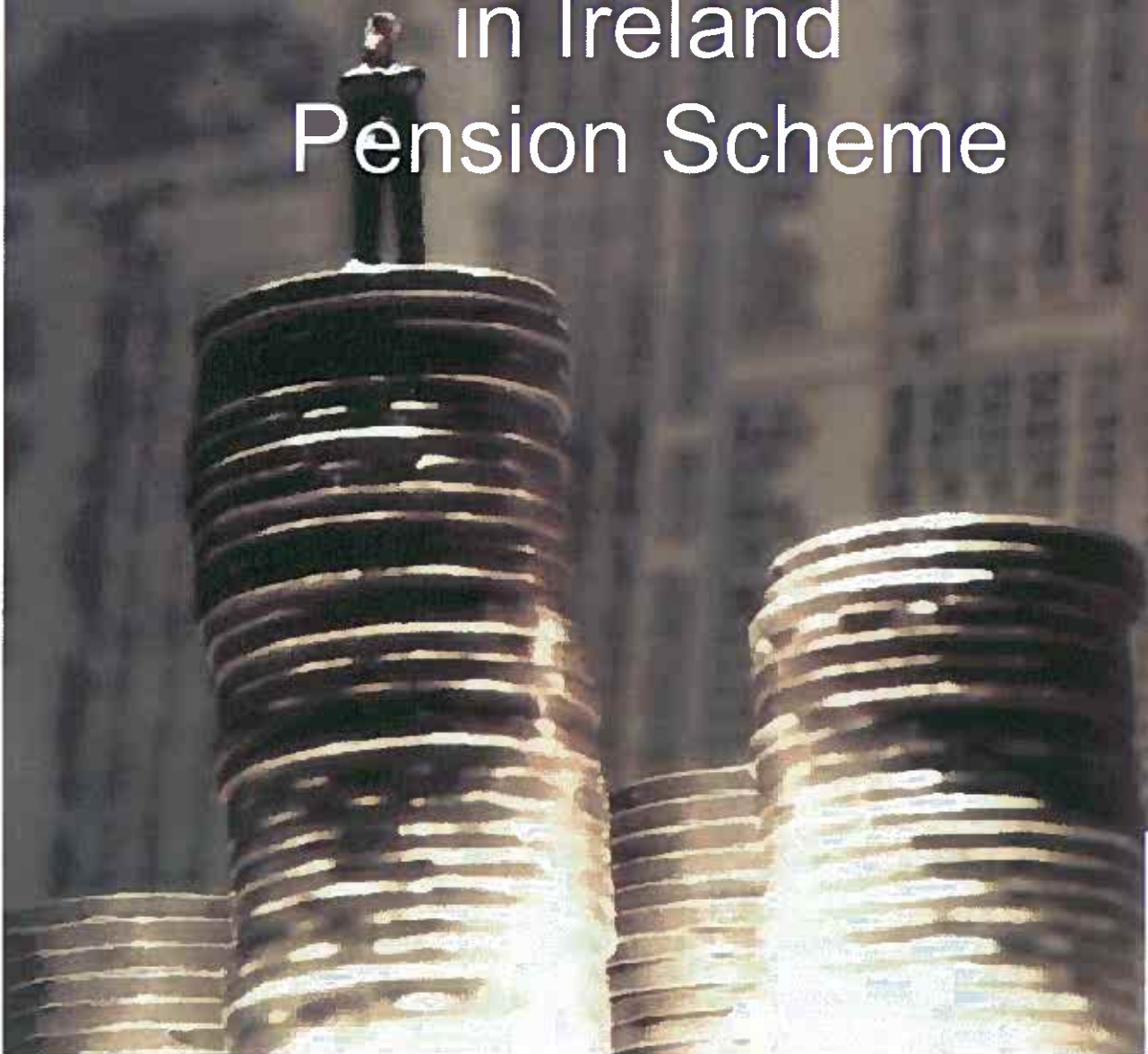


Trustees' Annual Report
Year Ended
31 December 2009

Cheshire Foundation
in Ireland
Pension Scheme



Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

Pensions Board Registered Number: 125570

Irish Life Reference Number: 601294

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FOR THE YEAR ENDED 31 DECEMBER 2009

General Scheme Information

Trustees & Administrator	Acumen & Trust Pension Trustees Limited (Directors: Conor Crowley David Robb Ciaran Martin) Margaret Thomas
Principal Employer	Cheshire Foundation in Ireland
Registered Administrator	Irish Life Assurance plc Irish Life Centre Lower Abbey Street Dublin 1
Investment Managers	Irish Life Investment Managers Limited Beresford Court Beresford Place Dublin 1
Consultant	Towers Watson (Ireland) Limited 65/66 Lower Mount Street Dublin 2
Auditors	Mazars Chartered Accountants & Registered Auditors Block 3, Harcourt Centre Harcourt Road Dublin 2
Bank	Bank of Ireland Lower Baggot Street Dublin 2
Solicitor	McCann Fitzgerald Riverside One, Sir John Rogerson's Quay Dublin 2

Trustees' Report

Introduction

We are pleased to present our annual report of the Cheshire Foundation in Ireland Pension Scheme ("the Scheme") together with the Scheme accounts for the year ended 31 December 2009.

The purpose of this report is to communicate with you on the operation of the Scheme and its financial position. It covers the main areas of Scheme activity, including financial statements, investment matters and membership movements.

The content of the report conforms to the requirements set out in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006.

We hope that you find the information contained in this report both interesting and informative.

Legal Status of the Scheme

The Scheme is established under a trust and is constituted and governed by the Trust Deed and Rules. It has been approved by the Revenue Commissioners under Section 774 of the Taxes Consolidation Act 1997. It is a defined contribution scheme with its own legal identity and is totally separate from the Principal Employer, Cheshire Foundation in Ireland. The Trustees have the responsibility of ensuring that the Scheme is properly managed in accordance with the trust documents. The Scheme is registered with the Pensions Board, registration number PB125570.

Financial Developments

The value of the Scheme's net assets increased from €10,682,646 at the start of the year to €12,411,997 at the end of the year. This increase was accounted for by the net returns on the Scheme's investments of €565,127, combined with net additions from dealings with members of €1,164,224.

Contributions and other income amounted to €2,234,389. Benefits and payments to leavers amounted to €1,006,617, administration costs and other payments amounted to €63,548.

The above information has been extracted from the accounts of the Scheme which form part of this report.

Contributions

Based on information provided, having made reasonable enquiries, contributions of €235,102, payable during the period covered, were received by the Trustees more than 30 days after the end of the Scheme year. Contributions payable to the Scheme during the year were paid in accordance with the Scheme Rules.

Administering the Scheme

There were no costs or expenses incurred in relation to Trustee training in the Scheme year which were met out of the resources of the Scheme. Irish Life Assurance plc is the Registered Administrator for the purpose of carrying out some of the core administration functions associated with the Scheme, including preparation of the annual report and member benefit statements.

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Basis of Investment Managers' fees

The Investment Managers levy a management charge which is taken from the unit linked fund assets and reflected in the market value of the unit linked fund units.

Membership

The profile of Scheme membership is as follows:

Year Ended 31 December	2008	Joiners	Leavers	Active to Deferred	2009
Active Members	470	86	-14	-7	535
Deferred Members	188	-	-28	7	167
Life Assurance Only Members	0	-	-	-	0

There are no pensioners being paid from the fund.

Member Information

On joining the Scheme, each new Member is given a copy of the Explanatory Booklet outlining the benefits being provided for themselves and/or their dependants under the Scheme.

Members can receive copies of the Trustees' Report and Financial Statements every year. Members also receive benefit statements each year with details of their contributions and details of the value of their individual holdings in their selected funds.

Queries

If you have any queries on your pension Scheme please feel free to contact:

Ms Maggie Thomas
Cheshire Ireland
Central Office
Block 4 Bracken Business Park
Bracken Road
Sandyford Industrial Estate
Dublin 18

Compliance Statement

The Trustees hereby make the following statements:

Self-Investment There was self-investment of contributions, amounting to €748,345, during the Scheme year. This means that this money, which was due to the Scheme, was held by the Employer for more than 21 days after the end of the month in which it was deducted from members or became due from the Employer as appropriate.

Procedures for ensuring timely receipt of contributions The Trustees have appropriate procedures in place to ensure that contributions are received by the Trustees in accordance with the Scheme Rules, and in accordance with Section 58A of the Pensions Act, 1990. This legislation sets out the following requirements:

- Member contributions must be remitted to the Trustees within 21 days from the end of the month in which they were deducted from pay.
- Employer contributions must be remitted to the Trustees within 21 days from the end of the month to which they relate.

As set out above there was self-investment during the Scheme year and the Trustees will review these procedures.

Selection of Trustees The right of Members to select or approve the selection of Trustees to the Scheme is set out in the Occupational Pension Scheme (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996, S.I. No. 376 of 1996.

Related Party Transactions Details of material related party transactions are set out under note 17 to the Financial Statements.

Benefit Increases There were no increases made during the year to either pensions in payment or benefits payable following termination of service with the Employer.

Liability for Pensions There are no pensions or pension increases being paid by or at the request of the Trustees for which the Scheme would not have a liability upon winding up.

Trustee Handbook and Guidance Notes The Trustees and administrator have access to the Trustee Handbook produced by the Pensions Board and the Guidance Notes issued by the Pensions Board from time to time in accordance with Section 10 of the Pensions Act, 1990.

Trustee Training The Trustees are in compliance with the Trustee training requirements set out in the Pensions Act, 1990.

Changes to Basic Scheme Information There were no changes made to the basic scheme information, set out in Schedule C to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006, during the year.

Condition of the Scheme The Trustees are satisfied that at the end of the year the Scheme is in a good condition concerning the financial, technical and other risks associated with the Scheme.

Under law, the Trustees are required to describe the condition of the Scheme and the risks associated with the Scheme, and disclose these to members.

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of risks As it is a "defined contribution" Scheme, where contribution levels are set down but the ultimate proceeds of those contributions cannot be forecast with certainty, it is not possible to provide a guarantee in relation to the level of benefits that will be received on retirement. The very nature of the Scheme means that there are financial and operational risks borne by the member. In brief, the following risks have been identified, amongst others:

- The return earned on your pension monies may be poorer than expected, or the cost of purchasing an annuity when you retire may be higher than expected. In such circumstances, the benefits payable from your retirement account may be less than you were expecting. This risk is especially relevant in the period close to retirement.
- The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance, the Scheme could fall victim to fraud or negligence or the projected benefits communicated to members could differ from what will actually be payable.
- The fund managers made available for your retirement account may underperform relative to other fund managers, or the funds in which your contributions are invested may underperform relative to other funds available.
- There may be regulatory or legislative changes that will restrict the level or type of benefits you may receive and how they are taxed.

Apart from the last item, which is outside the control of the Trustees, the Trustees are satisfied that they are taking all reasonable steps with their professional advisers to protect the members from the effects of these risks. For example, a range of funds is made available so that members can take control of their own investment risk.

Professional firms are employed to minimise compliance and administrative risks. However, it is not possible to guard against every eventuality and, in particular, it may be appropriate for you to take some investment risk with your retirement account with the aim of maximising your benefits.

Procedures for internal resolutions of disputes Article 5 of the Pensions Ombudsman Regulations, 2003 requires the Trustees to put in place Internal Dispute Resolution ("IDR") procedures for dealing with certain types of complaints that may be made by actual or potential beneficiaries of the pension scheme. Two types of complaints are eligible for IDR:

- 1) An actual or potential beneficiary alleges that they have sustained a financial loss due to maladministration
- 2) An actual or potential beneficiary has a dispute of fact or law in relation to an action taken by a person responsible for managing the scheme

A member may refer their complaint to the Pensions Ombudsman if, having gone through IDR, they are not satisfied with the outcome. The Pensions Ombudsman can only consider complaints that have been through IDR.

The procedures for making a complaint are:

- 1) The complainant should make an application to the Trustees.

Trustees' Report to the Members

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- 2) The application should include:
- The name, address and date of birth of the complainant
 - The address on which documents should be served in relation to the dispute
 - A statement concerning the nature of the complaint or dispute
 - Such other information which is reasonably required by the Trustees
- 3) The application must be in writing and signed by the actual or potential beneficiary

A determination in writing must be issued by the Trustees within 3 months of all the required details having been received. The determination shall not be binding unless the actual or potential beneficiary assents, in writing, to be bound by it.

Report on the valuation of liabilities The liabilities have been valued using the applicable market value of the corresponding assets at the year end date. The liabilities of the Scheme as at 31 December 2009 amounted to €12,411,997.

Signed by the Trustees



Trustee



Trustee

Date: 09/09/2010

Investment Managers' Report

Market Review

The year to 31 December 2009 was a volatile period for all risky assets, e.g. equities, property and commodities, as lingering concerns around liquidity and the possibility of a prolonged global depression took their toll. The year started with stock markets much as they ended 2008, in freefall, with the FTSE World Index for the period 1 January 2009 to 9 March 2009 falling 31.5% in Euro terms. Despite this, the global economy began to show signs of recovery from one of the worst recessions and financial crises in post war history, and as we progressed through 2009 the rebound in risky assets became evident. Investor sentiment moved away from fears of a depression to hopes of economic recovery. Aggressive policy responses such as 0% interest rates, fiscal support and quantitative easing provided the foundation for economic stabilisation and the subsequent re-rating of risky assets, with many economies moving out of recession in the third quarter of the year.

As a result, the FTSE World Index ended the year up 32.2% (Euro terms), with the UK, US and Eurobloc markets returning 41.6%, 22.5% and 30.7% in Euro terms respectively.

Despite ongoing concerns of investors regarding the Irish economy and, in particular, the position of the banking system, the ISEQ returned a positive 29.93% for the year ended December 2009.

In the US, the Federal Reserve lowered the federal fund's rates during the year to "help forestall some adverse effects on the broader economy", as it feared that the tightening of credit standards had the potential to "intensify the housing correction and to restrain economic growth more generally". Rates currently ended the year at a base rate "range" of between 0 – 0.25%. Signs of stabilisation in US economy were seen towards the end of the year under review as improvements in leading indicators were seen.

In the Eurozone, leading indicators such as the PMI surveys and IFO began recovering during the latter months of 2009. During the year under review European countries were reassessed by rating agencies with four Eurozone countries being downgraded by S&P, namely Portugal, Spain, Greece and Ireland. ECB cut rates to 1.00% by the end of the year as inflation pressures gave way to potential deflation.

Property markets suffered throughout the year from illiquidity issues and continued to make losses. Irish commercial property returned an average of -22.82% to the year ended December 2009 as activity levels declined due to the lack of debt finance and weak investor confidence.

Government bonds, on the other hand, demonstrated resilience through the crisis and continued to make gains in 2009, with medium-term bonds (5+ Year EMU Government Bonds) posting a return of 4% for the 12 month period.

Trustees' Report to the Members

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Custody

BNY Mellon Trust Company (Ireland) Limited is custodian for Irish securities and Citibank NA, London (Citibank) is custodian for securities in other markets. In addition to the records maintained by the custodians, Irish Life maintains its own records of securities held on behalf of clients. Both sets of records are reconciled regularly.

Both BNY Mellon Trust Company (Ireland) Limited and Citibank have produced reports on their internal controls in accordance with FRAG 21/94.

Investment

Contributions are invested in a combination of the following funds:

Fund Name	Value at 31/12/2009	12 Month Return (%)	% of Total Investments
Exempt Pension Protection Fund	€17	2.56	0.0
Capital Protection Fund	€12,909	0.5	0.11
Indexed Global Equity Fund	€41,847	31.7	0.34
Exempt Cash Fund	€257,816	2.2	2.11
Exempt Consensus Fund	€3,932,746	21.0	32.18
Secured Performance Fund	€7,973,940	0.0	65.26
	€12,219,275		100.00

Exempt Pension Protection Fund

Objective

The objective of the Pension Protection Fund is, in the event of an approaching liability, to protect the purchasing power of the part of the fund which will be used to purchase a pension annuity. It does this by investing only in very secure government gilts that provide the closest match to the pension annuity market.

Strategy

The Pension Protection Fund is an actively managed fund, which invests in fixed-interest assets. This fund is specifically designed to track the price of annuities i.e. if long-term interest rates fall, the value of this fund will increase to roughly compensate for the rise in annuity prices as it invests in long dated bonds. This fund invests entirely in long-dated Euro-denominated government securities. These securities are effectively loans to governments with repayment dates of ten years or more. The returns on these assets come from a combination of the interest paid and any capital appreciation or depreciation on the value of the securities.

Capital Protection Fund

Objective

The purpose of the Capital Protection Fund is to give the pension investor approaching retirement the benefit of a minimum guaranteed growth rate together with an equity content to provide additional return when market conditions are favourable.

The bid price of the fund is guaranteed never to fall. At 1 January each year, a minimum guaranteed growth rate is declared in advance for the next twelve months. The guaranteed growth rate for 2009 is 0.25%.

To meet this guarantee, the Capital Protection Fund is heavily invested in Cash and Fixed Interest assets. The remainder of the fund is invested in a managed diversified range of equities.

Asset Allocation

The underlying distribution of Irish Life's Capital Protection Fund at 31 December 2009 was as follows:

Equities:	%
Ireland	2.6
UK	4.5
Europe	9.3
North America	8.4
Japan	1.3
Pacific ex Japan	4.0
Total Equities	30.1
Cash	34.9
Fixed Interest	34.7
Alternatives	0.3
Total	100.0

Indexed Global Equity Fund

Objective

The objective of pension investments is to achieve a long term return well in excess of inflation to ensure that a retired individual can maintain his standard of living. Simply putting monies on deposit does not achieve this objective as returns from deposits are usually in line with inflation in the long run.

Equities in particular are assets which best outperform inflation over the long term but over shorter time periods can be quite volatile. Nevertheless for long-term pension investments a concentration in equities is suitable.

Strategy

The investment strategy for the Indexed Global Equity Fund is designed to achieve average equity fund returns on a consistent basis.

This fund is completely invested in equities. The amount invested in each country is based on the average within all the managed funds. The stock selection within each market is index stock selection which means we replicate the weighting each stock represents within the index.

Asset Allocation

The underlying distribution of Irish Life's Indexed Global Equity Fund as at 31 December 2009 was as follows:

Equities:	%
UK	14.5
US	28.3
Japan	4.4
Ireland	6.8
Pacific	13.7
Eurozone	32.3
Total Equities	100.0

Exempt Cash Fund

Objective

The investment strategy for the Cash Fund is to obtain the best money market rates available on short-term cash deposits.

Exempt Consensus Fund

Objective

The objective of pension investments is to achieve a long term return well in excess of inflation to ensure that a retired individual can maintain their standard of living. Simply putting monies on deposit does not achieve this objective as returns from deposits are usually in line with inflation in the long run.

Equities in particular are assets which best outperform inflation over the long term but over shorter time periods can be quite volatile. Nevertheless for pension investments a concentration on equities is suitable with holdings of other assets to minimise poor

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performance in an unfavourable year. The Exempt Consensus Fund uses the collective industry wisdom to determine asset allocation tracking the average distribution of Irish pension funds. In addition the fund uses index funds for its investment which provide market index returns at a lower cost.

Asset Allocation

The asset distribution of the Consensus Fund at 31 December 2009 was as follows:

Equities:	%
Ireland	7.0
UK	10.2
Europe	22.5
North America	20.5
Japan	2.9
Pacific	9.8
Total Equities	72.9
Cash	7.2
Fixed Interest	17.5
Property	2.4
Total	100.0

Secured Performance Fund

Objective

The objective of pension investments is to achieve a long term return well in excess of inflation to ensure that a retired individual can maintain their standard of living. Simply putting monies on deposit does not achieve this objective as returns from deposits are usually in line with inflation in the long run.

Equities in particular are assets which best outperform inflation over the long term but over shorter time periods can be quite volatile. Nevertheless for pension investments a concentration on equities is suitable with holdings of other assets to minimise poor performance in unfavourable years. The Secured Performance Fund follows this strategy. However, it smooths the return from markets over time. A guaranteed return is declared annually at the start of each year and this is applied proportionately throughout the year. The return can never be negative and is payable on all demographic exits.

Asset Allocation

The typical asset distribution of the Secured Performance Fund is as follows:

Equities	%
Ireland	7.0
UK	9.9
Europe	22.3
North America	19.8
Japan	2.8
Pacific	9.5
Total Equities	71.3
Cash	7.3
Fixed Interest	18.9
Property	2.5
Total	100.0

Statement of Investment Policy Principles

1. INTRODUCTION

1.1 The purpose of this Statement of Investment Policy Principles ("SIPP") is to record the investment arrangements of The Cheshire Foundation in Ireland Pension Scheme (The Scheme). It is also designed to meet the requirements of the Occupational Pension Schemes (Investment) Regulations, 2006.

1.2 Prior to preparing this statement, the Trustees obtained and considered appropriate advice from the Scheme's Advisors and consulted with Cheshire Foundation in Ireland (Cheshire Ireland) and the Scheme's Investment Manager. It is intended that this statement will be reviewed on a regular basis (no less frequently than every three years or sooner following any significant change in investment policy) and that revisions will be made from time to time when appropriate.

1.3 The Trustees' investment powers are conferred upon them by the Trust Deed and Rules of the Scheme and are governed by applicable laws. This statement is intended to summarise the key principles currently followed by the Trustees and is not to be interpreted as altering the underlying investment power or freedom of the Trustees in any way.

1.4 The Trustees set general investment policy, but delegate the responsibility for selection of specific investments to the appointed Investment Manager.

1.5 In preparing this document, the Trustees have had regard to the requirements of the Pensions Act concerning diversification and suitability of investments and the Trustees will consider those requirements on any review of this document or any change in their investment policy.

1.6 The Scheme is a defined contribution occupational pension scheme and is established for the purpose of providing retirement and death benefits to eligible members of the Scheme and their beneficiaries.

2. FUND GOVERNANCE

A brief overview of the various parties involved in the Scheme is set out below.

The Trustees

2.1 The assets of the Scheme are held in trust by the Trustees. The investment powers of the Trustees are set out in the Trust Deed and Rules. The Trustees are responsible for the investment of assets of the Scheme. The Trustees take some decisions and delegates the balance. When determining which decisions to delegate, the Trustees have taken into account whether they have the appropriate training and are able to secure the necessary expert advice in order to take an informed decision. Further, the Trustees' ability to execute the decision effectively is also considered.

The Investment Managers

2.2 The Trustees have chosen to delegate the day-to-day management of the Scheme's investments to Irish Life Assurance plc, and their investment managers. The terms of their appointment are contained in the policy documents issued by Irish Life. A large range of unit funds is available under the policy and the Trustees have the power to choose which of these funds are made available to members from time to time.

3. FACTORS INFLUENCING THE INVESTMENT OBJECTIVES

3.1 The Trustees have considered their key investment objectives to guide them in their strategic management of the assets. The Cheshire Foundation in Ireland has been consulted regarding issues that affect it. The Trustees recognise that while investment of the Scheme's assets has a long-term time horizon, there are also shorter term needs which need consideration.

Goal

3.2 The Scheme has been established primarily to provide an opportunity for Cheshire Ireland's employees to accumulate retirement benefits. Benefits are provided to members' dependants on death before retirement too. Both Cheshire Ireland and the members contribute to the Scheme, as defined under the Trust Deed and Rules.

Nature

3.3 Benefits for active members are determined by the value of their individual accounts, which accumulate with the investment returns earned thereon. Deferred members' benefits are also determined by the value of their individual accounts, which accumulate with the investment returns earned thereon.

Risks

3.4 The Trustees have considered the following risks:

3.4.1 *Liquidity risk.* The Scheme must be able to meet its liabilities as and when they become due.

3.4.2 *Risk of erosion by inflation.* If investment returns lag inflation over the period of membership, the real (i.e. post inflation) value of the members' accounts will decrease.

3.4.3 *Market risk.* The value of securities, including equities and some interest bearing assets, can go down as well as up. Members may not get back the amount invested.

3.4.4 *Manager risk.* By investing in actively managed funds, the Trustees bear the risk of selecting a manager that underperforms, resulting in lower fund values for members.

3.4.5 *Risk of capital loss in nominal terms.* The protection of capital, particularly close to retirement, is fundamental in supporting the long-term growth of the members' accounts.

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3.4.6 *Risk of loss in retirement income.* The protection of the purchasing power of members' accounts by reference to market annuity rates is also fundamental in supporting the long-term growth of the members' accounts.

Investment time horizon

3.5 The investment time horizon for members depends on their individual circumstances. The time horizon will likely impact the members' individual investment decisions.

Trustees' considerations

3.6 The Trustees recognise that members have differing investment needs, these may change during the course of members' working lives and members have different attitudes to risk. The Trustees understand that many members do not wish to become actively involved in deciding how their pension scheme should be invested. However, the Trustees also believe that members should also have the right to make their own investment decisions based on their individual circumstances.

3.7 The Trustees recognize that the members must be informed on retirement investment issues, mechanisms, products and strategies. They note that such communications must be present in various forms and increasing in its intensity and detail as the member ages and the retirement account grows.

3.8 The Trustees regard it important to have a default investment strategy for those who do not wish to be actively involved in the decision making process but to also make a range of investment funds available which is narrow enough to be practical but wide enough to enable members to tailor a strategy to their own needs.

Social, environmental and ethical considerations

3.9 Given the fact that the Scheme invests in unit funds, the Trustees accept that their ability to influence the Investment Managers' consideration of social, environmental and ethical matters when investing is limited.

4. INVESTMENT OBJECTIVES

4.1 Taking the above considerations into account, the Trustees' overall investment objective is to make available a range of investment options which serve to meet the varying investment needs and risk tolerances of the Scheme's members.

4.2 In order to deal with the liquidity issue, investment is by means of a range of unit funds that facilitate the availability of assets to meet benefit outflows.

4.3 The inflation risk is dealt with by providing a range of funds which together offer a suitable mixture of real and monetary assets. The Trustees recognise that the returns on real assets, while expected to be greater over the long term than those on monetary assets, are likely to be more volatile. However, members realise that this risk is implicit in trying to generate returns above that earned by cash and accept this by investing in assets other than cash.

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4.4 In order to protect the members from manager risk, the Trustees offer the members a choice of several indexed funds. The objective of these funds is to produce returns in line with and slightly above the average return for active funds in the relevant market sector.

4.5 Finally, in order to provide protection for those close to retirement and deal with the investment time horizon of individual members, the Trustees have chosen a default investment strategy that varies as a member nears retirement age.

5. INVESTMENT POLICY

5.1 The Investment Policy falls into two parts:

- i. Strategic management, which is one of the fundamental responsibilities of the Trustees; and
- ii. Day-to-day management of assets, which is delegated to the Investment Managers.

Strategic management

5.2 The Trustees have selected a range of unitised funds for members to utilise in structuring their assets according to their individual objectives.

5.3 The Trustees have also provided a default investment option for those members who do not wish to play a more active role in developing a specific individual investment strategy.

5.4 In a move to minimise the risk of capital loss as the member approaches retirement, the Trustees have set the Irish Life Consensus Lifestyle Strategy as the default option. Under this option, members' contributions are initially invested 100% in the Exempt Consensus Fund and are gradually switched 35% into the Capital Protection Fund* (to protect against a fall in nominal terms) and 65% into the Exempt Pension Protection Fund (to protect against a fall in annuity rates) over the 5 years prior to retirement.

Day-to-day management

5.5 The Trustees have delegated the day-to-day management of the assets, to implement the above strategy, to the Investment Managers.

5.6 The Trustees have taken advice from the Scheme's advisors to ensure that the range of funds provided for members is suitable. The Trustees will continue to monitor, and take advice on, the various options on an ongoing basis.

5.7 Members can choose to invest their basic contributions and the company contributions in any or all of the following funds:

Funds	Risk Profile
Indexed Global Equity Fund	High
Exempt Cash Fund	Low
The Secured Performance Fund	Low
Exempt Consensus Fund and the Consensus Lifestyle Strategy	Medium
Capital Protection Fund*	Low

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5.8 In addition, members can choose to invest their additional voluntary contributions ("AVCs") in any or all of the above funds.

5.9 The initial charge and annual investment management fee for each fund is outlined below:

	Initial Charge	Annual Management Fee
Indexed Global Equity Fund	0%	0.65%
Exempt Cash Fund	0%	0.75%
Secured Performance Fund	0%	1.0%
Exempt Consensus Fund	0%	0.65%
Capital Protection Fund*	0%	0.75%

**Formerly known as Exempt Guaranteed Fund*

6. MONITORING OF THE INVESTMENT MANAGERS

Performance measurement

6.1 The performance of Irish Life's funds is measured by Towers Watson on a continual basis and the results are presented to the Trustees at their regular meetings.

7. COMPLIANCE WITH THIS STATEMENT

7.1 The Trustees will monitor compliance with this Statement annually. The Investment Managers will confirm that they have complied with their obligations under Pensions legislation. The Trustees undertake to advise the Investment Manager promptly and in writing of any material change to this Statement.

8. REVIEW OF THIS STATEMENT

8.1 The Trustees will review this Statement in response to any material changes to any aspects of the Pension Scheme as well as the attitude of the Trustees and Cheshire Ireland to risk and investment choice for the members which the Trustees and Company judges to have a bearing on the Statement. This review will occur no less frequently than annually. Any such review will be based on expert advice and will be in consultation with Cheshire Ireland.

8.2 A copy of this SIPP has been provided to the Investment Managers and Cheshire Ireland.

Signed on behalf of the Trustees



Trustee



Trustee

Trustees' Report to the Members

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Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make the annual report of the Scheme available for each Scheme year, including audited financial statements and the report of the auditor to Scheme members, beneficiaries and certain other parties. The financial statements are required to:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the year of its assets and liabilities. For this purpose, assets do not include insurance policies, which are specifically allocated for the provision of benefits for, and which provide all the benefits payable under the Scheme to, particular members; liabilities do not include liabilities to pay pensions and benefits after the end of the Scheme year.
- contain the information specified in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006, including a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (Revised May 2007) (the SORP).

The Trustees have supervised the preparation of the financial statements and ensured that:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the SORP is followed, or particulars of any material departures have been disclosed and explained; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation.

The Trustees are responsible for ensuring that proper membership and financial records are kept and contributions are made to the Scheme in accordance with the Scheme rules and the requirements of legislation. They are also responsible for safeguarding the assets of the pension Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of appropriate internal controls.

Signed by the Trustees



Trustee



Trustee

Date: 09/09/2010

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
CHESHIRE FOUNDATION IN IRELAND PENSION SCHEME**

We have audited the accounts of the Cheshire Foundation in Ireland Pension Scheme for the year ended 31 December 2009 which comprise the Fund Account, the Net Assets Statement and the related notes. These accounts on pages 20 to 26 have been prepared in accordance with the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP), the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 and the accounting policies set out on page 22.

This report is made solely to the trustees and members of the pension scheme as a body. Our audit work has been undertaken so that we might state to the pension scheme's trustees and members those matters we are required to state to them in an auditor's 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 pension scheme and the trustees and members of the pension scheme as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees responsibilities for preparing the accounts in accordance with applicable law and Irish Accounting Standards are set out in the Statement of Trustees Responsibilities, on page 17. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards promulgated by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you whether the accounts give a true and fair view of the financial transactions of the scheme during the year ended 31 December 2009 and of its assets and liabilities at that date other than liabilities to pay pensions and benefits after the end of the scheme year and contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 and whether the financial statements have been prepared in accordance with the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) (Revised May 2007).

We also state whether the contributions payable to the scheme have been paid in accordance with the scheme rules and with the recommendation of the actuary and have been received within 30 days of the end of the scheme year.

We read the other information contained in the Annual Report, the Report of the Trustees, the Investment Reports and the brief outline of the plan. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of opinions

We conducted our audit in accordance with International Auditing Standards 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 judgements made by the preparers 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinions

In our opinion, the accounts give a true and fair view of the financial transactions of the scheme during the year ended 31 December 2009 and of the disposition of its assets and liabilities at that date, other than liabilities to pay pensions and benefits after the end of the scheme year and contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006.

Except for contributions payable of €235,102, contributions payable to the scheme have been received by the trustees within 30 days of the end of the scheme year and, in our opinion, have been paid in accordance with the scheme rules.



Mazars
Chartered Accountants &
Registered Auditors
Harcourt Centre
Block 3
Harcourt Road
Dublin 2.

9 September 2010

09 September 2010

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

**Fund Account
For the year ended 31 December 2009**

		2009	2008
		€	€
Contributions and Benefits			
	<i>Note</i>		
Member contributions – normal		832,652	789,340
Member contributions – additional voluntary		176,164	219,899
Employer contributions		1,165,741	1,104,924
Claims on life assurance policies		59,832	101,786
		2,234,389	2,215,949
Benefits payable	5	826,766	348,124
Leavers	6	179,851	58,686
Other payments	7	58,652	59,041
Administrative expenses	8	4,896	4,494
		1,070,165	470,345
Net additions from dealings with members		1,164,224	1,745,604
Returns on Investments			
Change in Market Value of Investments	3	565,127	(914,486)
Net Increase in the fund during the Year		1,729,351	831,118
Net Assets of the Scheme at the beginning of year		10,682,646	9,851,528
Net Assets of the Scheme at the end of year		12,411,997	10,682,646
Pension Fund		11,334,799	9,634,448
AVC Fund		1,077,198	1,048,198
		12,411,997	10,682,646

The notes on pages 22 to 26 form part of these financial statements.

The financial statements on pages 20 to 26 were approved by the Trustees

on 09/07/2010

Signed by the Trustees



Trustee



Trustee

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

**Net Assets Statement
As at 31 December 2009**

		2009 €	2008 €
Assets designated to members	Note		
Investments	3	12,219,275	10,451,341
Current assets	9	255,644	231,305
Current liabilities	10	(62,922)	-
		<u>12,411,997</u>	<u>10,682,646</u>
Assets not designated to members			
Current assets	11	168,607	99,526
Current liabilities	12	(168,607)	(99,526)
Net assets of the Scheme		<u>12,411,997</u>	<u>10,682,646</u>

The accounts 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 after the end of the Scheme year.

The notes on pages 22 to 26 form part of these financial statements.

The financial statements on pages 20 to 26 were approved by the Trustees

on 07/07/2010

Signed by the Trustees



Trustee



Trustee

Notes to the Financial Statements

For the year ended 31 December 2009

1. Status of Scheme

The Scheme is established under a trust and is governed by the trust deed and rules. It is a defined contribution scheme which has its own legal identity and has the approval of the Revenue Commissioners. The Scheme has been registered with the Pensions Board. Ultimate benefits are determined by the contribution levels and by the investment returns achieved on the contributions made.

The Scheme has been approved as an exempt approved Scheme for the purposes of Section 774 of the Taxes Consolidation Act, 1997 and thus Scheme income and gains are exempt from taxation.

2. Accounting Policies

i. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007 (the "SORP")), published by the Pensions Research Accountants Group. The financial statements have been prepared in accordance with applicable accounting standards generally accepted in Ireland. Accounting standards generally accepted in Ireland in preparing financial statements showing a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Assets do not include insurance policies which are specifically allocated for the provision of benefits for, and which provide all the benefits payable under the Scheme to, particular members.

The significant accounting policies adopted by the Trustees have been applied consistently in dealing with material items.

ii. Invested Assets

Invested assets are shown in the statement of net assets at bid value as determined by the Investment Managers at the net assets statement date.

Any increase or decrease in the value of these assets is dealt with through the fund account.

iii. Contributions

Contributions are accounted for on the accruals basis

iv. Investment Income

Investment income, which comprises dividends and rents, is shown gross of taxation. Taxation is not payable on this income. Investment income is accounted for on an accruals basis.

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

v. **Benefits payable**

Benefits payable are accounted for on the accruals basis. Benefits admitted or intimated and in the course of payment are included in the financial statements.

vi. **Transfer Values**

Individual transfer values represent amounts paid to, or received from, other arrangements during the year.

vii. **Gains and losses on investments**

Realised and unrealised gains and losses on investments are dealt with in the statement of movement in net assets for the year in which they arise.

3. Investments

The movements in total investments during the year were as follows:

Pooled Investment Vehicle	Market Value 31/12/2008	Purchases at cost	Sales Proceeds	Change in Market Value	Market Value 31/12/2009
	€	€	€	€	€
Secured Performance Fund	187	0	(187)	0	0
Exempt Pension Protection Fund	0	17	0	0	17
Capital Protection Fund	7,511	5,617	(41)	(178)	12,909
Indexed Global Equity Fund	13,305	67,852	(54,038)	14,728	41,847
Exempt Cash Fund	167,302	177,485	(88,411)	1,440	257,816
Exempt Consensus Fund	2,533,977	1,008,350	(201,380)	591,799	3,932,746
Secured Performance Fund	7,729,059	1,101,025	(813,482)	(42,662)	7,973,940
	10,451,341	2,360,346	(1,157,539)	565,127	12,219,275

The change in market value of investments 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 the sale 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 year and any reinvested income, where the income is not distributed. All Investments are held by Irish Life Investment Managers on a pooled basis for the Trustees. Irish Life Investment Managers is registered in the Republic of Ireland.

4. Transaction Costs

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. In addition to the transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

5. Benefits Payable

	2009	2008
	€	€
Death benefits	59,832	152,977
Retirement benefits	766,934	195,147
Benefits payable	826,766	348,124

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

6. Payments to and on account of leavers

	2009	2008
	€	€
Refunds of contributions	29,823	26,948
Individual transfers to other arrangements	150,028	31,738
	<u>179,851</u>	<u>58,686</u>

7. Other payments

	2009	2008
	€	€
Life assurance premiums	<u>58,652</u>	<u>59,041</u>

8. Administrative expenses

	2009	2008
	€	€
Fees payable to the Pensions Board	<u>4,896</u>	<u>4,494</u>

9. Current Assets designated to Members

	2009	2008
	€	€
Contributions receivable		
- from Employer	138,588	122,457
- From Members (normal)	98,991	87,469
- from Members (AVC)	18,065	21,379
	<u>255,644</u>	<u>231,305</u>

10. Current Liabilities designated to Members

	2009	2008
	€	€
Benefits payable	<u>62,922</u>	-

11. Current Assets not designated to Members

	2009	2008
	€	€
Balance at bank	<u>168,607</u>	<u>99,526</u>

12. Current Liabilities not designated to Members

	2009	2008
	€	€
Due to Employer	<u>168,607</u>	<u>99,526</u>

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

13. Self Investment

Under Section 58A of the Pensions Act, 1990, the Employer is required to remit contributions to the Scheme within 21 days following the end of the month in which they were deducted from the member, or became due from the Employer. Any contribution received after this 21 day period constitutes "self investment" under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006. There was self investment of €748,345 during the Scheme year.

14. Contingent Liabilities

Liabilities to pay pensions and other benefits in the future have not been taken into account in the financial statements. On that basis, in the opinion of the Trustees, the Scheme has no contingent liabilities, or contractual liabilities, at the year end.

15. Concentration of investment

The Scheme has no single investment holding, within the underlying managed funds, which accounted for more than 5% of the Scheme's assets at market value at 31 December 2009, which has not been disclosed.

16. Subsequent Events

There were no subsequent events that would require disclosure in, or amendment to, these financial statements.

17. Related Party Transactions

i. The Trustees

The Trustees of the Scheme are outlined on the contents page. The Trustees did not receive and are not due any remuneration from the Scheme in connection with the management of the Scheme.

ii. Members

Transactions in relation to the members are disclosed on the face of the fund account and in the notes to the financial statements.

Contributions and benefits are paid in accordance with the Scheme Rules.

iii. The Principal Employer

Cheshire Foundation in Ireland is the Principal Employer.

Transactions in relation to the Employer are shown on the face of the fund account.

Contributions and benefits are paid in accordance with the Scheme Rules.

The Principal Employer provides administration services to the Scheme, free of charge.

Trustees' Report to the Members

FOR THE YEAR ENDED 31 DECEMBER 2009

iv. Registered Administrator

The Trustees are the legal Administrator of the Scheme. Irish Life Assurance plc is the Registered Administrator for the purpose of carrying out some of the core administration functions associated with the Scheme, including preparation of the annual report and member benefit statements. The cost of preparation and audit of the financial statements is borne by the Principal Employer. Costs borne by the Members are disclosed on the face of the fund account and in the notes to the financial statements.

v. The Investment Manager

Irish Life Investment Managers Limited was appointed by the Trustees to manage the Scheme's assets. The Investment Manager is remunerated on a fee basis calculated as a percentage of assets under management. The fees are reflected in unit prices and borne by the Scheme.