



Construction Workers' Pension Scheme

Trustee Report & Accounts
to 31st December 2010



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A message from our Chairman



I am pleased to present to you the Trustee Annual Report for year ending 31st December 2010.

The Report confirms the poor state of our industry showing the downward trend in membership of recent years continuing in 2010. Indications show that 2011 will also show an industry in decline.

However the report shows that you, the members, are part of a Pension Scheme operated on a sound basis to the benefit of members and their employers

The highlights of the year are set out on Page 3, while page 6 sets out for the members in a concise and clear fashion the number of members in each of the various classifications.

The Report is in itself a record of sound steady management being applied during 2010, indicating a reasonable level of growth for your personal fund during the year.

CWPS, in a volatile global financial climate has increased assets by some €68m in 2010. I would recommend to members to visit our website www.cwps.ie and use the Scheme's online service, Member Online Access, to monitor their contribution payments and the performance of their fund.

I would also encourage employers to make use of the Scheme's Online Payment System (OPS) specifically designed for them to provide a fast and cost effective way of paying their monthly pension schedules on line at www.cwps.ie. or www.cwpsonline.ie

It is regrettable that, in the search for necessary extra funds, a penalty will be applied by the Government to those who have contributed to a Pension (Savings) Fund for their retirement. While it does not affect the 2010 Scheme values, the imposition of a levy of 0.6% on all pension fund assets each year, for the next 4 years will affect members fund values.

The first year's payment is due in September 2011 and this is estimated for CWPS to be €6.2million. CWPS will report further to you on this matter.

The Trustee Report and Accounts is a document showing how the Trustee Board, CPAS the administration company, and the Investment Advisors to the Fund, have managed your Fund in 2010.

I believe the Report will give you some comfort and satisfaction for a job well done.

CWPS will work diligently for you, our members and our employers in 2011 in the face of difficult global and national economic conditions.

A handwritten signature in black ink, which appears to read 'Sean Stewart'. The signature is fluid and cursive.

Sean Stewart
Chairman, CWPS

Highlights of the year

During the twelve months to 31 December 2010:

- €69,720,002 was collected in contributions:
 - €39,316,553 from employers,
 - €28,470,607 from members, and
 - €1,932,842 in AVCs.
- 341 employers joined the Scheme and a total of 1,315 employers ceased to be active or were suspended from Scheme membership.
- 2121 members retired.
- The Scheme made pension payments including Lump Sums totalling €28,892,862.
- The Scheme made Lump Sum Death Benefit payments totalling €4,953,131.
- The Scheme's investment income amounted to €4,704,030.
- The Scheme's assets increased in value by €68,813,586.

As at 31 December 2010:

- There were 305,041 individual member accounts in the Scheme.
- The value of these accounts (including contributions received but not yet allocated) totalled €743 million.
- The total net asset value of the Scheme's assets totalled €1,043 million.
- 7898 pensioners and dependants received pension benefits from the Scheme.
- The value of the Annuity Fund (including the associated solvency margin) was €190 million.
- 8,681 employers were members of the Scheme.
A list of these employers is available on request to the Scheme.

Trustee Report

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 Registered Employment Agreement (Construction Industry Pensions, Assurance and Sick Pay) and Electrical Contracting Industry (REA) legally requires all employers covered by the agreements 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 2010 there were no changes to the Trust Deed and Rules.

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. As 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 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 2010, the Directors were:

- Sean Stewart (Chairman)
- Michael Anglim
- Eric Fleming
- Oliver Haslette
- George Hennessy
- Jim Moore
- Bernard O'Connell
- Patrick O'Shaughnessy
- Richard P Treacy
- William Wall (appointed 18th June 2010)
- Owen Wills (appointed 18th June 2010)
- Niall Irwin (retired 18th June 2010)
- Thomas White (retired 18th June 2010)

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 Trustees 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.

Trustee Report

Advisers to the Trustee

Actuaries and Consultants	Towers Watson (Ireland) Ltd 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 IFSC, Mayor Street Lower, Dublin 1
Investment Managers	Bank of Ireland Asset Management Ltd 40 Mespil Road, Dublin 4
	Capital International 40 Grosvenor Place, London SW1X 7GG
	Fusion Alternative Investments Plc Joshua Dawson House, Dawson Street, Dublin 2
	Irish Life Investment Managers Beresford Court, Beresford Place, Dublin 1
	Principal Global Investors (Europe) Ltd Level 4, 10 Gresham Street, London EC2V 7JD
	Standard Life Investments 1 George Street, Edinburgh, EH2 2LL
	BNY Mellon Asset Management The Bank of New York Mellon Centre 106 Queen Victoria Street, London
	CF Ruffer 80 Victoria Street, London
Investment Adviser	Acuvest Investment Advisers 10 Fitzwilliam Square, Dublin 2
Solicitors	Eversheds O'Donnell Sweeney One Earlsfort Centre, Earlsfort Terrace, Dublin 2
Property Managers	CBRE Connaught House, 1 Burlington Road, Dublin 4
	Jones Lang LaSalle 10/11 Molesworth Street, Dublin 2

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.

They also have dedicated Employer Services and Member Services teams who are on hand to assist with any employer or member queries.

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

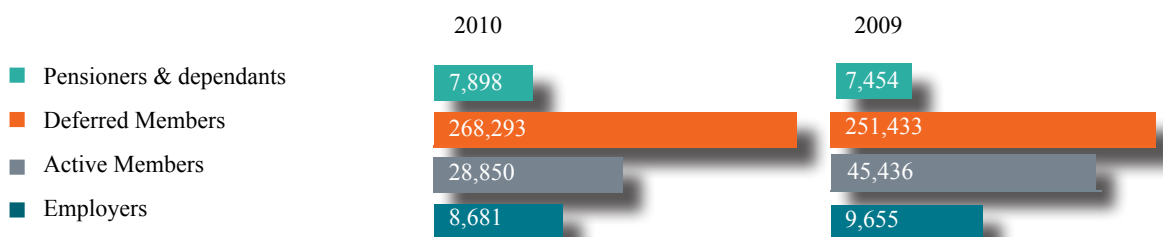
Trustee Report

Looking after our people

Our members

At 31 December 2010 there were 8,681 employers participating in the Scheme, and 305,041 members: comprising of 28,850 contributing members, 7,898 pensioners and dependants, and 268,293 deferred members (former members who did not contribute to the Scheme during the 2010 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 2010 and comparative figures for 2009. 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 300 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 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 wage. In addition, members may make Additional Voluntary Contributions to build up a larger account within the fund.

Weekly contribution rates for the year to 31 December 2010

Contribution	Member	Employer	Total
Pension	€19.20	€28.79	
Death in service	€ 1.11	€ 1.11	
Sick pay	€ 0.69	€ 1.37	
Total	€21.00	€31.27	€52.27

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 €54.60

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 a monthly 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.

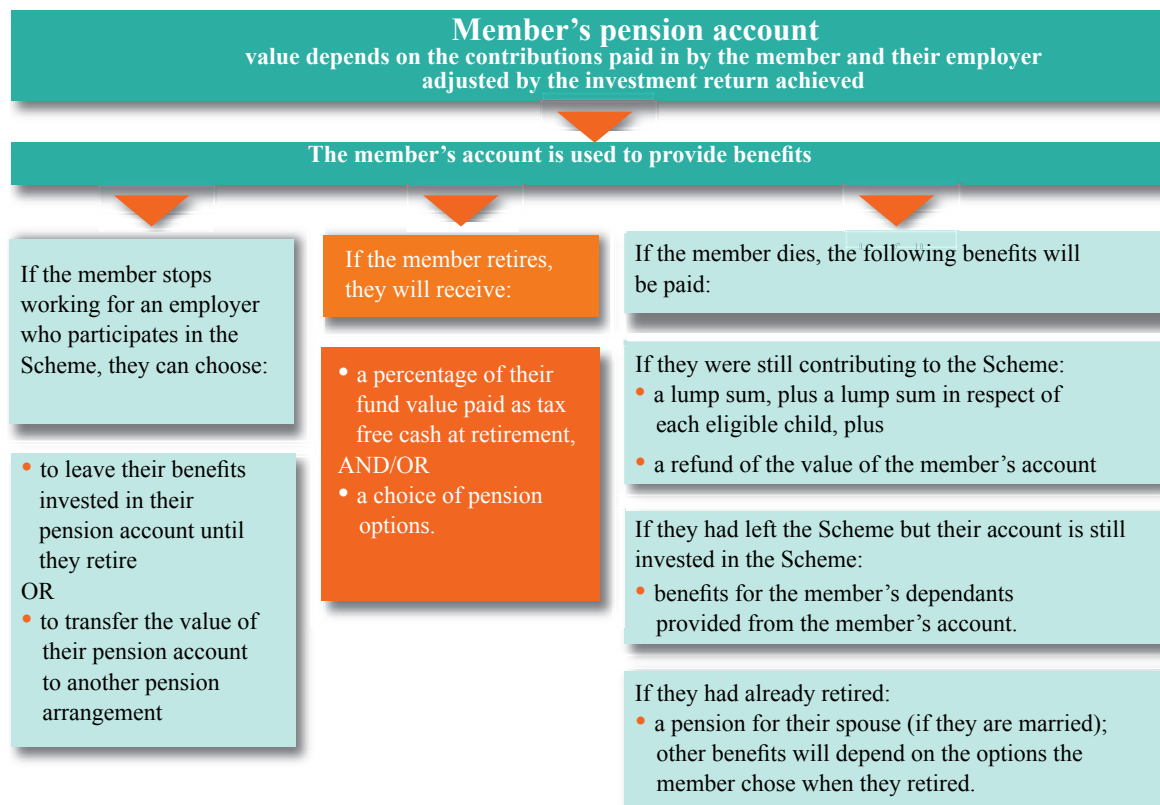
When the member retires, the Trustee will use the member's account to provide pension benefits through the Annuity Fund within the Scheme. Members can decide, within certain limits, what type of benefits they receive. Once in payment, members' benefits are classed as defined benefit entitlements. Because 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.

Trustee Report

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



Protecting members' interests

The Scheme has a very stringent credit control policy for identifying and pursuing employers who may fall into arrears with member contributions and has procedures in place to advise members every three months if their pension contributions are outstanding for three months or more. Extra resources are being put in place to increase the effectiveness of these procedures.

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.

The Scheme also wishes to acknowledge the assistance of the Pensions Board and the Pensions Ombudsman in this important task of protecting our members.

Trustee Report

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 has gained the Plain English Campaign Crystal Mark Accreditation on a number of scheme booklets and information flyers. Scheme information is provided in an easily accessible manner and a number of documents are translated into Polish. There is also a range of information available about the Scheme via the Scheme's website – www.cwps.ie.

In their efforts to continually improve services to employers and members CWPS have launched Online Access giving instant access 24-hours a day. Employers can register for the Online Payment System (OPS), where they can pay their monthly pension schedules on line each month and members can register for Member Online Access where they can view their pension contribution, their fund value and update their personal details.

In addition, the Trustee issues the following documents each year:

- letters to members every three months if their contributions are outstanding for three months or more;
- CWPS Newsletter to all active members;
- a personal benefit statement to active members;
- Leaving Service Option statements 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

Providing support to members

The Scheme has dedicated Employer Service and Member Service teams who deal with everything from simple queries to helping members and employers complete forms and other relevant paperwork.

General questions about the Scheme should be directed to:

phone: 01 497 7663
fax: 01 496 6611
email: info@cwps.ie
write to: Construction Workers' Pension Scheme, Canal House, Canal Road, Dublin 6

Resolving any disputes

Whilst both teams can deal with the majority of employer and 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 a member has followed the Scheme's Internal Dispute Resolution procedure and are still not satisfied or have a complaint, they 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 65 65 65
emailing: info@pensionsboard.ie

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

writing to: National Employment Rights Authority (NERA) Government Buildings, O'Brien Road, Carlow
calling: Lo-call: 1890 80 80 90
emailing: info@employmentrights.ie

Trustee Report

Looking after the fund

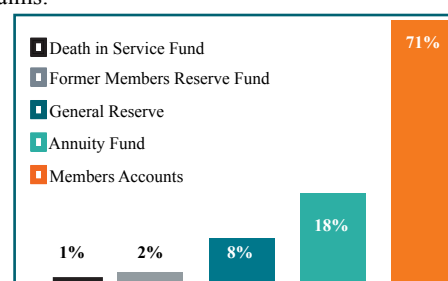
Setting the strategy

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 eight 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 2010. 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	15%
Bonds	State Street Global Advisors*	14%
Cash	Irish Life Investment Managers	7%
Total fixed interest securities and cash		36%
Equities and Property		
Passive	Irish Life Investment Managers	12%
Passive	State Street Global Advisors*	11%
Active	Principal Global Investors	8%
Emerging markets	Capital International	3%
Property		6%
Total Equities and Property		40%
Alternative/ Opportunistic assets		
Alternative - Fusion	Kleinwort Benson Investors	19%
Opportunistic - GTAA fund	Standard Life Investments	1%
Opportunistic - GTAA fund	BNY Mellon Asset Management	1%
Opportunistic - GTAA fund	Ruffer	1%
Opportunistic - Irish Government Bonds	Irish Life Investment Managers	2%
Total Alternative/ Opportunistic assets		24%
Total		100%

* Formally Bank of Ireland Asset Management

Member accounts

How members' accounts are invested

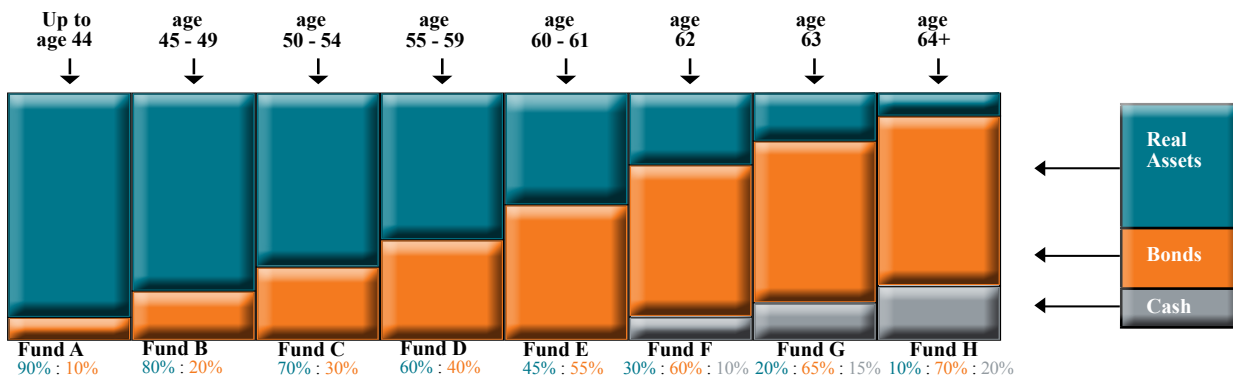
The majority of the fund's assets make up the value of each individual member's account. The assets are managed and invested by external specialist investment managers. All pension contributions, after a small initial charge made by the Trustee to meet the expenses of running the Scheme, are invested. 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.

Trustee Report

During the 2010 year, contributions were allocated by the Trustee to eight 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 eight 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 of 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.

During the year the Trustee declares an investment return for each of the eight 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 2010

A	up to age 44	+11.17%
B	age 45 - 49	+10.46%
C	age 50 - 54	+9.42%
D	age 55 - 59	+7.54%
E	age 60 - 61	+6.16%
F	age 62	+4.59%
G	age 63	+3.74%
H	age 64+	+2.79%

Trustee Report

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 depends 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 Trustees 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 and Actuarial Statement are on pages 14 and 15.

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 2010.

Reserve Fund

The Trustee also needs 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 2010

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 along with the Scheme's first Actuarial Funding Certificate.

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 2010 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 2009 are 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 2010, the estimated value of the Annuity Fund including the associated solvency margin was €190 million (€175 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 2010, the value of Member Accounts including contributions received but not yet allocated was €743 million (€650 million). As at 31 December 2010, 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 2010 was €4.5 million (€6.0 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 2010 was €1.4 million (€1.4 million).

Actuarial Review

● 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 2010 was €18.6 million (€19.2 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 2010 was €90 million (€95 million).

This Reserve included, at 31 December 2010, an amount of €14.6 million to reflect the investment return achieved by the Members Reserve Fund in December 2010. This amount was allocated to members' accounts on 2 February 2011.

The total net asset value of the Scheme's assets as at 31 December 2010 was €1,043 million (€947 million).

A letter detailing the review of the actuarial position of the Scheme was sent to the Trustee on 20 January 2011.

Statutory funding position as at 31 December 2010

As part of our actuarial assessment of the funding position of the Scheme as at 31 December 2010, 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 2010 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 €922 million, as follows:

Annuity Fund	€160 million
Members' Accounts	€743 million
Other reserves	€19 million
Total	€922 million

This assessment is also set out on the Actuarial Statement at 31 December 2010, which forms part of this report.



Paul O'Brien FIA FSAI
Actuary

14th March 2011

Schedule BC

Actuarial Funding Certificate



An Bord Pinsean -
The Pensions Board

SCHEDULE BC

Article 4

ACTUARIAL FUNDING CERTIFICATE

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.: _____ PBI85038

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: 
Name: _____ Paul O'Brien
Name of Actuary's Employer/Firm: _____ Watson Wyatt (Ireland) Ltd

Date: _____ 17 July 2009
Qualification: _____ FSAI
Scheme Actuary Certificate No.: _____ P066

* Please delete whichever is not applicable.

Actuarial Statement 2010

TOWERS WATSON 

ACTUARIAL STATEMENT

TO THE TRUSTEE AND MEMBERS OF THE CONSTRUCTION WORKERS' PENSION SCHEME

PENSIONS BOARD REGISTRATION NUMBER: 185038

This statement is issued in accordance with the requirements of Section 55 of the Pensions Act 1990 ("the Act"). As part of the Scheme's annual governance structures, we have carried out an actuarial assessment of the funding position of the Scheme as at 31 December 2010. We have assessed the value that might be placed on the Scheme's liabilities under Section 44 of the Act 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, pay any expenses associated with winding up the Scheme;
- (b) Secondly, provide for benefits in respect of any Additional Voluntary Contributions (AVCs) made by members to the Scheme;
- (c) Thirdly, 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);
- (d) Fourthly, 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 I was to prepare an Actuarial Funding Certificate under Section 42 of the Act having an effective date of 31 December 2010, I would be in a position to certify that the Scheme did meet the Funding Standard at that date. Our assessment confirms that 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.

In making this statement I have referred to the Actuarial Standard of Practice, ASP PEN-3 issued by the Society of Actuaries in Ireland.

The above statement takes no account of any events that have taken place after 31 December 2010.



NAME: PAUL O'BRIEN DATE: 20TH MAY 2011

QUALIFICATION: FELLOW OF THE INSTITUTE OF ACTUARIES

NAME OF ACTUARY'S EMPLOYER/FIRM: TOWERS WATSON

Investment Managers' Reports

1 January to 31 December 2010

The Scheme's assets are primarily invested with eight 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 and Principal Global Investors the Scheme receives a rebate on the investment management expenses incurred and these financial statements include the rebate received in relation to the 2010 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. The Trustee formally reviewed and revised the Scheme's Statement of Investment Policy Principles in 2010.

State Street Global Advisors

STATE STREET
GLOBAL ADVISORS.

Formally Bank of Ireland Asset Management (BIAM)

How the assets are managed

SSgA Indexed Equity Portfolio

The portfolio seeks to track the performance of a composite benchmark that is designed to mirror the general equity investment strategy followed by Irish Pension Fund Managers while minimising the volatility of the return deviation (tracking error) between the portfolio and the index. The portfolio is constructed by investing in a range of our existing Indexed EUT Equity funds.

SSgA Euro Long Bond Index Fund

The aim of SSgA Euro Long Bond Index Fund is to mirror the returns and characteristics of the BofA Merrill Lynch 10+ Year Euro Sovereign Index. SSgA implement this fixed interest strategy through the stratified sampling indexing methodology. SSgA has been using this approach since it began managing fixed interest index funds in 1978. The overall objective of our index bond strategies is to generate the total returns of the relevant benchmark, net of transaction costs, and gross of fees while minimising tracking error and limiting transaction costs.

Value* of the overall Scheme Assets

Market value of the assets held at 1st January 2010	€248,285,843
Net Contributions	€ 8,114
Appreciation/depreciation	€ 18,629,657
Market value of assets held at 31st December 2010	€266,923,614

*Values shown at Bid Basis

How the assets are invested

SSgA Equity Portfolio		SSgA Euro Long Bond Index Fund	
Region	Allocation	Country	Allocation
North America	32.2%	Italy	29.93%
Eurozone (ex Irl)	19.3%	France	24.05%
Latin America	14.5%	Germany	19.40%
U.K.	13.9%	Spain	8.90%
Non-Euro Europe ex UK	8.4%	Netherlands	5.20%
Ireland	7.2%	Belgium	4.99%
Japan	4.5%	Austria	4.08%
	100.0%	Portugal	1.73%
		Ireland	0.61%
		Finland	0.59%
		Slovakia	0.41%
		Slovenia	0.11%
			100.00%

Overview of investment performance

Equities

International equity markets experienced something of a roller-coaster year, with the broad upward trajectory of market indices punctuated by some notable periods of decline. For most markets, the outcome was generally a positive one as an improvement in economic conditions and strong corporate earnings growth underpinned gains. In the middle part of the year, double dip worries surfaced in the US at a time when Europe was trying to address rising sovereign debt concerns. However, economic data tended to improve in the final third of 2010, often outpacing expectations amid signs that growth was beginning to gather momentum. Markets began a substantial rally to year-end following clear hints that the Federal Reserve was prepared to implement a second round of quantitative easing in order to dampen long-term interest rates and thus bolster the economy. Over the course of the year, economically-sensitive sectors emerged as the stronger performers on global stock markets, with the more traditionally defensive sectors such as utilities and health care tending to lag behind.

Bonds

The recovery in risk appetite in the final months of 2010 had the effect of eroding the gains made by bonds through much of the year. While the bonds of fiscally-challenged peripheral Eurozone states were weaker throughout as the scale of the sovereign debt crisis unfolded, 'core' country bonds such as those of Germany and the Netherlands had strengthened as investors sought out safe haven assets. While core bonds significantly outperformed 'peripherals' over the 12 months, overall returns were modest as the sustained improvement in global economic conditions in latter months saw bond yields rise across the board.

Investment return achieved for the period	Overall Equity Fund Portfolio Return (gross of fees)	+16.62%
	Passive Bond Fund Indexed Eurozone Long Bond Fund	+ 1.57%

Capital International Investments



How the assets are managed

In buying individual companies, emphasis is placed on assessing the fundamentals and future prospects for companies. We try to determine where our future view is different from that of the market. In this regard, we take a 3-4 year view of a company's prospects and invest as if we are buying whole companies rather than just stock certificates.

It is our belief that we make strong stock selection decisions on the basis of knowledge gained through our extensive global research effort. We have 67 equity research analysts situated in 11 offices worldwide as at 31 December 2010. Traditionally our research analysts have been divided into industry/sector clusters. As many are career analysts, with average 9 years with Capital and 16 years in the industry, they are able to focus on and get know their industries very well.

Capital uses a distinctive team approach to managing assets, which we call the Multiple Portfolio Management System (MPMS). Each portfolio manager is responsible for a portion of a portfolio. They have full discretion and build each portfolio portion stock by stock on the basis of merit.

At Capital, portfolio managers are responsible for the amount of risk that they take in their part of the portfolio but they are accountable for this to the Investment Committee and individual manager risk is diversified by the other managers' holdings and investment approach

Value of the Assets

Market value of the assets held at 1 st January 2010	€ 22,674,441
Net contributions	-
Appreciation/depreciation	€ 5,456,827
Market value of assets held 31 st December 2010	€ 28,131,268

How the assets are invested

Asia	53.2%
Latin America	16.6%
Europe, Middle East, Africa	14.3%
Other	13.9%
Cash	2.0%
	100%

Overview of investment performance

Managers' somewhat defensive positioning helped bolster returns amid bouts of market volatility in the first half of the year, but caused the portfolio to lag the market as shares rallied later in the year. The choice of materials stocks added the most to portfolio returns. Shares of LG Chem gained nearly 80% as its rechargeable battery business benefited from growing demand for hybrid cars.

Though stock selection hurt on a relative basis, financials were among the biggest contributors to absolute returns. India's ICICI Bank, HDFC Bank and housing finance provider HDFC gained between 35% and 45%, while Mexico's Grupo Financiero Inbursa and Malaysia's CIMB Group - which is steadily expanding its presence throughout Southeast Asia - jumped by more than 50%.

Investments in China on the whole were a weak spot in the portfolio in 2010 after contributing strongly to results in the previous year. Shares of sportswear brand Li Ning dropped nearly 45% as increased international competition for China's fast-growing domestic market caused sales to disappoint. Within energy, China Shenhua Energy was also a drag on returns, falling almost 15%, as the coal producer failed to meet ambitious market expectations for output growth. Though this negative contribution was partly offset by Thailand-listed coal miner Banpu, other energy stocks also weighed on returns. In the longer term, we believe our active and thoughtful approach to emerging markets investment will deliver strong results for shareholders.

Investment return achieved for the period. +25%

Fusion Alternative Investments



How the assets are managed

The Fusion Asset Allocation Fund invests in a range of alternative assets which are managed by external specialist managers. The asset allocation between the different asset classes is actively managed by the Fusion investment committee and currently comprises of currencies, commodities and hedge funds. The currency component is spread among three different currency managers; Alder, Henderson and Goldman Sachs. The commodity component is managed by Schroder, Deutsche Bank and BNP, while the hedge fund of funds component is managed by LGT Capital. The investment objective of the fund 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 asset split as at the end of 2010 is outlined further below.

Value of the Assets

Market value of the assets held at 1 st January 2010	€164,841,683
Net Contributions	€ 27,000,000
Appreciation/depreciation	€ 7,935,027
Market value of assets held at 31 st December 2010	€199,776,710

How the assets are invested

Fusion Hedge Fund:	36.97%
Fusion Commodity Fund:	32.41%
Fusion Currency Fund:	30.36%
Cash:	0.26%
	100.00%

Overview of investment performance

2010 was a positive year for “risk” assets with a more confident tone and outlook for the global economy and corporate earnings leading to positive returns. The total return for your fund for the calendar year was +4.2%, with all components providing positive returns. The hedge fund component of the fund was the best performer with a return of +6.7% for the year. A generally improving macroeconomic situation in most developed economies, combined with ongoing strong economic growth in China, helped commodity prices. The commodity component was the next best performer in the fund posting a return of +5.6%, while the currency fund component was the weakest performing with a return of -1.8% over the year.

Investment return achieved for the period. +4.2%

Irish Life Investment Managers



How the assets are managed

The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (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 return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

Value of the Assets

Bid Market Value of the assets held at 31 December 2009	€371,850,976
Net Contributions	(€14,038,784)
Appreciation /Depreciation	€ 21,548,323
Bid Value of the assets held at 31 December 2010	€379,360,515

How the assets are invested

Consensus Equity Fund

US	34.59%
Eurozone	21.03%
Pacific	15.85%
UK	14.79%
Europe ex Eurozone	8.90%
Japan	4.84%
	100.00%

Alpha Cash Fund
Alpha Cash 2
Alpha Irish Equity Fund
CWPS Current Pensioner Fund
CWPS Annuity Fund

Overview of investment performance

The year ended 31st December 2010 has seen asset classes such as equities, bonds and commodities benefit from unprecedented action by policy makers which has engineered a global economic recovery. Equity markets have been volatile during 2010 as investors adjusted to a slower than normal recovery. The FTSE World Index returned 20.6% for the year ended 31st December 2010.

The Irish stock market had a difficult year reflecting the concern of investors regarding the Irish economy and the significant exposure the stock exchange has to financial and construction stocks. The ISEQ returned a negative 0.1% for the year ended 31st December 2010.

Bond markets were supported by low interest rates and accommodative central bank policy with the ML EMU >5 yrs bond index up by 1% for the twelve months to end December 2010.

Property returned a negative 2.9% to the year ended 31st December 2010 as activity levels in the property market declined, due to the lack of debt finance and weak investor confidence.

Investment Return for the Year

Consensus Equity Fund	+18.2%
Alpha Cash Fund	+2.0%
Alpha Cash 2	+2.0%
CWPS Current Pensioner Fund	+1.4%
CWPS Annuity Fund	+1.3%
Alpha Irish Equity Fund	-0.3%

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, 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 1 st January 2010:	€65,424,296
Net contribution	€0
Appreciation/Depreciation	€13,861,292
Market value of assets held at 31 st December 2010	€79,285,588

How the assets are invested

PGI European Equity Fund	48.3%
PGI US Equity Fund	29.4%
PGI Emerging Markets Equity Fund	14.8%
PGI Japanese Equity Fund	5.0%
PGI Asian Equity Fund	2.5%
	100.00%

Overview of investment performance

The Asian Equity fund outperformed the MSCI All Country Far East Free ex-Japan Index over the past twelve months. Stock selection was positive on a sector basis. Positive performance came from the industrials, consumer staples, and financial sectors while stocks in the information technology, utilities, and telecommunication services sectors negatively impacted the portfolio's relative performance. From a country standpoint positive performance came from Indonesia, South Korea, and the Philippines, while negative performance came from Thailand.

The European Equity fund outperformed the MSCI Europe Index for the twelve month period. We saw the strongest performance from Denmark, Sweden, and Finland which rose 40%, 27%, and 19% respectively in local currency; whilst Greece lost 41%, Spain 16%, and Ireland 12%. We saw the strongest performance from German broadcaster ProSieben, Finnish poer machinery group Wartsila, and French speciality chemicals group Rhodia.

The Emerging Markets Equity fund outperformed the MSCI Emerging Markets Index for the year. On a country basis asset allocation was negative, but stock selection was positive for the period. Out-performance came from India, South Korea, and Brazil, while performance in Russia, Chile, and China contributed negatively to the portfolio's performance. From a sector perspective asset allocation was negative, but stock selection was positive. The portfolio outperformed the most in the consumer discretionary, materials, and utilities sectors, but lagged in the energy, financials, and telecommunication services sectors.

The Japanese Equity fund outperformed the MSCI Japan Index in 2010. Stock selection in the information technology, financials and materials sectors were most effective; however, stock selection in the consumer staples, utilities, and telecommunication services sectors were less effective.

The U.S. Equity fund under-performed the S&P 500 Index for the year. Stock selection in the industrials, telecommunication services, and materials sectors were the most effective for the period; while stock selection in the financials, consumer discretionary, and energy sectors was less effective.

Investment return achieved for the period. +20.9%

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 24 to 29 which have been prepared under the accounting policies set out on pages 26.

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 31st December 2010 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 August 2011

Fund Account

	Note	31 December 2010 €	31 December 2009 €
Contributions and Other Income			
Contributions Receivable	2	69,720,002	101,714,762
Transfers In	3	148,525	197,024
		69,868,527	101,911,786
Benefits Payable	4	(33,845,993)	(34,988,014)
Payments to and on account of leavers	5	(2,571,766)	(1,307,656)
Other payments	6	-	(43,343)
Administrative Expenses	7	(4,321,170)	(5,905,013)
		(40,738,929)	(42,244,026)
Net additions from dealings with members		29,129,598	59,667,760
Return on investment			
Investments income	8	4,704,030	3,259,033
Decrease in value of property	9	(5,920,000)	(12,425,000)
Net movement in market value of investments	10	68,813,586	105,780,242
Administration income		1,387,018	2,011,496
Investment management expenses	11	(235,652)	(255,143)
		68,748,982	98,370,628
Net increase/(decrease) in the fund during the period		97,878,580	158,038,388
Accumulated Fund at 1 st January 2010		945,498,189	787,459,801
Accumulated Fund at 31 st December 2010		1,043,376,769	945,498,189

These financial statements were approved by the Trustee on 25th August 2011 and are signed on their behalf by:

SEAN STEWART
Director

ERIC FLEMING
Director

Construction Workers' Pension Scheme Trustee Limited

Statement of Net Assets

PERIOD ENDED 31ST DECEMBER 2010

	Note	31 December 2010 €	31 December 2009 €
Investments			
Pooled Investment	10	1,016,342,005	913,453,955
Properties		26,435,000	32,355,000
Cash		-	10,914
		<hr/>	<hr/>
		1,042,777,005	945,819,869
Current Assets			
Current Assets	12	1,408,653	1,251,618
Cash at bank		2,618,376	880,828
		<hr/>	<hr/>
		4,027,029	2,132,446
Current Liabilities			
Liabilities: Amounts falling due within one year	13	(3,427,265)	(2,454,126)
		<hr/>	<hr/>
NET ASSETS OF THE SCHEME AT 31 ST DECEMBER 2010		1,043,376,769	945,498,189

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year.

These financial statements were approved by the Trustees on the 25th August 2011 and are signed on their behalf by:

SEAN STEWART
Director

ERIC FLEMING
Director

Construction Workers' Pension Scheme Trustees Limited

Scheme Registration Number: 185038

Notes on the Financial Statements

PERIOD ENDED 31ST DECEMBER 2010

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 May 2007).

Fund account

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

Contributions

Contributions are recognized 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, 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 as follows:

- **Benefits payable** - Benefits are accounted for in the year in which they fall due and represent all benefits payable to leavers prior to the Scheme year end.
- **Investment Income** - Income earned on investments in unit linked funds is not distributed but is accumulated with the capital of the funds. Any investment income earned relates to distributions actually paid out by the Investment managers.
- **Investment managers fees** - Investment management fees are calculated as a percentage of the assets under management. Fees relating to unit funds are levied directly in either the unit price or by surrendering units from the Scheme to the value of the fee. All fees are borne by the Scheme.
- **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
- **Taxation** - The Scheme has been approved as an "exempt approved scheme" for the purposes of Section 784 and 785 of the Taxes Consolidation Act, 1997 and thus the Schemes income and gains are exempt from taxation.

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

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 on the Financial Statements

PERIOD ENDED 31ST DECEMBER 2010

2. Contributions receivable

	31 December 2010	31 December 2009
	€	€
Employer's normal contributions	39,316,553	56,928,722
Member's normal contributions	28,470,607	41,224,247
Member's AVC's	1,932,842	3,561,793
	<hr/> 69,720,002	<hr/> 101,714,762

3. Transfers in

	€	€
Transfers in from other pension schemes	148,525	197,024
	<hr/>	<hr/>

4. Benefits Payable

	€	€
Pension	19,145,797	28,129,404
Commutation and lump sum retirement benefits	9,747,065	1,349,961
Lump sum death benefits	4,953,131	5,508,649
	<hr/> 33,845,993	<hr/> 34,988,014

5. Payments to and on account of leavers

	€	€
Transfers to other schemes	2,571,766	1,307,656
	<hr/>	<hr/>

6. Other Payments

	€	€
Canal House Redevelopments	–	43,343
	<hr/>	<hr/>

7. Administrative expenses

	€	€
Administration and processing charges	3,635,000	4,990,000
Legal & professional fees	241,930	359,370
Audit fee	65,650	65,650
Trustee expenses	134,026	136,050
Property expenses	(1,772)	(2,498)
General expenses	77,192	82,418
Pension Board Registration Fees	169,144	274,023
	<hr/> 4,321,170	<hr/> 5,905,013

Notes on the Financial Statements

PERIOD ENDED 31ST DECEMBER 2010

8. Investment income

	31 December 2010	31 December 2009
	€	€
Rental income	2,368,043	2,581,578
Income from fixed interest securities	2,304,228	125,182
Dividends from equities	4,623	5,271
Deposit Interest	27,136	547,002
	<hr/> 4,704,030	<hr/> 3,259,033

9. Decrease in market value of Property

	€	€
Decrease in value of property	(5,920,000)	(12,425,000)

10. Investments

	Value at 31 December 2010	Value at 31 December 2009
	€	€
Pooled investment vehicles	1,016,342,005	913,453,955
Properties	26,435,000	32,355,000
	<hr/> 1,042,777,005	<hr/> 945,808,955

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.

Other investment balances with investment managers

	31 December 2010	31 December 2009
	€	€
Cash deposits	–	10,914

Investment property

Clanwilliam Court
Block 4, Clonskeagh
Block B & C, Canal Road
16 Henry Street
69 Grafton Street
47/48 Lower O'Connell Street

At 31 December 2010, independent valuations were carried out by Jones Lang LaSalle Limited, registered office at 10/11 Molesworth Street, Dublin 2 and CBRE, CB Richard Ellis at Connaught House, Number 1 Burlington Road, Dublin 4.

Notes on the Financial Statements

PERIOD ENDED 31ST DECEMBER 2010

11. Investment Management Expenses

	31 December 2010	31 December 2009
	€	€
Investment manager fees payable	110,771	160,313
Property management fees	124,881	94,830
	235,652	255,143

12. Current Assets

	€	€
Other debtors	1,254,568	1,129,316
Prepayments and accrued income	154,085	122,302
	1,408,653	1,251,618

13. Current Liabilities

	€	€
Bank overdraft	485,309	347,943
Benefits due	2,297,325	1,413,676
PAYE/PRSI due	293,904	402,775
Accruals and deferred income	350,727	289,732
	3,427,265	2,454,126

14. 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.

15. Related party transactions

Included in administration charges are amounts of €134,027 (2009: €136,050) 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.

Notes



Construction Workers' Pension Scheme
Canal House,
Canal Road,
Dublin 6

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