.

Actuarial review

Actuarial position as at 31 December 2008

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 was completed as at 31 December 2008 and the Scheme's first Actuarial Funding Certificate as at that date forms part of this report.

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 2008 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 2007 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 2008, the estimated value of the Annuity Fund including the associated solvency margin was €168 million (€148 million).

- **Members Reserve**
  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 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 advisors. 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 2008, the value of Member Accounts including contributions received but not yet allocated was €563 million (€758 million). As at 31 December 2008, 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 2008 was €6.7 million (€6.7 million). A reserve is also held

Actuarial review

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 2008 was €1.4 million (€1.4 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 2008 was €20.4 million (€23.4 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 2008 was €25 million (€50 million).

The total net asset value of the Scheme's assets as at 31 December 2008 was €785 million (€987 million).

The review of the actuarial position of the scheme was presented to the Trustee on 28 May 2009.

Statutory funding position as at 31 December 2008

As part of our actuarial assessment of the funding position of the Scheme as at 31 December 2008, we also assessed the value that might be placed on the Scheme's liabilities were the Scheme to wind up at that date.

Based on the results of our actuarial assessment, I can confirm that if the Scheme had discontinued on 31 December 2008 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.

The Scheme's total liabilities in the event of winding-up were assessed as €720 million, as follows:

Annuity Fund	€137 million
Members' Accounts	€563 million
Other reserves	€20 million
Total	€720 milion

This assessment is set out in more detail on the Actuarial Funding Certificate at 31 December 2008, which forms part of this report.

Paul O'Brien FIA FSAI
Actuary
17 July 2009

An Bord Pinsean - The Pensions Board
Authority for Pensions

Schedule BC
Actuarial Funding Certificate

Article 4

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42 OF THE PENSIONS ACT 1990 ("the ACT") FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: ______ Construction Workers Pension Scheme

SCHEME COMMENCEMENT DATE: ______ 1 July 2006

PENSIONS BOARD REFERENCE NO.: ______ PB185038

EFFECTIVE DATE OF

THIS CERTIFICATE: ______ 31 December 2008

PREVIOUS CERTIFICATE: ______ N/A

On the basis of information supplied to me and having regard to such financial and other assumptions as I consider to be appropriate:-

(1) I am of the opinion that at the effective date of this certificate the resources of the scheme, which are calculated for the purposes of section 44 of the Act to be **€785m**, ***would*/*~~would not~~** have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44 of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to **€720m**.

(2) I am of the opinion that at the effective date of this certificate the resources of the scheme, calculated for the purposes of section 44 of the Act, would have been sufficient, after allowance for the estimated expenses of administering the winding up of the scheme, to provide for the discharge of the liabilities of the scheme determined in accordance with section 44 of the Act as follows:

(a) 100% of the benefits as set out in section 44(a)(i) of the Act
(b) 100% of the benefits as set out in section 44(a)(ii) of the Act
(c) 100% of the benefits as set out in sections 44(a)(iii) and 44(a)(iv) of the Act
(d) 100% of the benefits, other than those referred to in subparagraphs (a) to (c) of this paragraph, to which paragraph 5 of the Third Schedule of the Act relates.

(3) ***I hereby state the specified percentage for the above scheme for the purpose of section 44 of the Act to be 100% .***

~~*I hereby state that the specified percentage for the above scheme for the purposes of section 44 of the Act is not applicable as there are no benefits which are described in paragraph 5 of the Third Schedule.~~

I therefore certify that as at the effective date of this certificate the scheme ***satisfies*/*~~does not satisfy~~** the funding standard provided for in section 44 of the Act. I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: ______ *Date:* ______ 17 July 2009
Name: ______ Paul O'Brien *Qualification:* ______ FSAI
Name of Actuary's Employer/Firm: ___ Watson Wyatt (Ireland) Ltd *Scheme Actuary Certificate No.:* ___ *P066*

***Please delete whichever is not applicable.**

Investment Managers' Reports

1 January to 31 December 2008

The Scheme's assets are primarily invested with six 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 investment 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 the Scheme receives a rebate on the investment management expenses incurred and these financial statements include the rebate received in relation to the 2008 year.

With effect from 1 July 2006, the Trustee adopted a formal Statement of Investment Policy Principles (SIPP) in accordance with the requirements of the Social Welfare & Pensions Act 2005.

Bank of Ireland Asset Management (BIAM)

Construction Workers Pension Scheme - Passive Equity Portfolio
Construction Workers Pension Scheme - Passive Bonds Portfolio

How the assets are managed

The Passive Equity Portfolio is invested across 7 regional Bank of Ireland EUT indexed equity funds. The objective of each Regional Fund is to track its benchmark index, within a tight tracking error.

The Passive Bond portfolio is invested in the Bank of Ireland Indexed Eurozone Long Bond Fund. The objective of the fund is to track the Merrill Lynch EMU Direct Government Bond Index (10+years) within a tight tracking error.

Value of the Assets

	Equity Portfolio	Bond Portfolio
Market Value of assets held at 1 January 2008:	€225,849,729	€0
Net Inflows/Outflows	(€69,106,054)	€68,666,687
Investment Return	(€80,847,489)	€4,215,211
Market Value of assets held at 31 December 2008:	€75,896,186	€72,881,898

How the assets are invested

The asset allocation as at 31 December 2008 was

Equity Portfolio		Bond Portfolio	
Eurozone (ex Irl)	24.72%	Italy	30.08%
North America	24.29%	France	21.89%
Ireland	13.36%	Germany	19.66%
U.K	12.80%	Spain	6.13%
Pacific Rim ex Japan	11.04%	Greece	4.87%
Japan	6.65%	Belgium	4.67%
Non-EuroEurope ex UK	6.05%	Netherlands	4.56%
Cash	1.09%	Austria	4.19%
	100.0%	Portugal	1.85%
		Ireland	1.61%
		Finland	0.49%
			100.0%

Investment Performance

The year that's passed will be mourned by few as the global economic slowdown predicted at the beginning of 2008 turned into a fully-fledged recession. Speculation that this could be a prolonged downturn, amid media comparisons with the 1930s Great Depression dented confidence further. Equity market losses of 50% were not rare, with investors in bank stocks suffering devastating losses in some cases as the unfolding credit crisis in 2007 became a full-scale financial crisis in 2008.

The pivotal moment in the year came with the collapse of US investment bank Lehman Brothers, which rattled sentiment and precipitated near-panic on equity markets. Apart from counterparty issues that arose from the collapse, governments around the world were forced to intervene to prevent further damaging collapses as bank funding options narrowed amid escalating money market rates.

The US S&P 500 Index had its worst year since 1937 en route to declining 38.5%, while the 42.1% loss by the Nikkei 225 Index was its biggest-ever annual loss. Closer to home, the Irish stock market recorded a loss of 66.2%, fuelled by slumping bank share prices. Given the scale of the credit market-related losses and huge de-leveraging underway, financial stocks were unsurprisingly among the poorest performers in the period.

In the final quarter of the year, central banks aggressively cut interest rates to the extent that rates are effectively at zero in the US and Japan and the Bank of England cut its base rate to the lowest level since 1951. The ECB cut from 4.25% to 2.5% in two months. Initial bond weakness amid escalating inflation concerns reversed as 2008 progressed, with the flow of economic news pointing to weaker conditions. The equity market turmoil in September/October sparked a 'flight to safety' as investors sought more secure investments amid a significant increase in equity volatility and a near-complete seizure in money markets. That risk aversion remained largely in place through the final two months of the year as deflation concerns overtook inflation worries.

As a consequence, bonds considerably outperformed equities for the year, with bond yields falling to record lows in some instances. There was a notable steepening of the yield curve in the final months of the year as short-dated bond yields fell quicker than those on longer-dated debt, reflecting the aggressive actions of the world's central banks. At the same time, yields fell sharply across the curve. The yield on a 10-Year German Government Bond fell from a peak of 4.68% in June to finish the year at 2.95%. The Merrill Lynch EMU Direct Government 10+ years index generated a positive return of 10.5%.

Investment return achieved for the period Equity Portfolio -44.02% Bond Portfolio 8.95%

Fusion Alternative Investments 2008

How the assets are managed

The investment objective of Fusion is to achieve long-term capital appreciation through indirect investment in a range of alternative investment assets, the aggregate return from which should have low correlation with global equity markets. The Fusion Investment Committee actively allocate between each of the underlying funds (currently commodities, currency and hedge funds) depending on their market views.

Value of the Assets

Market value of the assets held at 30 April 2008 (inception)	€67,000,000
Net Contributions	€46,000,000
Appreciation/depreciation	(€21,000,000)
Market value of assets held at 31 December 2008	€92,000,000

How the assets are invested

Assets are invested into three sub-funds: Commodities, Hedge Funds and Currencies.
As of 31 December 2008 the breakdown was as follows:

Currency	42%
Hedge Funds	42%
Commodities	16%
	100%

The sub funds invest in 78 underlying managers, four currency and commodity managers and 74 hedge fund managers.

Investment Performance

The global market backdrop since the inception of the Fusion fund was extremely negative for real assets and a positive one for monetary assets. 2008 saw a spectacular chain reaction, with the collapsing US residential property market ultimately leading to a global credit crunch. After twenty years of strong spending and growth, this was the last straw for US consumers. This combined with excessive leverage and a subsequent credit crunch developed into a global recession. From inception of the Fusion investment (30th April 2008) to end December, the MSCI World index fell by 32% in Euro terms. Alternative assets performed much better in a relative sense, albeit they were not completely immune to the general market background.

The aggregate Currency element of the fund delivered returns superior to equities. Risk aversion and volatility was extreme in currency markets with the Euro depreciating by 11% over the period versus the US Dollar, and a more extreme example, the Japanese Yen, rose by 35% versus the Australian Dollar. Commodities strongly outperformed equities up to mid summer, but struggled thereafter as the short term cyclical worries of a demand shock impacted on the outlook for commodities. The Hedge Fund element, as with currencies, outperformed equities. The diversified structure of the Hedge Fund element worked well. This was pleasing particularly considering the extreme conditions that prevailed in markets and also for certain specific hedge funds strategies.

Investment return achieved for the period.

	Return since Inception (30th April 2008)
Commodities	- 48.1%
Currency	- 6.4%
Hedge Funds	- 5.9%
Fusion Total Return	- 16.9%
MSCI World Equities	- 30.3%

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

With effect from the 31st August 2008 all valuations are shown using bid prices. This is in accordance with changes to the Statement of Recommended Practice (SORP 2002 – Revised May 2007) Financial Reports of Pension Schemes.

Value of the assets

Bid Market Value of the assets held at 31 December 2007	€368,644,799
Net Contributions	€123,852,946
Appreciation /Depreciation	(€159,083,524)
Bid Market Value of the assets held at 31 December 2008	€333,414,220

How the assets are invested

Equity	
US	25.95%
Eurozone	25.39%
UK	13.09%
Pacific	11.17%
Ireland	11.00%
Europe ex Eurozone	6.81%
Japan	6.59%
	100.00%

Investment Performance

The year to the 31st December 2008 has proven to be a very difficult time for equity markets with poor credit conditions, tightening liquidity in capital markets stemming from the subprime crisis in the US, and higher energy and food prices taking their toll. Against this background the FTSE World Index returned -38.21% for the year ended 31st December 2008.

Irish equities underperformed global equities, since the start of the year under review, reversing their out performance over the previous five years. This was mainly due to the negative sentiment towards the housing sector in Ireland and the significant exposure the Irish stock exchange has to the financial sector. The ISEQ index produced a return of - 65.03% for the year ended 31st December 2008.

Bond markets were stronger as the "flight to safety" regained momentum, with the ML EMU >5 yrs bond index up 10.43% for the twelve months to end December 2008. Property returned -41.36% to the year ended 31st December 2008, as activity levels in the property market declined.

Investment return achieved for the period	Alpha Cash Fund	4.8%
	Consensus Equity Fund	- 45.2%

KBC Asset Management

How the assets are managed

The Construction Workers' Pension Scheme is invested in the KBC Dividend Plus Global and Euroland funds. The Dividend Plus funds invest primarily in shares that achieve a higher-than-average dividend yield within their industry and region. The fund adopts a regional and sector neutral approach which avoids the pitfalls of over-exposure to traditional high yield sectors such as Financials and Real Estate, two sectors that suffered severely in the 12 months to the end of December 2008.

The KBC Dividend Plus funds strongly outperformed their benchmark, their peers in the High Dividend arena and also comparable value funds, over the course of the year. The quantitative process developed by KBCAM produces an all cap portfolio with low volatility that consists of attractively valued mature companies with healthy and sustainable earnings.

Value of the assets

Market value of the assets held at 1January 2008:	€49,608,410
Net Contributions:	€0
Appreciation/depreciation:	(€19,743,180)
Market value of assets held at 31 December 2008:	€29,865,230

How the assets are invested

The asset allocation as at 31 December 2008 was

Equities	
Euroland ex Ireland	39.9%
Europe ex Euroland	10.3%
North America	38.6%
Japan	8.4%
Pacific Basin excl Japan	2.4%
Ireland	0.0%
	99.6%
Cash	0.4%
	100.0%

Investment Performance

Both the Global and Euroland funds outperformed their respective MSCI benchmarks over the course of the year. Stock prices of many financial institutions across the globe were hit by the impact of the credit crisis and sub-prime issues. Due to our industry group neutrality we were able to avoid being heavily overweight in some of the financial stocks that were hit the most. In addition, being in a high dividend strategy (attractively valued mature companies with healthy and sustainable earnings), the fund demonstrated its defensive character in this extremely volatile and negative environment.

Investment return achieved for the period	-39.8%

Principal Global Investors

How the assets are managed

The assets are invested in five regional equity funds of Principal Global Investor's fund range. The Funds are managed based on our investment philosophy that superior stock selection is the key to consistent outperformance, integrated fundamental research is the key to superior stock selection and disciplined portfolio construction is the key to consistency.

Value of the assets

Market value of assets held at 29 April 2008 (inception):	€79,543,897
Net contribution	€ 0.00
Appreciation/Depreciation	(€28,949,885)
Market value of assets held at 31 December 2008	€ 50,594,012

How the assets are invested

PGI European Equity Fund	54.2%
PGI US Equity Fund	25.4%
PGI Emerging Markets Equity Fund	10.2%
PGI Japanese Equity Fund	8.1%
PGI Asian Equity Fund	2.1%
	100.00%

Investment Performance

The credit crisis that began in August 2007 continued to worsen over the past year and turned global. During 2008, we experienced a massive and historic amount of deleveraging and many "too big to fail" firms collapsed or were bailed out by the U.S. Federal Government. Throughout the year, economic indicators weakened confirming that the United States was in recession, one that was continuing to deepen in the US, Europe and the rest of the World.

The U.S. Equity portfolio underperformed the S&P 500 Index for the year. Stock selection in the financials, consumer discretionary and telecommunication services sectors were positive. The Japanese Equity portfolio underperformed the MSCI Japan Index in 2008. Stock selection in the health care, telecommunication services and consumer staples sectors were effective. However, stock selection in the industrials, utilities and energy sectors were less effective. The European Equity portfolio slightly underperformed the index; both posting negative returns. The best performing sectors during the final quarter of 2008 were the more defensive health care and consumer staples sectors. The financials and materials sectors performed worst.

The Emerging Markets Equity portfolio underperformed the MSCI Emerging Markets Index for the year. Asset allocation was positive on a country and sector basis. Stock selection was positive on a country basis but negative on a sector basis. The portfolio outperformed in the information technology and telecommunication services sectors whereas materials and consumer staples contributed negatively to performance. The Asian Equity portfolio underperformed the MSCI All Country Far East ex-Japan Index over the past twelve months. Stock selection was negative on a sector basis. The top performing sectors were information technology and telecommunication services. The laggard performance was found in consumer staples.

Our investment strategy struggled during the year as investors ignored stock-specific fundamentals and focused on macroeconomic issues such as inflation, interest rates and GDP growth. Our investment process will again be rewarded once investors focus on stocks with rising investor expectations.

Investment return achieved for the period	- 35.35%

Financial Statements

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 23 to 27 which have been prepared under the accounting policies set out on pages 25.

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.

Financial Statements

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 2008 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 Trustee 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 period.

Grant Thornton
Chartered Accountants & Registered Auditors
24 – 26 City Quay, Dublin 2

25th June 2009

Fund account

	Note	31 December 2008 €	31 December 2007 €
Contributions and Other Income			
Contributions Receivable	3	166,474,851	178,842,848
Administration Income		3,466,152	3,075,761
Transfers In	4	346,895	103,654,553
		170,287,898	285,573,162
Benefits Payable	5	(32,936,067)	(43,745,055)
Transfer to Other Schemes		(1,808,793)	(1,667,136)
		(34,744,860)	(45,412,191)
		135,543,038	240,160,971
Administrative Expenses	6	6,069,114	5,799,654
Canal House Redevelopment		191,970	354,318
Pension Board Registration Fees		301,449	286,625
Pension Board Refund		-	(265,953)
		6,562,533	6,174,644
Net additions from dealings with members		128,980,505	233,986,327
Return on investment			
Investments income	7	11,060,838	13,574,215
Net Movement in Market Value of Investments	8	(313,457,069)	(58,176,714)
(Decrease)/Increase in Value of Property		(26,980,000)	1,195,000
Property management fees		(66,151)	(45,807)
Investment manager fees		(148,532)	(325,738)
		(329,590,914)	(43,779,044)
Net (decrease)/increase in the fund during the period		(200,610,409)	190,207,283
Accumulated Fund at 1 January 2008		988,070,210	797,862,927
Accumulated Fund at 31st December 2008		787,459,801	988,070,210

Eric Fleming
Director

Sean Stewart
Director

25th June 2009

Statement of Net Assets

	Note	31 December 2008 €	31 December 2007 €
Investments			
Fixed Interest	8	-	187,263,512
Equities & Convertibles	8	-	7,008,280
Pooled Investment	8	686,358,642	682,887,288
Cash		53,770,441	41,154,958
		740,129,083	918,314,038
Investment Properties	9	44,780,000	71,760,000
		784,909,083	990,074,038
Current Assets			
Debtors & Prepayments		401,694	91,931
Amount due from related parties	10	1,116,871	838,238
Cash at Bank		2,675,515	405,890
		4,194,080	1,336,059
Current Liabilities			
Bank overdraft		(103,833)	(612,075)
Accruals	12	(1,539,529)	(2,727,812)
		(1,643,362)	(3,339,887)
Net Current Assets/(Liabilities)		2,550,718	(2,003,828)
Accumulated Fund at 31 December 2008		787,459,801	988,070,210

The financial statements record the transactions of the Scheme during the period and summarise the assets held by the Trustee 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.

Eric Fleming
Director

Sean Stewart
Director

25th June 2009

Notes to the financial statements

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 guideines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised May 2007).

The Trustee has adopted the revised SORP with effect from 1 January 2008.

As a result, the accounting policy for valuing investments has been changed from using mid prices to bid or offer price for investment of assets and liabilities respectively where there is a bid/offer spread. This is a change in accounting policy but there is no difference in valuation from the prior year as the unitised funds have one price for bid and offer.

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 May 2007) and FRS 12 'Provisions, Contigent 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 as follows:

- **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 expenses** - 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 closing bid prices quoted by the fund managers.

2. Constitution of the fund

The fund was established by a definitive Trust Deed dated 25th 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.

Notes to the financial statements

3. Contributions receivable

	31 December 2008	31 December 2007
	€	€
Employer's normal contributions	95,521,986	100,439,184
Member's normal contributions	63,703,444	72,479,451
Member's AVC's	7,249,421	5,924,213
	166,474,851	178,842,848

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

4. Transfers in

	31 December 2008	31 December 2007
	€	€
Transfers from other pension schemes	346,895	712,677
Bulk transfers from other scheme	-	102,941,876
	346,895	103,654,553

Under the terms of the Definitive Trust Deed and Rules, the Construction Workers' Pension Scheme (CWPS) 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 CWPS agreed to assume responsibility for entitlements and benefits of persons who were members of Construction Federation Operatives Pension Scheme (CFOPS) (to include pensioners, active and deferred members) in exchange for the transfer of certain assets in to CWPS.

Two out of three planned transfers payments occurred in 2006. On 14th September 2006 approximately €159million (investments) was transferred to Construction Workers' Pension Scheme which represented the liability of all members on pension at 3rd July 2006 (the annuity fund). The second transfer of approximately €605million (investments and cash) took place on 15th December 2006 and represented liabilities of all active and deferred pensioners (the Former Members' Reserve Fund). The third and final transfer payment of approximately €103 million (property and investments) took place on the 31st August 2007 and represented any remaining liabilities, including potential or unascertained liabilities, for benefits under the CFOPS Scheme.

5. Benefits Payable

	31 December 2008	31 December 2007
	€	€
Pension	24,880,579	35,343,712
Commutation and lump sum retirement benefits	44,667	51,824
Lump sum death benefits	8,010,821	8,349,519
	32,936,067	43,745,055

6. Administrative expenses

	31 December 2008	31 December 2007
	€	€
Admininstration charges	5,446,000	4,942,863
Legal & professional fees	339,743	585,598
Audit fee	73,205	60,500
Trustee expenses	157,842	171,162
General expenses	52,324	39,531
	6,069,114	5,799,654

Notes to the financial statements

7. Investment income

	31 December 2008 €	31 December 2007 €
Rental income	2,522,754	1,444,547
Income from fixed interest securities	3,114,236	8,997,526
Dividends from equities	349,820	364,956
Deposit Interest	5,074,028	2,767,186
	11,060,838	13,574,215

8. Investments

	Value at 31 December 2008 €	Value at 31 December 2007 €
Fixed interest securities	-	187,263,512
Equities	-	7,008,280
Pooled investment vehicles	686,358,642	682,887,288
	686,358,642	877,159,080
Cash deposits	53,770,441	41,154,958
	740,129,083	918,314,038

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

	2008 €	2007 €
Irish Life Consensus Equity Fund	333,414,220	368,644,799

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.

Where the investments are held in a unitised fund, the change in market value also included expenses both implicit and explicit for the period and any reinvested income, where the income is not distributed

	31 December 2008 Market Value €	31 December 2008 Market Value €
Fixed		
Irish	-	-
Overseas	-	187,263,512
	-	187,263,512
Equities		
Irish	-	7,008,280
	-	7,008,280
Pooled investment vehicles		
Unitised fund – property	21,446,769	36,080,284
– other	664,911,873	646,807,004
	686,358,642	682,887,288
Cash	53,770,441	41,154,958
	740,129,083	918,314,038

Notes to the financial statements

9. Investment properties

Clanwilliam Court

Block 4, Clonskeagh

Block B & C, Canal Road

16 Henry Street

69 Grafton Street

47/48 Lower O'Connell Street

10. Related party transactions

Included in administration charges are amounts of €157,842 (2007: €171,162) paid to the Directors of the Trustee 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.

11. Potential benefit liabilities

The Trustee is 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

CWPS Construction Workers Pension Scheme

Canal House, Canal Road, Dublin 6.