Structural Systems

ABN 57 006 413 574

ANNUAL REPORT 2010

10 YEAR FINANCIAL SUMMARY

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
External sales of goods and rendering of services ($'000)	253,585	319,210	282,573	141,239	104,405	106,948	78,453	102,336	117,229	94,981
Profit (Loss) before tax from continuing operations ($'000)	9,130	9,237	20,708	12,316	7,165	3,444	(8,231)	580	(4,493)	386
Profit (Loss) after tax ($'000) (1)	3,270	8,887	15,182	8,824	5,345	2,142	(8,589)	450	(4,716)	341
Shareholders funds at end of year ($'000)	70,906	56,667	48,261	33,179	24,750	14,886	9,303	17,776	15,426	19,953
Net tangible assets ($'000) (1)	50,467	40,482	32,021	27,936	21,258	12,881	7,298	14,644	12,071	16,330
Return on shareholder's funds (1)	4.6%	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%	(30.6%)	1.7%
Return on sales	1.3%	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%	(4.0%)	0.4%
Basic earnings per share (cents)	5.3	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9	(22.0)	1.6
Net tangible asset backing per share (cents)	79.0	82.4	65.3	60.3	54.6	50.3	28.5	57.4	56.3	76.2
Dividends declared for the year (cents)	2.5	-	11.5	10.0	7.5	1.5	-	-	-	2.0
Dividends times covered	2.1	N/A	2.8	2.1	2.0	5.6	N/A	N/A	N/A	0.8
Depreciation and amortisation ($'000)	7,717	7,148	5,699	4,102	2,946	2,418	2,408	2,595	2,432	2,032
Interest paid ($'000)	1,067	1,564	951	381	541	1,023	1,136	663	911	556
Interest received ($'000)	39	87	410	173	302	176	8	-	-	7
Share price at 30 June	$0.48	$0.79	$2.55	$2.82	$1.04	$0.61	$0.48	$0.40	$0.60	$0.76
Shares on issue at 30 June	63,884	49,142	49,142	46,438	38,950	25,631	25,624	25,499	21,428	21,428
Market Capitalisation at 30 June ($'000)	30,664	38,822	125,312	130,955	40,508	15,635	12,300	10,200	12,857	16,285

(1) Adjusted for minority equity interests where applicable
2010 adjusted for discontinued operations

The Structural Systems Group has undertaken a significant change in direction over the last twelve months. The completion of the remaining formwork projects, which were ongoing at the time of the sale of this division, has resulted in significant losses. However, I am very pleased with the performance of our ongoing businesses. Strong second half performance from these ongoing divisions has allowed the Company to return to profitability and the directors reported a profit after tax and minority interests of $3.27 million.

The decisions made in relation to retention of profit from the prior year, the capital raising and share purchase plan in late 2009, and the strong cashflows from operations have significantly improved the Company's balance sheet. Gearing levels have been reduced, and at balance date, net debt to equity was 8%. This is a significant reduction on the ratio of 42% at the 30 June 2009.

Restoring the payment of dividends was a key goal for the Group for the year and the directors have declared a fully franked final dividend of 2.5 cents per share.

At 30 June 2010 the Group's work in hand was $202 million. This compares to $139 million at 30 June 2009.

The year saw an increase in resources devoted to ensuring safety standards across the Group can be continually improved. Amongst other OH&S targets set for the year we have planned for all Australian divisions to be certified to AS4801 by the end of the 2011 financial year.

As previously advised to shareholders, the Board has for some time been engaged in a recruitment process for additional directors to join our Board. We believe that the development of our Board is critical to our success and have been committed to finding the right candidate with the necessary skill set and experience. As a result this process has been more prolonged than originally intended. However, I am delighted that we have been able to reach agreement with Peter McMorrow to join our board as an independent non-executive director. Peter has recently retired from the position of Managing Director of Leighton Contractors. Peter is very familiar with the key markets that we operate in and I believe the Group is fortunate to have someone with his experience join our Board.

I thank my fellow Directors and our staff for their continuing efforts during the period.

Robert W Freedman

Chairman

The Group reported an after tax profit from continuing and discontinued operations of $3.27 million. This result was down 63% on the $8.91 million reported for the prior year. A fully franked dividend of 2.5 cents per share has been declared. Total revenue from continuing operations increased by $14.96 million (6%) to $253.59 million. Profit before income tax expense from continuing operations decreased by 34% to $9.13 million. Earnings were significantly affected by losses from discontinued operations. Losses from discontinued operations were $5.99 million compared to losses of $4.58 million in 2009. Outside of the losses from discontinued operations and construction activities in Victoria all other divisions within the Group traded profitably and reported solid results for the period under review.

Mining & Civil Services

Revenue from activities undertaken by ROCK Australia ("ROCK") during the year increased by 46% to $70.365 million. Production drilling was the dominant single activity undertaken during the year and accounts for 36% of total revenue. The major clients that ROCK provided drilling services to under term contracts include Newcrest Mining, Rio Tinto, BHP, Barrick Gold and Consolidated Minerals. ROCK continues to expand it's presence into the eastern states of Australia and during the year secured its first major drilling contract in QLD at Mt Rawdon. This success was followed shortly after with the securing of another major drilling contract at the Lady Annie site near Mt Isa. Presently, ROCK has 8 term drilling contracts underway with 6 extending past the end of the 2011 financial year.

During the year, ROCK saw an increasing demand for its Package Service works which accounted for 39% of their revenue.

In the mining sector, some of the major projects undertaken which utilised the combined package service include the construction of the primary crusher pockets at the Sino Iron project in Western Australia, pit rehabilitation works at Mount Gibson's Koolan Island project and retaining wall support works for Xstrata at the Cosmos mine site.

Package services were also in demand in the civil sector, major works completed during the year include ROCK fall protection works at Kepperra and Kuranda in QLD.

Revenue from the sale and hire of radar units increased during the year and accounted for 7% of ROCK's total revenue. ROCK has ongoing radar service support contracts throughout Australia and Asia.

Geotechnical services provided to the mining sector accounted for 14% of ROCK's revenue. Some of the geotechnical projects undertaken during the year include KCGM Super Pit ground support works and BHP Mount Keith ground support works.

Open pit mining continues to be the largest source of revenue for ROCK with 63% of ROCK's revenue coming from activities provided for open pit mines. Civil and infrastructure activity undertaken continues to increase and accounted for 31% of revenue for the division.

Post-Tensioning

Revenue from post-tensioning and related activities decreased by $12.20 million to $89.93 million for the 2010 year. The reduction in volumes were due to a softening in general construction activity in the private sector throughout Australia and the Middle East. The post-tensioning divisions were able to maintain market share during this period and profitability in overall terms from this activity was up on the prior year.

Post-tensioning activities in the general construction market were heavily underpinned by Government funded works. Throughout Australia, Structural Systems has established a position as the contractor of choice in delivering design and construct solutions to major hospital upgrades and new works undertaken by Government. Significant hospital works during the period include Fiona Stanley Perth, Royal North Shore Sydney, Liverpool, Gold Coast University, Melbourne's Royal Children's and Warrnambool Hospitals.

The Company continued its dominance in dam upgrade works and during the year had three major dam upgrades ongoing concurrently. Due to the Company's strong track record in successfully delivering these upgrade works, the Company, at the client's request, has now taken a broader role in dam works including temporary access works, concrete excavation and construction, drilling and permanent anchoring.

Infrastructure works featured prominently in the work undertaken during the year. Noteworthy projects include:

- The supply of post-tensioning and formwork traveller to the bridge over Belconnen Way in Canberra. This project was secured through an alternative construction method proposed by Structural Systems.
- Completion of the installation of the world's largest capacity anchors at the Catagunya Dam project in Tasmania.
- Securing the Tinaroo Dam upgrade works which include the installation of the largest permanent anchors installed in Queensland.
- Securing and successfully completing the Company's first slipform project in Sydney NSW.

Concerns regarding security of payment and general payment terms resulted in the Company taking a conservative approach to the securing of new work in the Middle East during the 2010 year. This approach, combined with a reduction in opportunities due to a significant slow down in overall construction activity in the Gulf region, resulted in revenue reducing by 27% to $14.66 million. Despite the lower work volumes the Middle East division was able to achieve a record profit for the 2010 year. The division was well placed coming into the 2010 year with a high level of work in hand and this protected the division from the surrounding economic circumstances. The appreciation of the Australian dollar during the 2010 year had the effect of reducing profit by 18%.

Construction

The Company's formwork operations were sold in October 2009. Although the Company had started to reduce its level of formwork activity prior to the time of the sale it still had a number of projects being completed and a number of projects still within the defect liability period. Overall revenue for construction in Victoria, which includes all operations, decreased from $172.40 million to $98.30 million. The Company's remedial division in Victoria performed well in the year and increased revenue by 26% to $6.76 million.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2010 was $202 million. This value is an increase of 45% on the balance at 30 June 2009. As advised previously the Group's focus is being directed towards the infrastructure, civil and mining services market sectors. ROCK Australia now accounts for 48% of total WIH.

The exposure to general building contracting in Victoria continues to reduce and at 30 June WIH in this sector accounted for 9% of overall WIH volume. Historically, the Victorian construction market has represented around 40% of the Group's WIH balances.

Safety

As a significant employer of construction and mining personnel, maintaining and increasing safety awareness throughout the group is paramount and as part of our ongoing commitment to ensuring safe work places for all of our employees the number of OH&S personnel within the Group was increased during the year.

Key OH&S positions employed during 2010 are;

- Corporate QSE Manager.
- Integrated Management Systems Administrator for ROCK Australia.
- OH&S Management Systems Administrator for Meridian Concrete.
- QSE Manager for NASA Structural Systems in the Middle East.

These OH&S positions complement our current team of safety advisors. The introduction of the Corporate QSE position has assisted in ensuring OH&S personnel and system development is consistent across the Group.

Key OH&S achievements during the 2010 year include;

- All divisions have had reductions in medical treatment injuries during the second quarter of the year.
- The quality of incident reporting is improving with an increase in the number of "near miss" reports indicating a willingness of the workforce to contribute to safety reporting.
- ROCK Australia reduced medical treatment injuries by 90% during the second quarter.
- Refobar Australia reduced medical treatment injuries by 60% during the second quarter.
- Refobar Australia redesigning its manufacturing equipment so that repetitive tasks can be eliminated and as a result, reduce manual handling injuries.
- No reported lost time injuries for Refobar, Structural Systems (Southern) and Structural Systems (Northern) during the second quarter.
- Structural Systems (Southern) and Meridian Australia are both in the pre-audit stage of achieving accreditation to AS 4801: 2001.
- Structural Systems (Northern), Structural Systems (Western), Structural Systems (Civil), Refobar Australia & ROCK Australia have complied with audit obligations and maintain their accreditation to AS: 4801: 2001.

Group Prospects

We believe the strategy set in place during the 2010 year is the right one for the Group. The market sector split on the work in hand values at 30 June 2010 is indicative of this strategy. Our goal for the year was to concentrate on markets or skills within the Group that give us a competitive edge.

ROCK Australia is our key growth prospect and we see significant opportunities available to this business. ROCK is now well established throughout Australia and during the year secured its first major drilling project in Queensland.

The Group's major projects division ensures that sufficient attention can be devoted to key infrastructure and civil projects so as to ensure the Group has the maximum chance of success. This division complements our national and international post-tensioning businesses.

Our target for the 2011 year is to ensure all divisions within the Group contribute positively and maintain the right risk exposure. The steps taken this year have assisted in lowering gearing levels and we enter the 2011 year with the balance sheet in good shape.

David Perry
Managing Director

Introduction

The Directors present their report on the consolidated entity consisting of Structural Systems Limited ABN 57 006 413 574 ("Structural" or "Company") and the entities it controlled ("consolidated entity" or "Group") for the year ended 30 June 2010 and the independent audit report thereon.

Review of Operations

A summary of the consolidated revenues and results is as follows:

Results for the year	2010 $'000	2009 $'000
Revenue	253,585	238,621
Profit before income tax	9,130	13,822
Income tax benefit / (expense) attributable to profit	125	(331)
Loss attributable to non-controlling interests	-	(20)
Profit attributable to the members of Structural Systems Limited	3,270	8,887

Significant Changes in State of Affairs

The Company divested its formwork operation on October 26th 2009. The Company maintained responsibility for completion of pre-existing contracts entered into by this division.

Directors

The following persons were directors of Structural Systems Limited during the financial year and until the date of this report:

Bruce A Crome (resigned 1st March 2010)
Ian L Fraser
Robert W Freedman
Peter J McMorrow (appointed 1st July 2010)
David R Perry

Company Secretary

Mr. Stuart J Gray was appointed Company Secretary in April 2009. Mr. Gray is a member of the Institute of Chartered Accountants in Australia and is an affiliate member of Chartered Secretaries Australia. Mr Gray holds a Bachelor of Commerce.

Trading

Total revenue from continuing operations increased by $14.96 million (6%) to $253.59 million. Profit before income tax expense from continuing operations decreased by 34% to $9.13 million. Profit after tax including continuing and discontinued operations decreased by 63% to $3.27 million. Earnings were significantly affected by losses from discontinued operations. Losses from discontinued operations were $5.99 million compared to losses of $4.58 million in 2009. Outside of the losses from discontinued operations and construction activities in Victoria all other divisions within the Group traded profitably and reported solid results for the period under review.

Depreciation expense increased by $570K to $7.72 million. Interest expense decreased by $477K to $1.08 million.

Tax benefit for the year ended 30th June 2010 was $125K or 1.4% of profit before tax and discontinued operations, as a combined result of the tax-exempt income derived from overseas operations and the 2009 financial year R&D tax concessions, accounted for in financial year 2010.

Debt

The Company's net debt decreased in the period from $23.98 million to $5.67 million. This reduction was due to the share placement /capital raising and an increased cash generated from the business. Debt related to hire purchase funding of capital equipment reduced from $8.99 million to $8.21 million. Borrowings for the acquisition of Meridian Concrete in 2007 have been substantially paid off and at balance date only $400K remained outstanding. A total of $2.4million was repaid during the period in relation to debt associated with the acquisition of Meridian Concrete. With the sale of the formwork business in October 2009 the working capital requirements for the Group have decreased considerably. As a result, there was no general debt funding for working capital at 30 June 2010. This is a reduction of $13.55 million from the balance as at 30 June 2009.

Assets

During the year, total assets decreased by $2.07 million to $137.41 million. Whilst revenue from continuing operations increased during the year, total revenue from all operations decreased. As a result, debtors reduced by $4.17 million to $65.48 million. The value of plant & equipment after depreciation and disposals decreased by $2.06 million to $28.58 million. Plant & equipment purchased during the year by cash or hire purchase funding totalled $7.023 million. The value of inventories decreased by $4.91 million to $13.52 million.

Earnings per share

Basic earnings per share from continuing and discontinued operations decreased by 71% to 5.3 cents compared to 18.1 cents for the corresponding period. The total number of shares on issue at 30 June 2010 was 63.88 million. A share placement was competed in August 2009 and 7.37 million additional shares were issued as a result. This share placement was followed by a share purchase plan (SPP) in September 2009 and 7.37 million additional shares were issued. The total amount raised by the share placement and SPP was $11.05 million. Diluted earnings per share decreased from 18.1 cents to 5.3 cents.

Cashflow

Cashflow from operations was $13.54 million for the twelve months compared to $6.99 million for the corresponding period. A total of $12.40 million of debt was repaid in the period which included $2.40 million of the Meridian acquisition facility.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2010 was $202 million. This value is an increase on the balance at 30 June 2009. As advised previously, the Group's focus is being directed towards the infrastructure, civil and mining services market sectors. ROCK Australia now accounts for 48% of total WIH.

The exposure to general building contracting in Victoria continues to reduce and at 30 June 2010 WIH in this sector accounted for 9% of overall WIH volume. Historically, the Victorian construction market has represented around 40% of the Group's WIH balances.

Dividends Paid and Recommended

The Directors resolved to declare a final fully franked dividend of 2.5 cents for the financial year 2010. The dividend is payable on 22 October 2010. No dividend was paid in relation to the 2009 financial year.

Principal activities

During the financial year, the principal activities of the consolidated entity were engineering, remedial and construction contracting, drilling and ground control services and manufacture of post-tensioning components.

Matters subsequent to the end of the financial year

On July 1 2010, Mr Peter John McMorrow was appointed to the board of Structural Systems Limited as a non-executive director. Mr McMorrow served as Managing Director of Leighton Contractors Pty Ltd, a subsidiary of Leighton Holdings Limited, since May 5, 2004. Mr McMorrow retired as an executive for Leighton Contractors, assuming a non-executive role as of the end of August 2010. He has more than 30 years experience in the construction industry.

Future developments, prospects and business strategies

The company will continue to pursue its policy of increasing the profitability and market share of its business sectors during the next financial year.

Further disclosure of information regarding likely developments, future prospects and business strategies of the operations of the company and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been included in this report.

Information on directors of Structural Systems Limited

Bruce A Crome (resigned 1st March 2010)

(Non-Executive Director), age 68.

Director from 1985 to 1st March 2010, Chairman 1998 to 2008.

Ian L Fraser

(Non-executive Independent Director), age 65.

Director since 2004

FCPA, Fellow of the Australian Society of CPAs.

FAICD, Fellow of the Australian Institute of Company Directors.

Chairman of the Structural Systems Audit Committee.

During the last three years Ian has also served as a director of the following listed companies:

- Forest Place Group Limited since December 2001
- PMP Limited since April 2003
- Wattyl Limited since June 2009
- Legend Corporation Limited since January 2008
- Nylex Limited from December 2006 to November 2008
- Lighting Corporation Limited from June 2006 to January 2008

Interest in Shares - 250,000 - Held by The Fraser Superannuation Fund.

Robert W Freedman

(Chairman) age 65.

Director since 1985, Managing Director 1998 to 2008, Chairman since 2008.

Member of the Institution of Engineers', Australia, Post Graduate Diploma in Business Administration (W.A.I.T).

There are no other listed companies of which Robert has served as a director during the last three years.

Interest in Shares - 1,099,136 - Held by Freedman Superannuation Fund

Peter J McMorrow (appointed 1st July 2010)

(Non-executive Director), Age 60.

Associateship in Highway Engineering, Western Australia Institute of Technology

Peter has been Managing Director of Leighton Contractors from 2004 until September 2010. Under his guidance, Leighton Contractors has expanded considerably, with its workforce increasing fourfold to more than 9000 in 2009.

Peter has more than 30 years experience in the construction industry particularly in the management of dynamic, profitable and long lasting business operations. His experience covers many disciplines of engineering including marine works, steel fabrication, civil, building, petrochemical, mechanical, electrical and telecommunications.

There are no listed companies of which Peter has served as a director of during the last three years

Interest in Shares - 738,154 - Held by The McMorrow Superannuation Fund

David R Perry

(Managing Director), age 43.

Director since 2003, Managing Director since 2008.

Bachelor of Economics

There are no other listed companies of which David has served as a director during the last three years.

Interest in Shares - 287,243 - Held by David Perry Superannuation Fund

- 390,000 - Held personally

Directors attendance at meetings

Year ended 30 June 2010

	Structural Systems Board		Audit Committee	
	Held	Attended	Held	Attended
B A Crome (res. 01/03/10)	8	8	-	-
I L Fraser	9	9	4	4
R W Freedman	9	9	-	-
D R Perry	9	9	-	-

Remuneration Report

The directors submit the Remuneration Report (the Report) for the year ended 30 June 2010.

Remuneration policy in respect of Non-Executive Directors and senior executives is referred to in the Corporate Governance Section of the Annual Report.

The names and details of the directors and key management personnel of the Company and the Group in office during the financial year are listed below. Unless otherwise stated the personnel were in office for the entire period. This disclosure also includes the five executives who received the highest remuneration, whether or not they were key management personnel by any other definition. Remuneration includes cash, non monetary and other consideration received by any of the parties over the course of the financial year.

		Short-term benefits			Post employment benefits	
		Salary	Bonus [2]	Other Benefits [1]	Superannuation	Total
B A Crome	Director (Non Executive, res 01/03/10)	174	-	16,972	43,426	60,572
I L Fraser	Director (Non Executive)	50,000	-	-	15,400	65,400
R W Freedman	Chairman	144,867	-	113,545	83,333	341,745
D R Perry	Managing Director	300,000	80,000	13,849	27,500	421,349
Total remuneration Directors of the Company		495,041	80,000	144,366	169,659	889,066

		Short-term benefits			Post employment benefits	
		Salary	Bonus [2]	Other Benefits [1]	Superannuation	Total
S Crole	General Manager – Major Projects	205,000	-	21,996	18,450	245,446
R Coates	General Manager – ROCK Australia	207,500	54,000	33,035	18,675	313,210
W Ironmonger	General Manager – UAE	197,459	39,492	120,201	-	357,152
V Sammartino	General Manager – Construction	275,000	-	35,000	24,750	334,750
M Schweiger	General Manager – Post-Tensioning	216,000	-	5,088	19,648	240,736
Total Remuneration Key Management Personnel		1,100,959	93,492	215,320	81,523	1,491,294

[1] Other benefits include where applicable motor vehicle lease payments and running costs, allowances and Fringe Benefits Tax.

[2] Bonuses are paid based on a combination of the key management personnel's achievements in regard to benchmarks of profit earnt, departmental safety records, and debtor management. The final amount payable is arrived at the discretion of the Managing Director.

As at balance date, no member of key management personnel held contracts in relation to their remuneration or performance in relation to FY 2010.

Options

The Executive Share Option Plan, which has been approved by Shareholders, provides eligible employees with the opportunity to acquire options for ordinary shares in Structural Systems Limited. Options carry no voting rights, are not transferable, nor are they listed and as such do not have a market value.

Month of Issue	Number of Options Issued	Number of Recipients	Number Exercised	Number Lapsed	Number Outstanding at 30 June 2010	Exercise Price	Exercise Period	Expiry Date
Nov 06	1,000,000	2	800,000	200,000	-	$0.80	Jun 07 to Jun 10	30 June 10

Directors	Instruments	Balance as at 1 July 2009	Granted during period	Exercised during period	Lapsed during period	Balance 30 June 2010	Vested but not exercised during the period
D Perry	Options	100,000	-	-	100,000	-	-
R W Freedman	Options	100,000	-	-	100,000	-	-

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES110: Code of Ethics for Professional Accountants set by the Accounting Professional & Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2010:

	$
Taxation services	17,291
Other Services	64,877
Audit of financial reports of controlled entities	25,700
Total	107,688

Directors' and auditor's indemnification

Under the Constitution of Structural Systems Limited the Directors, Auditors, Company Secretary and all other Officers of the Company when acting in those capacities are indemnified to the extent permitted by law for liability incurred in defending any proceeding in which judgement is given in his favour or in which he is acquitted or in any application under the Corporations Law in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

No person has applied for leave of a Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

During the financial year the Company has paid insurance premiums in respect of Directors and Officers Liability and Legal Expenses Insurance contracts, for current Directors and Officers, including Executive Officers of the Company and Directors, Executive Officers and Secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not allocate the premiums paid to each individual Officer of the Company.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under international, Federal and State legislation.

The Company has systems in place to manage its environmental obligations within its construction and mining activities. The Directors are not aware of any breaches of environmental regulations and any specific site environmental requirements during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 12 of the report.

Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors.

Dated 17 September 2010

R.W FREEDMAN - DIRECTOR

D.R.PERRY - DIRECTOR

William Buck

17 September 2010

The Board of Directors
Structural Systems Limited
112 Munro Street
SOUTH MELBOURNE VIC 3205

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION
IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF STRUCTURAL SYSTEMS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Structural Systems Limited.

As lead audit partner for the audit of the financial report of Structural Systems Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporation Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Jeffrey C. Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

Dated in Melbourne, Australia on this 17th day of September 2010

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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Principle 1: Lay solid foundations for management and oversight

The Board of Directors of Structural Systems Limited (the Company) is responsible to its shareholders for the overall governance and performance of the Structural Systems Group. Responsibility for the overall management and profit performance of the Group is delegated by the Board to the Managing Director, who is accountable to the Board. The Managing Director manages the organisation in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.

The performance of each senior executive is formally reviewed and evaluated on at least an annual basis. This process takes into account financial and non-financial outcomes achieved during the period. These outcomes are compared to the key performance targets set for each executive at the start of the financial year. Comprehensive budgets and businesses plans are developed and agreed with the executive at the start of the reporting period and monitored throughout the financial year. Each senior executive has a formal letter of appointment, or contract of employment detailing the key terms and conditions relevant to their employment.

Principle 2: Structure the board to add value

The current composition of the Board does not comply with recommendation 2.1 of the Australian Securities Exchange Corporate Governance Principles and Recommendations. Independent Directors do not make up the majority of the Board. With the retirement of Mr Crome in March 2010 the number of directors on the board was reduced to three. Of the three director's at balance date, two were executives of the Company. Mr Freedman's role as Chairman changed to a non-executive one on 1 July 2010. Mr Peter McMorrow was appointed to the board on 1 July 2010. The current composition of the board is three non-executive directors and the Managing Director. Mr McMorrow and Mr Fraser are independent non-executive directors of the Company. The Chairman does not qualify as being independent due to his pervious service as an executive of the Company and as a consequence recommendation 2.2 is not complied with. The chairman is independent of the role of the Managing Director.

Currently the Company does not have a nominations committee. As such recommendation 2.4 has not been complied with. The existing number of directors makes such a committee no more of an efficient mechanism than the full Board for detailed selection and appointment practices. The Board is of the view that if the number of independent directors is increased and the overall number of directors on the board grows such a committee could add value. The Board does not have in place a formal board evaluation process and as such does not comply with recommendation 2.5. The Board intends to implement a Board evaluation programme in the next financial year.

Principle 3: Promote ethical and responsible decision-making

The Directors acknowledge the need for and the continued maintenance of the highest standards of ethical conduct by all Directors and employees of the Group. The Group has a statement of corporate ethics which establishes the professional standards of behaviour required of Directors, management and staff in the conduct of the Group's affairs. This statement is distributed to all business units to ensure staff are familiar with its contents. The statement is available for review on the Company's website.

Under this policy officers and employees of the Company are expected to:

- Comply with the law;
- Act honestly and with integrity;
- Not place themselves in situations which result in divided loyalties;
- Use the Company's assets responsibly and in the interests of Structural Systems; and
- Be responsible and accountable for their actions.

The Company has a policy concerning trading in company securities by directors and senior executives. This policy restricts the times and circumstances in which Directors, senior executives and certain employees may buy of sell shares in the Company. After an announcement that opens a trading window the Company Secretary advises the appropriate individuals that a trading window has commenced and the date that the trading window will close. Directors must advise the Company, which in turn advises the ASX, of any transactions conducted by them in the Company's securities within five business days after the transaction occurring. The Company's policy prohibits margin lending arrangements by Directors. The policy has been released to the ASX and is available on the Company's website.

The Company reports annually to the Australian Government on initiatives it undertakes to ensure equality for all women within it workplace. The Company continues to be compliant with the Equal Opportunity for Women in the Workplace Act 1999.

Principle 4: Safeguard integrity in financial reporting

The Board has an Audit Committee that assists the Board in its oversight of the integrity of financial reporting. The Audit Committee is responsible for the Company's relationship with its external auditor and the integrity of the financial statements. Ian Fraser, an independent non-executive director, is the Chairman of this committee. The other member of the audit committee is Don Mackenzie. Mr. Mackenzie is a Chartered Accountant and an experienced Company Director and is independent of the Board. The audit committee being comprised of only two members does not comply with recommendation 4.2. As no additional independent directors were recruited during the year the number of members of the audit committee remains unchanged from the prior year. The scope of the audit committee is currently being reviewed and it is planned to increase the number of members on the Audit Committee to at least three. The audit committee has a formal charter which clearly sets out the audit committee's role and responsibilities, composition, structure and membership requirements for inviting non-committee members to attend meetings. The Managing Director and Company Secretary attend audit committee meetings as required and where appropriate.

Principle 5: Make timely and balanced disclosure

The Company complies with all relevant disclosure laws and Listing Rules in Australia and has policies and procedures in place to ensure accountability at a senior management level for that compliance. Communications to the ASX are the responsibility of the Company Secretary. Corporate governance processes are continuously reviewed to ensure compliance with changes to the Corporations Act and other legislation that affects Group companies. This ensures that the Group is in-line with reporting requirements of the Australian Stock Exchange (ASX) in keeping the market properly informed on the affairs of the Group. A copy of the Company's policy regarding market disclosure policy and procedures is available on the Company's website.

Principle 6: Respect the rights of shareholders

The Company does have a communications policy for promoting effective communication with its shareholders. This policy is available on the Company's website.

The Company's policy is to communicate with its shareholders and other interested parties in a regular, open and timely manner.

The key mechanisms used by the Company are regular shareholder communications such as the half yearly reports, the Annual Report and the Financial Report.

The Company's website contains a range of information on the Company and its activities. This website is regularly reviewed and updated. The website provides information on any significant development occurring within the Group. Key projects that the Company undertakes are featured on the website. The Company continued to do boardroom radio interviews during the year with the both the Managing Director and senior executives participating. The listening numbers reported for these interviews confirm that investors and shareholders find them a valuable source of information about the company. These interviews are a way of providing timely information to shareholders and interested parties in a format that is easily accessible and understood.

The Company encourages the participation of shareholders at the AGM. The attendance at the Company's AGM assists shareholders in gaining a greater understanding of the Group's strategy and goals.

Principle 7: Recognise and manage risk

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established the implementation of practical and effective control systems. Responsibility for the control and risk management is delegated to the appropriate level of management within the Group with the Managing Director having ultimate responsibility to the Board for the risk management and control framework. Arrangements put in place by the Board to monitor risk management include:

- Annual budgeting and monthly reporting systems for all business units, which enable progress against the strategy and annual plan to be monitored, trends to be evaluated and variances to be acted upon;
- Procedures relating to capital expenditure, asset and liability management;
- Appropriate due diligence procedures for corporate acquisitions and disposals;
- A reportable issues system;
- A compliance program;
- A health, safety and environment policy;
- Reports by the Chairman of the Audit Committee to the Board of the minutes of each meeting held by this committee;
- A comprehensive Group-wide insurance program.

The senior executives of all the operating units within the Group and the Board meet annually as a team to review the performance of the Group and develop future operational strategies. Further, an executive committee made up of representatives from the senior executive personnel of the Company provides additional resources in order to ensure that the risks associated with its operational sites and domestic and international locations are effectively managed. The committee focuses on key operational issues and the development of strategy for the Company. This executive committee meets monthly.

The Company's Chairman and Managing Director are each required to report in writing to the board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

The Company currently does not have a remuneration committee and as such does not comply with recommendation 8.1. To date, the Board has been of the view that due to the small number of Director's such a committee would not be a more effective mechanism than the full Board for determining the remuneration level of the non-executive Directors, Executive Directors and Executive General Managers. However, it is the Board's intention that on the establishment of the Nominations Committee that this committee would also undertake the role of the remuneration committee.

The Company's policy for determining the nature and amount of emoluments of executive Board members and senior executives of the company is as follows:

The remuneration levels of the Managing Director is evaluated and approved by the Chairman and the independent Directors on an annual basis. The remuneration level of the Chairman is evaluated and approved by the independent Directors on an annual basis. Independent advice is sort as required in relation to the appropriateness of the remuneration package offered. The remuneration packages for the Managing Director takes into account factors such as experience, qualification and performance of the Director and the financial and safety performance of the Group. The remuneration packages also takes into account remuneration levels of comparable positions within other public companies.

The remuneration levels of the Executive General Managers are submitted by the Managing Director to the Board for approval. Remuneration packages are structured such that the Group is able to attract and retain personnel with the expertise and ability to create value for shareholders. The remuneration of executives is market based and has regard to remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year.

Bonuses paid to Key Management Personnel are determined based on each manager's achievements in regard to their department's profitability, safety records and receivables management. These three factors have been deemed the most important in terms of shareholder value and good corporate governance practices. There is an element of discretion applied by the Managing Director in the final figure arrived at.

The fees payable to Non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Company's Non-executive Directors receive fees as remuneration for acting as a Director and in the cases for being part of a standing committee of the board. The amount of each Non-executive Directors fees depends on the extent of the Director's responsibilities. The Non-executive Directors do not receive any performance related remuneration.

While ongoing share ownership by employees in the Company is encouraged no options were issued during the 2010 year.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
Revenue	2	253,585	238,621
Total Revenue		253,585	238,621
Changes in inventories and raw materials		(5,082)	2,412
Construction and servicing costs		(219,027)	(205,506)
Depreciation and amortisation expense	3 (a)	(7,717)	(7,148)
Finance costs	3 (a)	(1,083)	(1,564)
Raw materials and consumables used for sale of goods		(2,459)	(2,186)
Other expenses		(9,087)	(10,807)
Profit before Income tax expense		9,130	13,822
Income tax benefit / (expense)	4	125	(331)
Profit for the Year from Continuing Operations		9,255	13,491
Discontinued Operation			
Loss for the year from discontinued operation	24 (e)	(5,985)	(4,584)
Profit for the year		3,270	8,907
Loss attributable to non-controlling interests		-	(20)
Profit attributable to Members of the Parent Entity		3,270	8,887
Continuing & Discontinuing Operations			
Basic earnings per share (cents)		5.3¢	18.1¢
Diluted earnings per share (cents)		5.3¢	18.1¢
Dividends paid per share (cents)		-	6.5¢
Continuing Operations			
Basic earnings per share (cents)		15.1c	22.0c
Diluted earnings per share (cents)		15.1c	22.0c
Weighted average number of shares outstanding during the period used in calculation of earnings per share ('000)		61,441	49,142

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	STRUCTURAL SYSTEMS GROUP	
		2010	2009
Year Ended 30 June 2010		$'000	$'000
Profit for the year		3,270	8,907
Other Comprehensive income			
Exchange differences arising on translation of foreign operations		(77)	(81)
Gain / (loss) on revaluation of property		-	2,833
Total comprehensive income for the period		3,193	11,659
Total comprehensive income attributable to:			
Owners of the parent		3,193	11,679
Non-controlling interests		-	(20)
		3,193	11,659

The accompanying notes form part of these financial statements.

	Note	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
Current Assets			
Cash and cash equivalents	24 (a)	2,936	1,364
Trade and other receivables	9	64,753	65,941
Inventories	10	13,523	18,433
Other current assets	11	258	291
Current tax assets	18 (b)	724	3,706
Total Current Assets		82,194	89,735
Non Current Assets			
Trade and other Receivables	12	4	-
Investments accounted for using the equity method		184	-
Property, plant and equipment	14	28,577	30,633
Intangible assets	15	20,439	16,185
Deferred tax assets	18 (b)	6,009	2,927
Total Non Current Assets		55,213	49,745
Total Assets		137,407	139,480
Current Liabilities			
Trade and other payables	16	48,640	47,616
Financial liabilities	17	4,795	21,253
Short-term provisions	19	4,735	6,500
Total Current Liabilities		58,170	75,369
Non-Current Liabilities			
Trade and other payables	16	7	51
Financial liabilities	17	3,814	4,087
Deferred tax liabilities	18 (a)	3,291	2,262
Long-term provisions	19	1,219	1,045
Total Non-Current Liabilities		8,331	7,445
Total Liabilities		66,501	82,814
Net Assets		70,906	56,667
Equity			
Issued capital		41,056	30,010
Reserves		3,557	3,634
Retained earnings (Accumulated Losses)		26,293	23,023
Total Equity		70,906	56,667

The accompanying notes form part of these financial statements.

Structural Systems
ABN 57 006 413 574

STRUCTURAL SYSTEMS GROUP	Note	Share Capital Ordinary $'000	Share Options Reserve $'000	Retained Earnings (Accumulated Losses) $'000	Asset Revaluation Surplus $'000	Capital Profits Reserve $'000	Foreign Currency Translation Reserve $'000	Non-controlling Interests $'000	Total $'000
Balance at 1 July 2008		**29,219**	**1,062**	**17,329**	**918**	**265**	**(531)**	**(52)**	**48,210**
Profit attributable to members of parent entity		-	-	8,887	-	-	-	-	8,887
Profit attributable to non-controlling interests		-	-	-	-	-	-	20	20
Other comprehensive income									
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	-	155	-	155
Revaluation Increment		-	-	-	2,833	-	-	-	2,833
Transactions with owners as owners									
Shares options issued during the year		-	(271)		-	-	-	-	(271)
Acquisition of minority share		-	-	-	-	-	-	62	62
Disposal of controlled entity		-	-	-	-	-	(6)	(30)	(36)
Share options exercised / cancelled during the period		791	(791)	-	-	-	-	-	-
Sub-total		30,010	-	26,216	3,751	265	(382)	-	59,860
Dividends paid or provided for		-	-	(3,193)	-	-	-	-	(3,193)
Balance at 30 June 2009		**30,010**	**-**	**23,023**	**3,751**	**265**	**(382)**	**-**	**56,667**
Profit attributable to members of parent entity		-	-	3,270	-	-	-	-	3,270
Other comprehensive income									
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	-	(77)	-	(77)
Transactions with owners as owners									
Shares issued during the year		11,499	-	-	-	-	-	-	11,499
Costs of raising capital		(453)							(453)
Sub-total		41,056	-	26,293	3,751	265	(459)	-	70,906
Dividends paid or provided for		-	-	-	-	-	-	-	-
Balance at 30 June 2010		**41,056**	**-**	**26,293**	**3,751**	**265**	**(459)**	**-**	**70,906**

The accompanying notes form part of these financial statements.

	Note	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		311,455	355,478
Cash payments in the course of operations		(297,911)	(348,491)
		13,544	6,987
Dividend received		-	1,240
Interest received		39	87
Finance costs		(1,067)	(1,546)
Income tax (paid) refunded		3,619	(6,883)
Net cash provided by (used in) operating activities	24 (b)	16,135	(115)
Cash flows from investing activities			
Proceeds from sale of associated company		-	1,860
Proceeds from sale of discontinued operations		1,089	-
Payments for property, plant and equipment		(2,717)	(3,646)
Proceeds from sale of property, plant and equipment		115	497
Loan (to) / from associated company (net)		(48)	117
Payment of deferred consideration for:			
– Meridian Concrete (Australia) Pty Ltd		(2,255)	(1,334)
– Refobar Australia Pty Ltd		(170)	(219)
– BBR Structural Systems		(269)	-
Net cash provided by (used in) investing activities		(4,255)	(2,725)
Cash flows from financing activities			
Proceeds from issue of shares		11,499	-
Costs of raising capital		(453)	-
Proceeds from borrowings		-	8,500
Lease and lease purchase payments		(5,329)	(4,971)
Repayment of borrowings		(12,400)	(2,400)
Dividends paid		-	(3,194)
Net cash provided by (used in) financing activities		(6,683)	(2,065)
Net increase (decrease) in cash and cash equivalents held		5,197	(4,905)
Effect of exchange rates on cash holdings		(77)	149
Cash and cash equivalents at beginning of financial year		(2,184)	2,572
Cash at end of financial year	24 (a)	2,936	(2,184)

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

The financial statements includes the consolidated financial statements and notes of Structural Systems Limited and controlled entities ('Consolidated Group', or 'Group').

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act (2001).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing reliable and relevant information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material Accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis, and are based on historical costs, modified, where applicable, by the measurement, at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

a) Principles of Consolidation

A controlled entity is any entity Structural Systems Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at the end of the reporting period, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was gained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the equity section of the Statement of financial position and in the Statement of comprehensive income.

Note 1: Statement of Significant Accounting Policies (cont.)

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where the amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted, or substantially enacted as at the end of the reporting period. Their measurement also reflects the manner in which the management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments, subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Structural Systems Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Structural Systems Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The tax consolidated group has not entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

<u>Manufacturing activities</u>

The cost of manufacturing inventories and work-in-progress are assigned on a weighted average basis. Costs arising from exceptional wastage are expensed as incurred.

d) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

For disclosure purposes, construction contracts and work in progress are included in inventories.

Note 1: Statement of Significant Accounting Policies (cont.)

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed or internally generated within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	28.0%
Plant and equipment	10.0%
Leased assets	
- Plant and Equipment	15.0%
- Mining Equipment	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the capital profits reserve.

f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated group are classified as financial leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or over the term of the lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

Note 1: Statement of Significant Accounting Policies (cont.)

g) Financial Instruments

Initial Recognition and Movement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case the transaction costs are expensed to profit or loss immediately.

Classification and subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

the amount at which the financial asset or financial liability is measured at initial recognition;

- less principal repayments
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest rate method*
- less any reduction for impairment

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit and loss' when they are either held for trading for the purpose of short-term profit-taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans and receivables are included in current assets, except for those expected to mature more than 12 months after the end of the reporting period, which are classified as non-current.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Note 1: Statement of Significant Accounting Policies (cont.)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instruments is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Impairment of Assets

At the end of each reporting period, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives, or more frequently if facts or circumstances indicate a possible impairment.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Investment in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post acquisition reserves of its associates.

j) Interests in Joint Ventures

The consolidated group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements.

k) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment or more frequently if the facts or circumstances indicate a potential impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Note 1: Statement of Significant Accounting Policies (cont.)

l) Foreign Currency Transactions and Balance

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period.
- Income and expenses are translated at average exchange rates for the period, and
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income, in the period in which the operation is disposed.

m) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation

The group operates an equity-settled share-based payment employee share and option schemes. The fair value of the equity to which the employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market-price bid. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

n) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

o) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Note 1: Statement of Significant Accounting Policies (cont.)

p) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue relating to construction activities is further detailed in Note 1 (d).

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all ownership of those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be established reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight line basis over the period of the lease term, so as to reflect a constant periodic rate of return on net investment.

q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

r) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as an expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

u) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the consolidated group. The following key estimates and judgments were relevant to the Group for the financial year:

Assessment of future loss provisions in construction contracts

As at 30 June 2010 the Directors reviewed all outstanding construction contracts and determined that a future loss provision of $1,593,000 (2009: $8,635,000) was necessary to provide for loss-making contracts. For further details refer to Note 10.

Assessment of impairment of non-current assets

As at 30 June 2010 the Directors reviewed the carrying amount of non-current assets apportioned to the Construction and Mining cash generating units and determined that no impairment charge was applicable to the carrying value of assets in either cash generating unit (2009: nil). For further details of the impairment assessment refer to Note 15.

Assessment of the impairment of receivables

As at 30 June 2010 the Directors reviewed the carrying amount of trade receivables and estimated that $428,000 of the carrying amount was not collectible (2009: $417,000). For further detail refer to Note 9.

v) Preparation of financial statements in relation to the consolidated entity

On 28 June 2010, the Corporations Act 2001 no longer requires the preparation of parent entity accounts for the purpose of streamlining parent entity reporting. Where the entity is required to prepare financial statements in relation to the consolidated entity, the Corporations Regulations 2001 (the Principal Regulations) specify supplementary information about the parent entity that is to be included in a note to the consolidated financial statements. This information is disclosed in Note 13.

w) Standards adopted for the first time

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for this and future reporting periods. With the exception of the following standards that are not mandatory until future financial reporting periods, the Group has early adopted all of these standards, which have not had a material impact on these financial statements:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards, applicable for annual reporting periods commencing on or after 1 January 2013. These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

Note 2: Revenue

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Operating Activities		
• Rendering of services	247,202	230,203
• Sale of goods	5,379	7,062
• Interest received from other parties	39	87
• Other revenue	909	1,269
	253,529	238,621
Non-Operating Activities		
• Gain on disposal of property, plant and equipment	56	-
Total revenue	253,585	238,621

Note 3: Profit for the year

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
a) Profit (loss) before income tax is arrived at after charging (crediting) the following items:		
Amortisation and depreciation of:		
• Buildings	64	77
• Plant and equipment	7,648	7,040
• Capitalised computer software	-	25
• Leasehold improvements	5	6
	7,717	7,148
Bad and doubtful debts expense including movements in provision for doubtful debts	10	120
Interest paid and due and payable:		
• Other parties	421	728
• Finance charges on assets under hire purchase	662	836
	1,083	1,564
Rental – operating leases	1,115	892
Employee benefits expense	8,927	7,343
Net foreign exchange (gain)	(77)	(81)
Research & development expense	-	10
b) Significant revenue & expenses		
The following significant revenue & expense items are relevant in explaining the financial performance of the consolidated entity		
• Loss from discontinued operations	(5,985)	(4,584)

Note 4: Income Tax Expense

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
The components of income tax expense are as follows:		
Current tax	(163)	1,543
Deferred tax	675	1,195
Under (over) provision in respect of prior years	(637)	(2,407)
	(125)	331
The prima facie tax on operating profit is reconciled to the Income tax provided in the accounts as follows:		
Prima facie tax payable on operating profit at 30% (2009 – 30%)		
• Consolidated group	2,739	2,760
Add (deduct) tax effect of:		
• Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	29	582
• Non assessable profit on overseas entities	(621)	(523)
Share options expensed during year	-	(81)
Amount under (over) provided prior year	(637)	(541)
Amount under (over) provided prior year – R&D Rebates	-	(1,701)
Recoupment of prior year tax losses not previously brought to account	-	(165)
R&D Rebates	(1,635)	-
Income tax expense (benefit) attributable to entity	(125)	331
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1 (b) occur:		
Capital losses	442	442

Note 5: Key Management Personnel Compensation

a) Names, positions held and remuneration of economic and parent entity key management personnel in office at any time during the financial year are:

			Short-term benefits			Post employment benefits		
Directors			Salary $	Bonus $	Other Benefits [1]	Superannuation	Options $	Total $
B A Crome	Chairman (Non Executive, ret 01/03/10)	2010	174	-	16,972	43,426	-	60,572
		2009	85,000	-	20,247	7,650	-	112,897
I L Fraser	Director (Non Executive)	2010	50,000	-	-	15,400	-	65,400
		2009	60,000	-	-	5,400	-	65,400
R W Freedman	Managing Director	2010	144,867	-	113,545	83,333	-	341,745
		2009	128,200	-	51,188	100,000	-	279,388
D R Perry	Director and Chief Financial Officer	2010	300,000	80,000	13,849	27,500	-	421,349
		2009	300,000	-	12,762	50,000	-	362,762
Total Remuneration Directors		2010	575,041	80,000		169,659	-	889,066
		2009	573,200	-	84,197	163,050	-	820,447
Executives								
R Coates	General Manager – Rock Australia Pty Ltd	2010	207,500	54,000	33,035	18,675	-	313,210
		2009	194,480	20,000	18,169	17,471	-	250,120
V Sammartino	General Manager – Meridian	2010	275,000	-	35,000	24,750	-	334,750
		2009	275,000	-	35,000	24,750	-	334,750
W Ironmonger	General Manager – UAE	2010	197,459	39,492	120,201	-	-	357,152
		2009	185,202	100,000	55,708	-	-	340,910
M Schweiger	General Manager – Northern Division	2010	216,000	-	5,088	19,648	-	240,736
		2009	210,000	10,000	6,242	19,800	-	246,042
S Crole	General Manager – Major Projects	2010	205,000	-	21,996	18,450	-	245,446
		2009	205,000	-	21,996	18,450	-	245,446
Total Remuneration Executives		2010	1,100,959	93,492		81,523	-	1,491,294
		2009	1,069,682	130,000	137,115	80,471	-	1,417,268

1. Other benefits include where applicable motor vehicle lease payments and running costs, allowances and Fringe Benefits Tax

Note 5: Key Management Personnel Compensation (continued)

(b) Shareholdings

Number of shares held by key management personnel

	Balance 01/07/2009	Received as Remuneration	Number of ordinary shares issued on options exercised	Amount paid per share	Net Change Other	Balance 30/06/2010
Directors						
B A Crome	718,950	-	-	-	(718,950) [1]	-
R W Freedman	1,099,136	-	-	-	-	1,099,136
D R Perry	662,500	-	-	-	14,743	677,243
I L Fraser	190,000	-	-	-	60,000	250,000
Executives						
R Coates	197,000	-	-	-	-	197,000
V Sammartino	1,509,434	-	-	-	(28,715)	1,480,719
S Crole	283,635	-	-	-	(30,000)	253,635
W Ironmonger	-	-	-	-	-	-
M Schweiger	200,000	-	-	-	-	200,000
	4,860,655	-	-	-	(702,922)	4,157,733

	Balance 01/07/2008	Received as Remuneration	Number of ordinary shares issued on options exercised	Amount paid per share	Net Change Other	Balance 30/06/2009
Directors						
B A Crome	703,950	-	-	-	15,000	718,950
R W Freedman	1,099,136	-	-	-	-	1,099,136
D R Perry	647,500	-	-	-	15,000	662,500
I L Fraser	176,000	-	-	-	14,000	190,000
Executives						
R Coates	197,000	-	-	-	-	197,000
V Sammartino	1,509,434	-	-	-	-	1,509,434
S Crole	283,635	-	-	-	-	283,635
W Ironmonger	-	-	-	-	-	-
M Schweiger	200,000	-	-	-	-	200,000
	4,816,655	-	-	-	44,000	4,860,655

[1]Bruce Crome resigned as a director on 1st March 2010.

Net Change Other refers to shares purchased or sold during the financial year, or in the case of Director resignations, the shareholding is at the date of resignation.

Note 5: Key Management Personnel Compensation (continued)

(c) Remuneration Practices

The Company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The fees payable to non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. Shareholder approval was given at the 2007 Annual General Meeting, for the maximum aggregate remuneration of $350,000 per year.

The remuneration levels of the executive directors are evaluated and approved by the Chairman and the independent directors. They seek independent advice in relation to the appropriateness of the remuneration package offered. The remuneration packages for the executive directors take into account factors such as experience, qualification and performance of the director and the financial and safety performance of the Group. The remuneration packages also take into account remuneration levels of comparable positions within other public companies.

The remuneration levels of the senior executives are evaluated and approved by the Managing Director and Chairman. Remuneration packages are structured such that the Group is able to attract and retain talented personnel. The remuneration of executives is market based and has regard to remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year.

The Board believes that it is important for the senior executives to have ongoing share ownership in the Company.

Note 6: Auditor's Remuneration

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Remuneration of the auditor of the parent entity – William Buck		
• Auditing or reviewing the financial report	121	-
• Taxation services	17	-
• Auditing the financial reports of controlled entities	26	-
• Other services	65	-
Remuneration of other auditors of subsidiaries for:		
• Auditing or reviewing the financial report of subsidiaries	11	-
Remuneration of the auditor of the parent entity – Anderson Roscoe		
• Auditing or reviewing the financial report	-	168
• Taxation services	-	28
• Other services	-	42
• Auditing the financial reports of controlled entities	-	26
•		
Remuneration of other auditors of subsidiaries for:		
• Auditing or reviewing the financial report of subsidiaries	-	12

Note 7: Dividends

	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
Distributions paid		
The amounts paid, provided or recommended by way of dividend by the parent entity are:		
• There was no final fully franked ordinary dividend (2009: 6.5c) paid in the 2010 financial year, franked at the tax rate of 30% (2009: 30%)	-	(3,194)
• There was no interim fully franked ordinary dividend (2009: no dividend) paid in the 2010 financial year, franked at a tax rate of 30% (2009: 30%).	-	-
	-	(3,194)
Dividends declared after 30 June 2010		
a) The Directors have resolved to declare a final fully franked ordinary dividend of 2.5 cents per share payable on 22 October 2010, franked at the tax rate of 30% (2009: 30%) based on 63,884,474 ordinary shares at 26th August 2010 (2009: No dividend declared)	1,597	-
	1,597	
Franking account balance		
b) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax; dividends recognised as receivables and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	8,404	4,698
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(684)	-
	7,720	4,698

Note 8: Earnings per share

	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
a) Reconciliations of earnings to profit (loss)		
Profit for the year from Continuing Operations	9,255	13,491
Loss for the year from discontinued operation	(5,985)	(4,584)
Profit for the year	3,270	8,907
Loss attributable to non controlling interest	-	(20)
Earnings used in the calculation of earnings per share	3,270	8,887
Interest on convertible notes	-	-
Earnings used in the calculation of dilutive EPS	3,270	8,887
	Number	Number
b) Weighted average number or ordinary shares on issue used in the calculation of basic earnings per share	61,440,809	49,141,824
Weighted average number of options/convertible notes outstanding	-	-
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	61,440,809	49,141,824

Note 9: Trade and other receivables (Current)

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Trade receivables	61,708	65,579
Provision for impairment of receivables	(428)	(417)
	61,280	65,162
Formwork sale receivable	1,721	-
Other debtors and deposits	1,752	779
	64,753	65,941
Ageing of past due but not impaired receivables:		
60 – 90 Days	1,145	622
90+ Days	6,748	4,374
	7,893	4,996
Movement in the provision for the impairment of receivables is as follows:		
Opening Balance	(417)	(541)
Charge for the year	(11)	-
Amounts written off	-	124
Closing Balance	(428)	(417)

Impaired receivables are all greater than 120 days.

Note 10: Inventories

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Raw materials and stores at cost	4,440	7,775
Finished Goods	124	302
Work in progress – materials on site	2,327	1,920
Construction work in progress	6,632	8,436
	13,523	18,433
Construction work in progress comprises:		
Contract costs incurred	164,317	384,412
Profit recognised	34,649	56,614
	198,966	441,026
Less: Provision for losses	(1,593)	(8,635)
	197,373	432,391
Less: Progress billings and advances received and receivable on construction contracts in progress	(204,930)	(441,804)
Net construction work in progress	(7,557)	(9,413)
Net construction work in progress comprises:		
Amounts due from customers – inventories	6,632	8,499
Contract billings in advance – payables (note 16)	(14,189)	(17,912)
	(7,557)	(9,413)
Retentions on construction contracts in progress	5,563	925

Note 11: Other current assets

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Prepayments	258	292
	258	292

Note 12: Trade and other receivables (non-current)

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Loans to associated entities	4	-
	4	-

Note 13: Supplementary Information about the Parent Entity

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Assets		
Current assets	45,501	3,907
Total assets	132,629	87,382
Liabilities		
Current liabilities	31,888	14,896
Total liabilities	95,468	64,035
Equity		
Issued Capital	40,265	29,219
Total Equity	37,161	23,347
Profit and loss and total comprehensive income	2,768	(260)

There were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements.

Note 14: Property, plant and equipment

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Freehold Land		
At independent valuation 2008 (a) (b)	6,874	6,874
Buildings		
At independent valuation 2008 (a) (b)	1,685	1,685
At cost – subsequent additions	89	89
Accumulated amortisation	(158)	(76)
	1,616	1,698
Leasehold improvements		
At cost	80	80
Accumulated amortisation	(76)	(70)
	4	10
Plant, Equipment and Motor Vehicles		
At cost	53,376	52,606
Accumulated depreciation	(33,293)	(30,555)
	20,083	22,051
Leased assets at assessed value	-	-
Accumulated amortisation	-	-
	-	-
Total plant, equipment and motor vehicles	20,083	22,051
Total	28,577	30,633

The value of freehold land and buildings, in the Directors opinion, represents the current market value.

a) The independent valuation of the consolidated entity's freehold land and building was carried out as at 30 September 2008. On the basis of open market values for existing use resulted in a valuation of land of $6,873,892.

b) The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation surplus in shareholders' equity.

Note 14: Property, plant and equipment (continued)

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Movements in carrying amounts		
Movements in the carrying amounts for each class of property, plant and equipment are set out below:		
Freehold land		
Carrying amount at beginning of year	6,874	3,583
Increase through independent valuation – September 2008	-	3,291
Additions	-	-
Disposals	-	-
Carrying amount at end of year	6,874	6,874
Buildings		
Carrying amount at beginning of year	1,698	929
Increase through independent valuation – September 2008	-	756
Additions	-	89
Disposals	-	-
Depreciation	(82)	(76)
Carrying amount at end of year	1,616	1,698
Leasehold Improvements		
Carrying amount at beginning of year	10	16
Additions	-	-
Disposals	-	-
Amortisation	(6)	(6)
Carrying amount at end of year	4	10
Plant and equipment and motor vehicles		
Carrying amount at beginning of year	22,051	21,242
Additions	7,269	8,411
Disposals	(1,605)	(568)
Movements due to foreign exchange rate differences	(3)	9
Depreciation	(7,629)	(7,043)
Carrying amount at end of year	20,083	22,051
Total		
Carrying amount at beginning of year	30,633	25,770
Increase through independent valuations – September 2008	-	4,047
Additions	7,269	8,500
Disposals	(1,605)	(568)
Depreciation	(7,717)	(7,125)
Movements due to foreign exchange rate differences	(3)	9
Carrying amount at end of year	28,577	30,633

Note 15: Intangibles

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
Goodwill – at cost	20,447	16,193
Accumulated impairment losses	(8)	(8)
	20,439	16,185
Movements during the year:		
Balance at beginning of Year	16,185	16,189
Additions	4,254	54
Disposals	-	(58)
	20,439	16,185
Impairment disclosures		
Goodwill is allocated to cash-generating units which are based on the group's reporting segments		
Construction segment	19,261	15,007
Mining segment	1,178	1,178
Total	20,439	16,185

	Growth Rate	Discount Rate
Cash generating unit		
Construction segment	2.5%	17.25%
Mining Segment	2.5%	16%

Management has based the value-in-use calculations on budgets for each cash generating unit that incorporate cash flow projections over a 5 year period with the above growth and discount rates. These budgets use historical weighted average growth ratios to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax & are adjusted to incorporate risks associated with a particular cash generating unit.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the above growth and discount rates.

Note 16: Trade and other payables

	STRUCTURAL SYSTEMS GROUP	
	2010 $'000	2009 $'000
CURRENT		
Unsecured liabilities:		
Trade payables	23,960	15,316
Sundry payables and accrued expenses	8,491	13,949
Contract billings in advance (note 10)	14,189	17,912
Amount due under contract of sale	2,000	439
	48,640	47,616
NON CURRENT		
Unsecured liabilities:		
Amounts owing to related entities	7	50
	7	50

Note 17: Financial liabilities

		STRUCTURAL SYSTEMS GROUP	
		2010	2009
		$'000	$'000
CURRENT			
Secured liabilities			
Bank overdraft		-	3,548
Commercial bills		400	12,400
Hire purchase liability		4,395	5,304
		4,795	21,252
NON-CURRENT			
Secured liabilities			
Commercial bills		-	400
Hire purchase liability		3,814	3,687
		3,814	4,087
a)	Total current and non-current secured loans		
	Bank Overdraft	-	3,548
	Commercial bills	400	12,800
	Hire purchase liabilities	8,209	8,991
		8,609	25,339
b)	The carrying amounts of non-current assets pledged as first security are:		
	Assets over which lease and hire purchase contracts apply	11,097	10,675

Note 18: Tax

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
a) Liabilities		
NON – CURRENT		
Revaluation adjustments taken directly to equity	1,608	1,608
Other	1,683	654
	3,291	2,262
b) Assets		
CURRENT		
Tax refundable	724	3,706
NON – CURRENT		
Deferred tax assets comprise:		
Accounting depreciation relating to plant & equipment	1,327	592
Provisions	1,700	2,199
Tax Losses	2,728	-
Other	254	136
	6,009	2,927
c) Reconciliations		
i. Gross Movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	664	3,085
(Charge) / credit to income statement	2,054	(1,207)
(Charge) / credit to equity	-	(1,214)
Closing balance	2,718	664
ii. Deferred Tax Liability		
The movement in deferred tax liability for each temporary difference during the year is as follows:		
Tax allowances relating to property, plant and equipment:		
Opening balance	-	-
Charge / (credit) to income statement	-	-
Allocation of deferred tax liability to parent entity under tax consolidation	-	-
	-	-
Revaluation adjustments taken directly to equity		
Opening balance	1,608	393
Charge / (credit) directly to equity	-	1,214
	1,608	1,607
Tax allowances relating to Other Temporary differences		
Opening balance	654	21
Charge / (credit) to income statement	1,029	633
	1,683	654
iii. Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Provisions:		
Opening balance	2,199	2,332
(Charge) / credit to income statement	(499)	(133)
Allocation of deferred tax asset to parent entity under tax consolidation	-	-
	1,700	2,199

Note 18: Tax (continued)

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Tax Losses:		
Opening balance	-	-
(Charge) / credit to income statement	2,728	-
	2,728	-
Accounting depreciation relating to plant & equipment:		
Opening balance	592	921
(Charge) / credit to income statement	735	(329)
	1,327	592
Tax allowances relating to Other Temporary Differences		
Opening Balance	136	246
(Charge) / credit to income statement	118	(110)
	254	136

Note 19: Provisions

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
CURRENT		
Employee benefits	4,735	6,500
NON-CURRENT		
Employee benefits	1,219	1,045
Consolidated Group Employee Benefits		
Opening balance at 1 July 2009	7,545	7,706
Additional provisions	3,200	4,612
Amounts used	(4,791)	(4,773)
Balance at 30 June 2010	5,954	7,545

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of the future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

Note 20: Issued Capital

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
Issued and paid up capital 63,884,474 (2009 - 49,141,824) fully paid ordinary shares	41,056	30,011
Ordinary shares:	No.	No.
Movements in ordinary share capital		
Balance at the beginning of the financial year	49,141,824	49,141,824
Institutional Share Placement (August 2009)	7,371,325	-
Share Purchase Plan (September 2009)	7,371,325	-
	63,884,474	49,141,824

(a) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

(b) At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 21: Reserves

Nature and Purpose of Reserves

Asset Revaluation Surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with Australian Accounting Standards.

Capital Profits

Upon disposal of re-valued assets, any related revaluation increment standing to the credit of the asset revaluation surplus is transferred to the capital profits reserve. Refer to accounting policy Note 1 (e).

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements. Refer to accounting policy Note 1(l).

Note 22: Capital and Leasing commitments

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Hire Purchase future minimum payments		
• not later than 1 year	4,916	5,851
• later than 1 year, but not later than 5 years	4,064	3,904
Total maximum lease commitment	8,980	9,755
Future finance charges	(771)	(764)
	8,209	8,991
Hire purchase agreements have been entered into to finance the acquisition of equipment used for income generation purposes. The great majority of equipment currently under finance is plant & equipment employed by ROCK Australia Mining & Civil Pty Ltd; primarily drill rigs.		
Non-cancellable Operating Leases future minimum payments		
Contracted for but not capitalised in accounts		
• not later than 1 year	893	904
• later than 1 year, but not later than 5 years	1,053	1,946
• later than 5 years	-	-
	1,946	1,850
Various non-cancellable operating leases are taken by the company relating to property it occupies for various income-generating activities. All leases are taken under normal commercial terms.		

Note 23: Contingent liabilities

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
Contract cash retentions	5,563	4
Contract performance guarantees	16,682	19,326
Guarantee by the Company in respect of bank facilities of controlled entities	2,490	312
Cross guarantees by the Company and controlled entities in respect of bank facilities	53,053	40,264
	77,788	59,906

Note 24: Cash flow information

	STRUCTURAL SYSTEMS GROUP	
	2010	2009
	$'000	$'000
a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the items in the Statement of Financial Position:		
Cash on hand	28	23
Cash at bank	2,908	1,341
Bank overdraft	-	(3,548)
	2,936	(2,184)
b) Reconciliation of Cash Flow from Operations with profit (loss) after Income Tax		
Profit (loss) after income tax	3,270	8,907
Non-Cash flows in profit:		
Amortisation	-	25
Depreciation	7,717	7,123
Bad debts written off	-	191
Bad and doubtful debts	10	(71)
(Profit) loss on sale of non-current assets	(56)	22
(Profit) loss on sale of non-current investment	-	101
Loan forgiven	-	(5)
Share options lapsed	-	(270)
Share of net profit of associates and joint venture using the equity method	-	-
Change in assets and liabilities		
• (Increase) decrease in trade and other receivables	4,432	3,129
• (Increase) decrease in inventories	4,910	(3,413)
• (Increase) decrease in prepayments	33	(5)
• (Decrease) increase in trade, other payables and accruals	(538)	(12,841)
• (Decrease) increase provisions	(1,591)	(161)
• (Decrease) increase in income taxes payable	-	(4,053)
• (Decrease) increase in deferred tax liabilities	1,029	634
• Decrease (increase) in deferred tax assets	(3,081)	572
Net cash provided by (used in) operating activities	16,135	(115)
c) Non-cash financing and investing activities		
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	4,548	4,861
Acquisition of joint venture entity through settlement of outstanding receivable	184	-

Note 24: Cash flow information (continued)

	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
d) Acquisition of entities		
During the year the company made the following deferred payments under contract of sale		
Meridian Concrete Australia Pty Ltd	2,255	1,334
NASA & Emirates & Australia Structural Systems LLC, UAE	269	-
Refobar Australia Pty Ltd	170	219
Total Cash Outflow	2,694	1,553
e) Discontinued operation		
In October 2009, the Group disposed of its formwork division in Structural Systems (Construction) Pty Ltd.		
The profit (loss) for the year from the discontinued operation is as follows:-		
Loss of formwork division operations for the year	(5,985)	(4,584)
Gain (loss) on disposal	-	-
	(5,985)	(4,584)
The following were the results of the formwork division business for the year:-		
Revenue	26,920	80,589
Operating expenses	(35,470)	(87,138)
Loss before income tax	(8,550)	(6,549)
Income tax benefit	2,565	1,965
Loss after income tax	(5,985)	(4,584)
The details of the assets at the date of disposal were as follows:-		
Plant & equipment	1,546	-
Inventories	1,264	-
Attributable goodwill	-	
	2,810	-
Gain (loss) on disposal		
Total consideration	2,810	-
Satisfied by:-		
Cash inflow	1,089	-
Amount due under contract of sale (note 9)	1,721	-
	2,810	
Net cash provided by (used in) operating activities in relation to discontinued operations	(6,772)	(11,172)

The comparatives with the Income Statement have been adjusted from the prior year for the discontinued operation.

Note 25: Employee benefits

a) Executive Share Option Plan

The Company has an Executive Share Option Plan approved by vote of shareholders.

The Plan provides for a maximum of 10% of the aggregate number of ordinary share to be issued as options to Executives. Each option is convertible to one ordinary share. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the ordinary shares when the options have been exercised.

The exercise price of the options is determined by the Directors at time of issue of the options.

The options expire at the earlier of the expiry date or termination of the Executives employment.

No expense was recognised or shares issued in the Company in relation to employee share options during the financial year.

Un-issued ordinary shares of the Company under option are:

Issue Date	Expiry Date	Exercise Price	Number of Options 2010	Number of Options 2009
8 November 2006	30 June 2010	$0.80	-	200,000

Note 25: Employee benefits (continued)

No share-based payment arrangements exist at 30 June 2010.

	Consolidated Entity			
	2010		2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	200,000	$0.80	1,200,000	$1.92
Expired	(200,000)	$0.80	1,000,000	$2.25
Outstanding at year end	-	-	200,000	$0.80
Exercisable at year-end	-	-	200,000	$0.80

Note 26: Particulars relating to controlled entities

(a) Group accounts include a consolidation of the following:

	Place of Incorporation	Principal Activity	Ownership Interest 2010	Ownership Interest 2009
Refobar Australia Pty Ltd	Queensland	Manufacturing	100%	100%
Rock Australia Mining and Civil Pty Ltd (formerly Rock Engineering (Aust) Pty Ltd)	Victoria	Mining Services	100%	100%
Meridian Concrete Australia Pty Ltd	Victoria	Construction	100%	100%
NASA Structural Systems L.L.C	U.A.E	Construction	100%	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	100%	100%
Total Fire Protection Pty Ltd	Victoria	Fire Systems	100%	100%
Structural Systems (Civil) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Construction) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Southern) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Western) Pty Ltd	Victoria	Construction	100%	100%
Emirates & Australia Construction Systems L.L.C	U.A.E	Construction	100%	100%
Structural Systems (Bridge Maintenance) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Remedial) Pty Ltd	Victoria	Construction	100%	100%
BBR Structural Systems	U.A.E	Construction	100%	100%

Note 27: Events occurring after the reporting period

On 1 July 2010 Peter McMorrow, who is Managing Director of Leighton Contractors, was appointed to the board as a non-executive director. Aside from this, there have been no significant subsequent events that have affected the Group.

Note 28: Related Party information

Directors who held office during the year are:

- Bruce A Crome (resigned 1 March 2010)
- Ian L Fraser
- Robert W Freedman
- David R Perry

Directors' remuneration is disclosed in Note 5.

Apart from the details disclosed in this note, no Director has entered into a contract with the consolidated group since the end of the previous financial year and there were no material contracts involving Directors interests existing at year end.

Where Directors are Shareholders in the parent entity, transactions include the receipt of dividends, including participation in the Dividend Reinvestment Plan and the receipt of bonus shares. These transactions were conducted on conditions identical to that available to other Shareholders.

Mr Vincent Sammartino, a member of key management personnel has a beneficial interest in Meridian Concrete Pty Ltd, which received shares currently held under escrow as part consideration for the acquisition of the business of Meridian Concrete Pty Ltd by Structural Systems Limited.

The potential earn out payment for Meridian Concrete Australia Pty Ltd in 2010 is $2 million payable (2009: $4 million payable).

During the year the group engaged the services of Concrete Pumping Services Pty Ltd, a company of which Mr Sammartino is a director, amounting to $1,823,346 (2009: $2,351,460).

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 29: Segments results

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of products and services by segment:

- Construction segment

  The construction segment delivers specialist construction services, specifically post tensioning, concrete placement and remedial operations.

- Mining segment

  The mining segment services mining clients and specialises in production drilling.

Basis of accounting for purposes of reporting by operating segments:

a. Accounting policies adopted

   Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

b. Inter-segment transactions

   An internally determined transfer price is set for all inter-segment sales. This price is reviewed periodically to ensure that sales are made at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

   Corporate Charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

   Inter-segment loans payable and receivable are initially recognised at the consideration received/ to be received net of transaction costs.

c. Segment assets and liabilities

   Where an asset or liability is used across multiple segments, it is allocated on a pro-rata basis to the segments that receive the benefit of use of the asset or represent the source of the obligation of the liability.

d. This is the first reporting period in which AASB 8 has been adopted. Comparative information has been restated accordingly.

Note 29: Segments results (continued)

Primary reporting – Business segments

	Construction		Mining		Consolidated Group (Continuing Operations)		Discontinuing Operations	
	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000	30/06/10 $'000	30/06/09 $'000
REVENUE								
External sales	182,263	189,174	70,318	48,091	252,581	237,265	26,920	80,589
Other sales	874	1,269	47	-	921	1,269	-	-
Total sales revenue	183,137	190,443	70,365	48,091	253,502	238,534	26,920	80,589
Unallocated revenue					83	87		
Total revenue					253,585	238,621	26,920	80,589
RESULTS								
Segment result	4,747	9,202	4,383	4,620	9,130	13,822	(8,550)	(6,549)
					9,130	13,822	(8,550)	(6,549)
Income tax benefit / (expense)					125	(331)	2,565	1,965
Profit after income tax					9,255	13,491	(5,985)	(4,584)
ASSETS								
Segment assets	95,378	103,377	42,029	36,103	137,407	139,480		
Total assets					137,407	139,480		
LIABILITIES								
Segment liabilities	46,513	61,954	19,988	20,859	66,501	82,813		
Total liabilities					66,501	82,813		
OTHER								
Acquisitions of non-current segment assets (including Hire purchase and lease commitments)	1,564	1,535	5,705	6,966	7,269	8,501		
Depreciation and amortisation of segment assets	1,922	3,187	5,795	3,961	7,717	7,148		
Other non-cash segment expenses	10	191	-	-	10	191		

Note 29: Segments results (continued)

Revenue and assets by - Geographical region

	Australia		United Arab Emirates		Poland		Consolidated Group	
	2010	2009	2010	2009	2010	2009	2010	2009
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenues for external customers	238,985	218,322	14,600	19,970	-	329	253,585	238,621
Carrying amount of segment assets	127,759	128,986	9,648	10,494	-	-	137,407	139,480
Acquisition of non-current segment assets	7,269	8,499	-	-	-	2	7,269	8,501

Note 30: Financing arrangements

The consolidated group has access to the following lines of credit:

	Structural Systems Group	
	2010	2009
	$'000	$'000
Total facilities available:		
Bank overdrafts	3,000	3,000
Commercial Bill facility	5,600	13,000
Hire purchase facility	8,865	8,216
Other facilities	2,490	2,891
Bank guarantee facility	23,036	23,036
Surety Bond Facility	10,000	-
	52,991	50,143
Facilities used at the end of the reporting period:		
Bank overdrafts	-	1,000
Commercial Bill facility	400	12,800
Hire purchase facility	8,099	7,104
Other facilities	2,490	2,840
Bank guarantee facility	16,682	19,344
Surety Bond Facility	3,550	-
	31,221	43,088
Facilities not used at the end of the reporting period:		
Bank overdrafts	3,000	2,000
Commercial Bill facility	5,200	200
Hire purchase facility	766	1,112
Other facilities	-	51
Bank guarantee facility	6,354	3,692
Surety Bond Facility	6,450	-
	21,770	7,055

Finance facilities of the Group and Parent entity are secured by a registered first mortgage over the Group and Parent entity's land and buildings and registered mortgage debenture over all assets of the Group and Parent entity and an interlocking guarantee and indemnity between the Group and Parent entity and all controlled entities. Overdraft facilities are a set-off arrangement, off-setting balances of all bank accounts. Interest on bank overdrafts is charged at prevailing market rates, currently 10.79% (2009 –11.48%). The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees charged are 1.5 % per annum of facility utilised, subject to a minimum charge per individual guarantee (2009 – 1.5%). The commercial bills are exercisable for a period of up to three months at the discretion of the Group and Parent entity, and the facility has been granted for a period of up to three years subject to Structural Systems Limited satisfying standard commercial terms. 'Other facility' includes a letter of credit to the value of AUD $2.69 million (2009: $2.69 million), and a corporate credit card facility of $200,000 (2009: $200,000).

Note 31: Financial Instruments

Significant accounting and risk management policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements. The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, commercial bills, and hire purchase liabilities. The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not hold or trade with derivative instruments.

Treasury Risk Management

Management, consisting of senior executives of the group meet on a regular basis to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. This management process is subject to board policies and directives implemented, and subsequently reviewed by the Board on a periodic basis.

Interest Rate Risk

As the table below illustrates, the Group has a mixture of variable and fixed interest rate financial instruments. The Group's exposure to interest rate risk on its variable interest rate financial instruments is in the potential for cash flows to differ from their forecast amounts. As the Group's variable interest rate financial instruments are predominantly cash and cash equivalents the Group has assessed the risk arising from changes to interest rates to be not significant.

The Group's exposure to interest rate risk on its fixed interest rate financial instruments relates to the potential for its lease and lease purchase liabilities, which are measured at amortised cost, to significantly differ from their fair value amounts. Discounted cash flow models, applying interest rates existing at the end of the reporting period for similar types of liabilities are used to determine such fair values. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates, summarised as follows:

	Structural Systems Group	
	2010	2009
	$'000	$'000
Current lease and lease purchase liabilities		
Carrying value at amortised cost	4,395	3,814
Fair value	4,206	3,344
Non-current lease and lease purchase liabilities		
Carrying value at amortised cost	5,304	3,687
Fair value	5,086	3,250

Liquidity risk

The consolidated group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk

The consolidated group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts owing to the Group as and when they fall due. Credit risk arises from cash and cash equivalents, deposits held by banks and outstanding receivables. The maximum exposure to credit risk, excluding the value of any collateral or other security at the end of the reporting period in respect of recognized financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to financial statements.

As a result of the diverse range of services and geographical spread covered by the consolidated group, the consolidated group does not have a concentration of credit risk to any one entity. Whilst the group does have a broad risk to lead contractors in the construction industry generally, this is managed on a 'customer by customer' basis, taking into account ratings from credit agencies, trade references and payment history where there is an pre-existing relationship with that entity.

Price Risk

The group is exposed to commodity price risk through its consumption of steel in the post-tensioning businesses, and to a lesser degree in the mining services business. The group monitors forward steel prices and endeavours to lock in agreed prices on a project by project basis prior to formalising bid prices wherever possible. As at 30 June 2010 the Group held no financial instruments that could vary according to changes in the price of steel (2009: nil).

Foreign Exchange Risk

The consolidated group does not have a significant exposure to movements in foreign exchange rates as all transaction gains and losses are not reflected in the income statement.

Financial Instrument composition and maturity analysis

The consolidated group's exposure to interest rate risk, effective weighted average interest rate, contractual settlement terms of a fixed period of maturity as well as management's expectations of settlement period for financial instruments are set out below. These amounts exclude interest payments.

Note 31: Financial Instruments (Continued)

Structural Systems Group

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed interest rate maturing within: 1 Year or less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000	Non-interest Bearing $'000	Total $'000
2010							
Financial Assets							
Cash & cash equivalents	5.5%	2,908	-	-	-	28	2,936
Receivables	-	-	-	-	-	65,185	65,185
		2,908	-	-	-	65,213	68,121
2010							
Financial Liabilities							
Payables	-	-	-	-	-	48,647	48,647
Commercial Bill Facility	8.4%	-	400	-	-	-	400
Lease and lease purchase liabilities	8.5%	-	4,395	3,814	-	-	8,209
			4,795	3,814	-	48,647	57,256

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed interest rate maturing within: 1 Year or less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000	Non-interest Bearing $'000	Total $'000
2009							
Financial Assets							
Cash & cash equivalents	1.0%	1,341	-	-	-	23	1,364
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	65,941	65,941
		1,341	-	-	-	65,964	67,305
2009							
Financial Liabilities							
Payables	-	-	-	-	-	47,667	47,667
Commercial Bill Facility	6.5%	-	12,400	400	-	-	12,800
Other loans	-	-	-	-	-	-	-
Lease and lease purchase liabilities	8.1%	-	5,304	3,687	-	-	8,991
		-	17,704	4,087	-	47,667	69,458

	STRUCTURAL SYSTEMS GROUP 2010 $'000	2009 $'000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	48,647	47,667
	48,647	47,667

Net Fair Values of Financial Assets and Liabilities Valuation Approach

Net fair values of financial assets and liabilities are determined by the consolidated group on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. With the exception of the fair value sensitivities arising on the Group's fixed interest rate financial liabilities, as discussed above, the carrying amounts of all financial instruments disclosed above are at approximate net fair value.

STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574

AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 to 52 , are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and the Chief Finance Officer have each declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   the financial statements and notes for the financial year comply with the accounting standards; and

   (b) the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

R W FREEDMAN - DIRECTOR

D R PERRY - DIRECTOR

Dated: 17 September 2010

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES

ABN 57 006 413 574

Report on the Financial Report

We have audited the accompanying financial report of Structural Systems Limited and controlled entities (the "consolidated entity"), which comprises the statement of financial position as at 30 June 2010, the income statement, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ("IFRS") ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STRUCTURAL SYSTEMS LIMITED
ABN 57 006 413 574 *(Continued)*

Independence

In conducting our audit, we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Auditor's Opinion

In our opinion:

a) the financial report of Structural Systems Limited and controlled entities is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Structural Systems Limited for the year ended 30 June 2010 complies with section 300A of the Corporations Act 2001.

Jeffrey C. Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

Dated in Melbourne, Australia on this 17st day of September 2010

Distribution of shareholders and shareholdings at close of business 31 August 2010

Size of holding	Number of Shareholders	Number of Shares
1 - 1,000	256	152,011
1,001 - 5,000	746	1,621,269
5,001 - 10,000	312	2,538,228
10,001 - 100,000	437	17,957,021
100,001 - (MAX)	61	41,615,945
TOTAL	1,812	63,884,474

The number of Shareholders holding less than a marketable parcel ($500.00) at 31 August 2010 is 156 holding in total 56,175 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	7,344,394	11.50%
National Nominees Pty Limited	5,108,368	8.00%
Sandhurst Trustees Ltd <JMFG Consol A/c>	4,250,230	6.65%
J P Morgan Nominees Australia Limited	2,351,085	3.68%
Argo Investments Limited	1,765,998	2.76%
Kingemel Pty Ltd	1,394,743	2.18%
Tintagel Nominees Pty Ltd	1,099,136	1.72%
Mr Philip Henry Hall	930,000	1.46%
Escor Investments Pty Ltd	900,000	1.41%
Sandhurst Trustees Ltd <JM MPS A/c>	894,953	1.40%
Bruce Crome Nominees Pty Ltd	738,154	1.16%
McMorrow Super Fund A/c	660,600	1.03%
Mrs Hilary Jean Hall	530,000	0.83%
Harg Pty Limited	503,773	0.79%
Meridian Concrete Pty Ltd	503,144	0.79%
Sandhurst Trustees Ltd <JM Asset Management A/c>	500,000	0.78%
JD Building Pty Ltd	488,788	0.77%
Onitrammas Nominees Pty Ltd	488,787	0.77%
Mr Kenneth John Beer <Beer Super Fund A/c>	457,911	0.72%
Mr David Perry	390,000	0.61%
Top 20 holders of Ordinary Fully Paid Shares as at 31 August 2010	31,300,064	48.99 %

Substantials shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	7,344,394	11.50%
National Nominees Limited	5,108,368	8.00%
Sandhurst Trustees Ltd <JMFG Consol A/c>	4,250,230	6.65%

Voting rights

Shareholders are encouraged to attend the Annual General Meeting. However, when this is not possible, they are encouraged to use the form of Proxy by which they can express their views on matters being brought forward at the meeting.

Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to one vote for each fully paid share.

Dividend reinvestment plan

The directors have determined that the dividend reinvestment plan remains suspended.

Dividend Payment Direct to a Bank, Building Society or Credit Union Account

Australian Shareholders may elect to have dividends paid directly into any Bank, Building Society or Credit Union account in Australia.

Company Secretary

The Company Secretary is Stuart Gray.

Structural Systems
ABN 57 006 413 574

Registered Office

The registered office of the Company is:

112 Munro Street, South Melbourne Victoria 3205

Telephone: (03) 9296 8100

Facsimile: 03) 9646 7133

Email: ssl@structural.com.au

Website: www.structuralsystems.com.au

Stock Exchange Listing

Structural Systems Limited shares are listed on the Australian Securities Exchange. Home exchange is Melbourne.

Share Register

If you have any questions in relation to your shareholding, please contact our Share Registry:

Computershare Registry Services Pty Limited

452 Johnston Street

Abbotsford Victoria 3067

Telephone: 1300 137 328

Facsimile: 1300 137 341

Website: www.computershare.com

Please include your shareholder reference number (SRN) or holder identification number (HIN) in all correspondence to the Share Registry.

Incorporation

Structural Systems Limited is incorporated in the State of Victoria.

Auditors

William Buck.

Bankers

National Australia Bank.