



**Structural** Systems

ANNUAL REPORT 2003

# 10-YEAR FINANCIAL SUMMARY

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
External Sales (\$'000)	102,336	117,229	94,981	94,016	47,807	39,630	25,107	28,962	24,076	15,029
Profit (Loss) before tax (\$'000)	580	(4,493)	386	3,723	4,041	4,977	4,326	3,114	2,046	1,700
Profit (Loss) after tax (\$'000) <sup>(1)</sup>	450	(4,716)	341	2,200	2,559	3,005	2,657	1,995	1,331	1,098
Shareholders funds at end of year (\$'000)	17,776	15,426	19,953	18,435	11,941	10,482	8,827	7,296	6,094	5,194
Net tangible assets (\$'000) <sup>(1)</sup>	14,644	12,071	16,330	14,587	7,828	7,436	7,830	7,130	5,948	5,091
Return on shareholder's funds <sup>(1)</sup>	2.5%	(30.6%)	1.7%	11.9%	21.4%	28.7%	30.1%	27.3%	21.8%	21.1%
Return on sales	0.4%	(4.0%)	0.4%	2.9%	5.4%	7.8%	10.9%	7.1%	5.7%	7.5%
Basic earnings per share (cents) <sup>(2)</sup>	1.9	(22.0)	1.6	12.7	16.2	21.5	19.4	13.9	9.6	8.1
Net tangible asset backing per share (cents) <sup>(2)</sup>	57.4	56.3	76.2	70.0	48.2	48.6	52.6	49.5	43.1	37.5
Dividends declared and paid (cents)	-	-	2.0	13.0	13.0	13.0	12.5	11.0	7.5	7.0
Dividends times covered	N/A	N/A	0.8	0.9	1.2	1.6	1.6	1.5	1.5	1.5
Depreciation and amortisation (\$'000)	2,595	2,432	2,032	1,776	1,332	1,212	804	702	523	547
Interest Paid (\$'000)	663	911	556	548	213	173	120	121	94	49
Interest received (\$'000)	-	-	7	23	20	100	191	82	46	50
Share Price at 30 June	\$0.40	\$0.60	\$0.76	\$1.42	\$2.00	\$2.30	\$2.50	\$1.36	\$1.00	\$1.20
Shares on issue at 30 June (000)	25,499	21,428	21,428	20,857	16,229	15,303	13,532	12,087	11,534	10,320
Market Capitalisation at 30 June (\$'000)	10,200	12,857	16,285	29,617	32,458	35,196	33,829	16,438	11,534	12,384

<sup>(1)</sup> Adjusted for outside equity interests

<sup>(2)</sup> Adjusted for Bonus Issues



The Directors of Structural Systems Limited (ABN 57 006 413 574) present their report for the year ended 30 June 2003.

The Directors in office at any time during or since the end of the year are:

Bruce A Crome

Robert W Freedman

Anthony L Harper (Resigned 28 July 2003)

David J Pash

David R Perry (Appointed 12 March 2003)

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## RESULTS FOR THE YEAR

	2003 \$'000	2002 \$'000
Operating Profit (Loss) before Income Tax	580	(4,493)
Income Tax Attributable to Operating Profit (Loss)	(116)	(195)
Operating Profit (Loss) after Income Tax and before Outside Equity Interests	464	(4,688)
Outside Equity Interests	(14)	(28)
Net Profit (Loss) attributable to the members of Structural Systems Limited	450	(4,716)

## PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were engineering, mining and construction contracting and fire prevention services

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

## REVIEW OF OPERATIONS

This financial year saw the company return to profitability and post a result that reflects the continuing improvement in the company's trading performance.

This year has represented a rebuilding and consolidation period for the group after the significant loss posted last financial year. The results coming from our new formwork contracts are pleasing and gives us confidence in the future of our restructured formwork and structure contracting business.

As a consequence of restructuring costs and completion of loss making contracts by Fastform Systems and Total Fire Protection, the company did not fully comply with its financing covenants under its bank facilities during the financial year. The existing facilities expired on June 30 2003. Notwithstanding this, the company's bank has maintained existing bank facilities and is in discussions with the company to establish a new facility sufficient to support the current working capital requirements and those anticipated for the 2004 year. The company has no reason to believe that these new facilities will not be made available.

With the support of our major stakeholders, our strategy of restructuring is well under way. The benefits of the last two years of restructuring will begin to bear fruit in the 2004 year.

The market for the company's core services remains solid. Demand has been strong across all segments of the construction sector, with some slowdown factored in for CBD residential this year. Enquiry levels remain high in all states with activity levels in the non-residential construction sectors are forecast to grow in the next few years.

With the mining industry showing strong growth we are well placed and in a strong position to capitalize on the current market conditions.

### Structural Systems – Western Division

Western division performed well and met budget despite a slow second half following the completion of the Woodside Tower slipform and post-tensioning contract.

*Significant contracts completed or in hand are: -*

- Perth Convention Centre-roof lifting, Perth, WA
- Perth Convention Centre-post tensioning, Perth, WA
- 188,000 cubic metre LNG Tank, Darwin, NT

### Structural Systems – Northern Division

Northern Division has continued where it left off at the end of the 2002-year with a result above budget expectations, with solid contributions from our satellite divisions of Newcastle and Canberra.

With continued growth in the NSW non-residential market forecast at 12% for the 2004 year, Northern Division is set to continue similar levels of activity to that achieved over the last 12 months and this is already reflected in the significant levels of work in hand for the 2004 year.

The strategic move into the Queensland market is starting to show dividends with a number of significant projects already secured, the most prominent of these being the Comalco Alumina Refinery Silo's in Gladstone and the Aldi Distribution Warehouse at Stayplton.

The Bovis Lend Lease Alliance is continuing to be an ongoing success for Northern Division who has completed a number of high profile industrial, retail, and residential projects including the Bovis Lend Lease new corporate headquarters in Sydney.

Our expansion of the civil engineering and remedial businesses in NSW is growing steadily with activity levels in these markets set for a significant boost in the next few years.

*Significant contracts completed and or in hand are: -*

- Erina Fair Shopping Centre - Bovis Lend Lease Alliance, Erina, NSW
- Comalco Alumina Refinery Silos, Gladstone, QLD
- Aldi Distribution Warehouse, Stayplton, QLD
- ESP Residential Development, Victoria Park, NSW
- Hickson Road Commercial - Bovis Lend Lease Alliance, Sydney, NSW
- Westfield Commercial Tower Remedial Works, Bondi Junction, NSW
- Canberra Bridges Carbon Fibre Strengthening, Canberra, ACT
- DIMIA Offices - Bovis Lend Lease Alliance, Canberra - ACT

#### **Total Fire Protection**

The profitability of the business for the year was affected by the completion of the loss making contracts. The business is subject to review, with our current focus on completion of the contracting projects.

*Significant contracts completed or in hand are: -*

- National Gallery of Victoria-fire services, Melbourne, Vic
- DHS Victoria-service contracts, Vic
- Crown Casino Hotel -fire services, Melbourne, Vic
- Aldi distribution Centre-fire services, Melbourne, Vic
- Murray Goulburn distribution Centre -fire services, Melbourne, Vic

#### **Fastform Systems**

The major restructuring and consolidation into Southern division is successfully completed and is behind us. All new formwork contracts are being signed by Southern Division.

The site works on our loss making contracts are now complete with one subject to a dispute with the head contractor.

*Significant contracts completed or in hand are -*

- MAB Docklands Nolan - structural frame, Melbourne, Vic
- National Australia Bank Headquarters-structural frame, Melbourne, Vic
- Victoria Gardens Shopping Centre, Melbourne, Vic
- Bayview Apartments, Melbourne, Vic
- Broadmeadows Shopping Centre, Melbourne, Vic

#### **Structural Systems – Southern Division**

Southern division produced a satisfactory result this year. We have maintained our market share whilst demand for our products and services has remained strong. Major highlights for the year were :-

- The consolidation of the formwork business
- The increase profile and market penetration of our remedial engineering business
- Commencement of a major slipform contract at Freshwater Place in Melbourne

The market for post-tensioning and remedial engineering is strong in all sectors in which we operate. In addition, a number of large infrastructure contracts planned for the next three to five years will increase demand for our services.

The first formwork contract completed by the division is nearing completion and will return a result in excess of expectation. Such a result gives the Directors confidence in moving forward and in the future execution of large formwork contracts.

*Significant contracts completed or in hand are: -*

- Aldi warehouse cool and ambient store, Melbourne, VIC
- National Australia Bank Headquarters, Bovis Lend Lease alliance, Docklands, Vic
- Lawrence Hargrave Drive rock fall fence, Cobar, NSW
- Southern Cross commercial building – structure package, Melbourne, Vic
- Digital Harbour commercial building - structure package, Docklands, Vic
- 740 Swanston Street, concrete repair, Melbourne, Vic

#### **Rock Engineering.**

Rock Engineering produced a steady result in a year that saw increasing confidence in stable gold and nickel commodity prices. The impact of take over activity amongst many of our clients has now settled down with a number of global operators consolidating operations.

Whilst continuing to service long-term clients, the business has also developed significant capability in a number of new "niche market" areas. These developments are providing good opportunities for us to compliment our existing services within the division's infrastructure. The management team is working to expand these opportunities in the 2004 year.

Another significant achievement this year has been in the accreditation to AS/NZ 4801 Occupational Health and Safety. This awards demonstrates our commitment to safety and adds significant value to the services provided to our clients in the mining sector.

The business has a significant proportion of its 2004-year revenue already secured and is in a good position to provide a significant contribution in the 2004-year.

*Significant contracts completed or in hand are: -*

- Kalgoorlie Super pit gold mine-ground support works, Kalgoorlie, WA
- Argyle Diamond Mine Phase 2-cut back ground support works, Argyle, WA
- Mount Keith operations – open pit ground support works, WA
- Kanowna Belle gold mine-ground support works, WA

#### **Structural Systems Joint Venture – Middle East**

The market in the UAE is very solid for the post-tensioning services we provide in the building and civil engineering sectors. It has taken us a number of years to become established and gain credibility in the region. The 2004-year sees us in a strong position to take full advantage of our market position. Our Joint Venture partner is providing systems, which have assisted us in the securing of a number of large bridge contracts during the year.

We will continue with our strategy of securing modest low risk works.

*Significant contracts completed or in hand are: -*

- Burjuman Shopping Centre-post tensioning, Dubai, UAE
- Interchange 4 bridge works, Dubai, UAE
- Airport underpass bridges, Abu Dhabi, UAE
- Plot 124-154 Murrujabat, Dubai, UAE

#### **Structural Systems Joint Venture – United Kingdom**

The United Kingdom Joint Venture has successfully completed its first major contract, West India Quay Tower, Canary Wharf London. Structural Systems in Australia designed the project works with our site supervisors managing the field works.

The large Havering Hospital contract will commence in October 2003, and provide a significant revenue stream for the next eighteen months.

Our marketing program has developed a number of major new prospects several of which will commence in the 2004-year.

The Joint Venture continues to provide the Group with a significant growth opportunity for our core business of post-tensioning in the future.

*Significant contracts completed or in hand are: -*

- West India Quay-post tensioning, London, UK
- Discovery Dock 3, London, UK
- Havering Hospital-post tensioning, London, UK
- Cement Silo, Ireland, UK
- Queen Victoria Street, London, UK
- Salford Quays, Manchester, UK

### DIVIDENDS PAID AND RECOMMENDED

No dividend has been paid or declared during the financial year.

### STATE OF AFFAIRS

During the financial year there was no significant change in the Company's state of affairs, other than that referenced to in the accounts or the notes thereto.

### SUBSEQUENT EVENTS

There has been no other matter or circumstance, other than that referred to in the accounts or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in financial years after the financial year under review, except for the following:

After balance date, part of the service operations of Total Fire Protection Pty Ltd (TFP) was sold. Structural Systems Limited has streamlined the TFP operations into head office to substantially reduce overheads and costs. The financial effect of this transaction has not been brought into account in the 2003 financial report.

### FUTURE DEVELOPMENTS

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

In the opinion of the Directors, further disclosure of information regarding likely developments in the Company's operation and the expected results of those operations in financial years after the financial year under review would prejudice the Company's interests. Accordingly, this information has not been included in this report.

### INFORMATION ON DIRECTORS

**Bruce A Crome** (Non-Executive Chairman), age 61.

Interest in Shares	⇒	666,553
	⇒	944,534
	⇒	2,288

Director since 1985, Chairman since 1998.

Member of Institution of Engineers', Australia. Member of Audit Committee and Remuneration Committee.

- Held in a Family Trust.
- Alrellin Nominees Pty Ltd of which company he is a Director and Shareholder.
- Held personally.

**Anthony L Harper** (Non Executive Director), age 65.

Interest in Shares	⇒	93,337
		944,534

Resigned as a Director 28 July 2003

Member of the Australian Society of Certified Practicing Accountants,

- Held in a Family Trust
- Alrellin Nominees Pty Ltd of which Company he is a Director and Shareholder.

**Robert W Freedman** (Managing Director) age 58.

Interest in Shares	⇒	834,136
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Director since 1985, Managing Director since 1998.

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

- Held in a Family Trust.

**David J Pash** (Chief Operating Officer), age 40.

Interest in Shares	⇒	85,133
	⇒	70,000
Interest in Options	⇒	80,000

Director since 1999.

Bachelor of Building.

- Held in a Family Trust.
- Held Personally.
- Held Personally.

**David R Perry** (Chief Financial Officer), age 36

Interest in Options	⇒	200,000
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Director since 12 March 2003

Bachelor of Economics

Held Personally.

### DIRECTORS ATTENDANCE AT MEETINGS

Year ended 30 June 2003

	Structural Systems Board		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
B A Crome	12	12	2	2	1	1
R W Freedman	12	12	-	-	-	-
A L Harper	12	12	2	2	1	1
D J Pash	12	12	-	-	-	-
D R Perry	4	4	-	-	-	-

# **DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS**

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and Senior Executives of the Company. The Board remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

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

Details of the nature and amount of each element of the emolument of each Director of the Company and each of the five officers of the Company and the Economic Entity, receiving the highest emoluments are:

	Salary & Fees	Other Benefits <sup>1</sup>	Superannuation	Total
	\$	\$	\$	\$
<b>Non-Executive Directors of Structural Systems Limited</b>				
B A Crome	85,000	10,161	7,650	102,811
A L Harper	25,000	-	2,250	27,250
<b>Executive Directors of Structural Systems Limited</b>				
R W Freedman <sup>2</sup>	106,000	31,577	87,958	225,535
D J Pash <sup>2</sup>	100,803	36,233	9,072	146,108
D R Perry <sup>2</sup>	150,000	20,517	22,500	193,017
<b>Other Executives</b>				
S L Crole <sup>3</sup>	110,000	23,124	9,900	143,024
F Filippone <sup>3</sup>	136,000	21,359	12,240	169,599
P Bannerman <sup>3</sup>	121,000	23,592	10,890	155,482
D Minchin <sup>3</sup>	96,366	21,983	8,673	127,022
M Schweiger <sup>3</sup>	96,302	29,647	8,667	134,616

<sup>1</sup> Other benefits include, where applicable, motor vehicle lease payments and running costs, allowances and fringe benefits tax.

<sup>2</sup> Executives of the Company.

<sup>3</sup> Executive of the economic entity.

The value of options granted during the year (if any) has been determined as nil. Accordingly no amount has been included in total emoluments above. Details of options granted during the year are set out under "Options".

# **OPTIONS**

The Executive Share Option Plan, which was approved by Shareholders in October 1994, 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 2003	Exercise Price	Exercise Period	Expiry Date
Sept 98	100,000	1	-	-	100,000	\$1.70	Sept 99 to Sept 03	28 Sept 03
Aug 99	150,000	1	70,000	-	80,000	\$0.60	Aug 99 to June 04	30 June 04
Aug 99	150,000	1	20,000	-	130,000	\$1.00	Aug 99 to June 04	30 June 04
Nov 02	600,000	5	-	-	600,000	\$0.45	Nov 02 to Sept 07	30 Sept 07

No ordinary shares have been issued since the end of the financial year as a result of the exercise of options.

**DIRECTORS' AND AUDITORS' 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 Court to bring proceedings on behalf of the Company or 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 or since the end of the financial year the Company has paid insurance premiums of \$19,248 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 economic entity is not subject to any significant environmental regulation, however the economic entity is committed to achieving a high standard of environmental performance where they apply to operations.

The Directors are not aware of any breaches of environmental regulations and any specific site environmental requirements during the year.


**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 26 September 2003.



B.A. CROME – DIRECTOR



R.W. FREEDMAN – DIRECTOR





## **CORPORATE GOVERNANCE**

### **Board of Directors**

The Board of Directors of Structural Systems Limited has responsibility for guiding and monitoring the business and affairs of the Group, including compliance with the Group's corporate governance policies and procedures, on behalf of shareholders. Responsibility for the operation and administration of the Group is delegated by the Board to the Managing Director, who is accountable to the Board.

The Constitution of the Company specifies that:

- The number of Directors may not be less than three, nor more than eight
- At each Annual General Meeting:
  - One third of Directors (other than Directors who have been appointed to fill casual vacancies since the previous Annual General Meeting) are required to retire and may stand for re-election; and
  - Directors who have filled casual vacancies are required to be elected at the first Annual General Meeting following their appointment by the Board.

In addition, the Board has resolved that the position of Chairman of the Board and the Managing Director will be held by different persons.

The Board has established, and keeps under constant review, its own processes by which it undertakes its responsibilities and seeks to achieve best practice in matters of governance and accountability. These processes include:

- A compliance program whereby executives of the Group are required to bring certain matters to the attention of Directors. The compliance program ensures that that Group complies with its legal and regulatory obligations. The program requires executives, line managers and employees to be aware of the laws that apply to their areas of responsibility and follow Group-wide reporting procedures. The Group takes its regulatory obligations seriously and continually looks for initiatives to improve its standard of compliance.
- A reportable issues system to identify and report all potentially serious issues, including breaches of the law, which may affect the Group's operations or corporate reputations. The system is designed to ensure that potentially critical issues are reported quickly and shared with the right people to enable the Group to implement an effective and timely response.
- Reports by management, both oral and written, to Directors on a monthly basis, in addition to the compliance reporting program, covering the financial standing, operating results and business risks of the group.
- The use of formal policies and charters on a wide range of issues that are material to the Group.
- A number of Board Committees, the functions of which are to assist the Board carry out its duties in specific areas.

The Board delegates management of the Company's resources to the executive team under the leadership of the Managing Director. The MD oversees the implementation of strategies approved by the Board.

The Board has considered establishing a Nomination Committee and decided that due to the small number of directors such a Committee would not be a more efficient mechanism than the full Board for detailed selection and appointment practices.

The Board is currently undertaking a review encompassing the performance of the Board as a whole, its committees and each Director. It is the intention to engage the services of an independent consultant to assist in this process.

With the resignation of Tony Harper and the commitment to the Principles of Good Corporate Governance and Best Practice Recommendations the Board is currently reviewing the composition of the Board. The Board intends to obtain assistance from external consultants to identify suitable candidates meeting the requirements determined by the Board.

Further detail of the individual Directors are set out in the Directors Report.

### **Board Committees**

All Directors of the Company receive copies of Committee papers and may attend meetings of Committees of which they are not members.

### **Audit Committee**

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its corporate governance and overseeing responsibilities relating to accounting and reporting practices.

The Committee meets at least twice each year.

In addition, the Chairman is required to call a meeting of the Audit Committee, when requested to do so by a Committee member, the Managing Director, the Chief Financial Officer or the Company's external auditors. The Committee has unlimited access to external auditors, and to senior management of the Company.

The primary duties and responsibilities of the Audit Committee are to:

- Recommend to the Board which external auditors to appoint;
- Review the audit plan of the external auditors and reasons for subsequent variations from this plan;
- Ensure that no management restrictions are being placed upon the external auditors;
- Evaluate the adequacy and effectiveness of the Group's administrative, operating and accounting policies and controls through active communication with operating management, internal audit and the external auditors; and
- Review public financial and regulatory reports prior to their release.



The Audit Committee Charter clearly identifies those services that the external auditor may provide, those that may not be supplied and those that require specific Audit Committee approval. These services have been revised and changes implemented in line with contemporary best practice.

The Committee consists entirely of non-executive Directors.

The current members of the Committee are A L Harper (Chairman) and B A Crome.

#### **Remuneration of Non-Executive Directors**

The fees payable to non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. Shareholder approval was last given at the Annual General Meeting held on 16 November 1999 for the maximum aggregate remuneration of \$200,000 per year.

Details of the emoluments of non-executive and executive Directors are disclosed elsewhere in this Report.

#### **Remuneration of Senior Executives**

The remuneration levels of the Chief Executive Officer and other senior managers are recommended by the Remuneration Committee and approved by the Board, having regard to advice from independent consultants and after taking into consideration those levels that apply to similar positions in comparable companies, and the performance of the Managing Director and senior executives.

The policy for determining remuneration levels, and the relationship to company performance is referred to in the Directors' Report.

The Board of Structural Systems Limited believes that it is important for the senior executives to have ongoing share ownership in the Company. The existing Executive Share Option Plan is a reflection of this view.

#### **Risk Identification and Management**

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. These include:

- A clearly defined organization structure with approved authority limits;
- 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;
- Policies to manage the financial risks, including hedging foreign exchange exposures;
- Appropriate due diligence procedures for corporate acquisitions and disposals;
- A reportable issues system (crisis management);
- A compliance program;
- A health, safety and environment policy, discussed further below;
- A comprehensive Group-wide insurance program.

#### **Conflicts of Interest and Related Party Transactions**

Apart from legal obligations, Directors and senior executives are required to disclose to the Board details of any contract involving any company in the economic entity in which they have a material interest. Further, it is the economic entity's policy to ensure Directors and officers should not be involved in situations or arrangements which could give rise to conflicts of interest, irrespective of whether they involve transactions with so-called related parties.

Where a matter is being considered by the Board in which a Director has a material personal interest, that Director may not vote on the matter.

#### **Purchase and Sale of Company Securities and Disclosure of Director's Interest**

It is the Company's policy that:

- Directors notify the Chair of the Board before buying or selling securities in the Company, except where such purchases or sales are made within a month following the announcement of the Group's half-yearly or annual results or holding of the Annual General Meeting;
- where prior notification is not required pursuant to the foregoing, Directors still notify the Board of purchase and sales and the Company notifies the Australian Stock Exchange;
- approval is required from the Managing Director by senior managers who purchase or sell Company securities; and
- the Board recognizes that it is the individual responsibility of each Director and other officers to ensure that they comply with the spirit and the letter of the insider trading laws.
- Notification to the Board in no way implies Board approval of any transaction.

#### **Ethical Standards**

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.



#### **Disclosure and Communication**

The Company complies with all relevant disclosure laws and Listing rules in Australia and has policies and procedures designed to ensure accountability at a senior management level for that compliance.

#### **Shareholders**

The Board aims to ensure that all shareholders are informed of major developments. These include the annual and half yearly reports as well as use of the Company's website.

The external auditor attends the annual general meeting and is able to answer questions about the audit and the preparation of the auditors report.

#### **Directors' Access to Independent Advice**

Any Director who requires legal advice in relation to the performance of his or her duties as a Director of the Company must inform the Chairman of the issue that raises the concern that requires legal advice, and the advice is then to be obtained in consultation with the Chairman. The costs reasonably incurred are reimbursable by the Company. When the advice is to hand, it is to be made available to all Directors.

#### **Occupational Health Safety**

The economic entity's Occupational Health and Safety Policy is built around the belief that the safety of our employees is of paramount importance to us, and that we firmly believe that through continuous improvement all incidents and injuries at work are preventable.

Creation of a safe workplace requires substantial shared commitment on the part of management and all employees. Based on the principle of risk identification and risk control, the best practices and experiences from across the Company are built into Corporate Standards. The Company has set objectives to reach defined levels of compliance and has developed programs to access this level of compliance. Injury statistics are reported to the Board gauge of the success or otherwise of the strategy.

#### **Environment**

The Company is not subject to any specific environmental regulation, however is committed to achieving a high standard of environmental performance where they apply to operations.



		STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	Notes	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue from sale of goods	(2)	4,909	3,053	-	-
Revenue from rendering of services	(2)	97,427	114,176	3,193	1,982
Other revenues from ordinary activities	(2)	264	379	213	346
<b>Total Revenue</b>	(2)	<b>102,600</b>	<b>117,608</b>	<b>3,406</b>	<b>2,328</b>
Raw materials and consumables used for sale of goods		(2,743)	(1,780)	-	-
Construction and servicing costs		(90,569)	(106,479)	-	-
Changes in inventories and raw materials		1,436	(218)	-	-
Depreciation and amortisation expense	(3)	(2,595)	(2,432)	(532)	(626)
Borrowing costs	(3)	(663)	(911)	(583)	(802)
Other expenses from ordinary activities	(3)	(6,886)	(10,289)	(2,078)	(694)
Share of net profits (losses) from joint ventures accounted for using the equity method		-	8	-	-
<b>Profit (Loss) from ordinary activities before related income tax expense</b>		<b>580</b>	<b>(4,493)</b>	<b>213</b>	<b>206</b>
Income tax (expense) benefit relating to ordinary activities	(4)	(116)	(195)	208	(569)
<b>Net Profit (Loss)</b>		<b>464</b>	<b>(4,688)</b>	<b>421</b>	<b>(363)</b>
Net profit attributable to outside equity interests	(26)	(14)	(28)	-	-
<b>Net profit (loss) attributable to members of the parent entity</b>		<b>450</b>	<b>(4,716)</b>	<b>421</b>	<b>(363)</b>
Increase (decrease) in asset revaluation reserve:					
Fair value adjustment	(11)(23)	-	-	-	-
Increase in capital profits reserve	(23)	-	-	-	2,400
Net exchange difference on translation of financial statements of self sustaining foreign operations	(23)	(227)	217	-	-
<b>Total changes in equity from non-owner related transactions attributable to members of the parent entity</b>		<b>223</b>	<b>(4,499)</b>	<b>421</b>	<b>2,037</b>
Basic earnings per share	(5)	1.9¢	(22.0¢)		
Diluted earnings per share	(5)	1.8¢	(21.7¢)		

		<b>STRUCTURAL SYSTEMS GROUP</b>		<b>STRUCTURAL SYSTEMS LIMITED</b>	
	Notes	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT ASSETS</b>					
Cash Assets	(31)	74	100	-	-
Receivables	(6)	23,057	25,533	205	425
Inventories	(7)	5,838	4,401	-	-
Other	(8)	473	615	461	393
<b>TOTAL CURRENT ASSETS</b>		<b>29,442</b>	<b>30,649</b>	<b>666</b>	<b>818</b>
<b>NON CURRENT ASSETS</b>					
Receivables	(9)	-	-	34,030	29,196
Other financial assets	(10)	24	24	3,057	3,067
Property, plant and equipment	(11)	12,743	13,481	4,461	5,299
Intangible assets	(12)	3,132	3,355	15	23
Deferred tax assets	(13)	1,203	1,405	72	82
<b>TOTAL NON-CURRENT ASSETS</b>		<b>17,102</b>	<b>18,265</b>	<b>41,635</b>	<b>37,667</b>
<b>TOTAL ASSETS</b>		<b>46,544</b>	<b>48,914</b>	<b>42,301</b>	<b>38,485</b>
<b>CURRENT LIABILITIES</b>					
Payables	(14)	13,167	20,393	2,500	1,502
Interest bearing liabilities	(15)	9,662	5,410	9,059	4,215
Current tax liabilities	(16)	143	156	-	-
Provisions	(17)	2,568	3,036	177	157
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,540</b>	<b>28,995</b>	<b>11,736</b>	<b>5,874</b>
<b>NON-CURRENT LIABILITIES</b>					
Payables	(18)	-	-	9,340	13,813
Interest bearing liabilities	(19)	2,053	3,014	872	776
Deferred tax liability	(20)	934	1,238	103	320
Provisions	(21)	31	45	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3018</b>	<b>4,297</b>	<b>10,315</b>	<b>14,909</b>
<b>TOTAL LIABILITIES</b>		<b>28,558</b>	<b>33,292</b>	<b>22,051</b>	<b>20,783</b>
<b>NET ASSETS</b>		<b>17,986</b>	<b>15,622</b>	<b>20,250</b>	<b>17,702</b>
<b>EQUITY</b>					
Contributed equity	(22)	15,000	12,873	15,000	12,873
Reserves	(23)	1,542	1,769	3,931	3,931
Retained profits	(24)	1,234	784	1,319	898
<b>TOTAL PARENT ENTITY INTEREST</b>		<b>17,776</b>	<b>15,426</b>	<b>20,250</b>	<b>17,702</b>
Outside equity interests	(26)	210	196	-	-
<b>TOTAL EQUITY</b>		<b>17,986</b>	<b>15,622</b>	<b>20,250</b>	<b>17,702</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes



		STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	Notes	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts in the course of operations		114,325	126,897	114,171	126,552
Cash payments in the course of operations		(117,179)	(123,395)	(117,226)	(122,624)
Interest received		-	-	-	-
Borrowing costs paid		(649)	(916)	(649)	(916)
Income tax (paid) refunded		(232)	87	(232)	87
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	(31)	<b>(3,735)</b>	<b>2,673</b>	<b>(3,936)</b>	<b>3,099</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for property, plant and equipment		(622)	(2,243)	(622)	(2,244)
Proceeds from sale of property, plant and equipment		264	135	264	135
Loan from associated company (net)		132	-	132	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(226)</b>	<b>(2,108)</b>	<b>(226)</b>	<b>(2,109)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		1,305	2,275	1,305	2,275
Repayment of borrowings		(1,809)	(2,221)	(1,809)	(2,221)
Lease and lease purchase payments		(1,265)	(902)	(1,265)	(902)
Proceeds from issue of shares		2,126	-	2,126	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		<b>357</b>	<b>(848)</b>	<b>357</b>	<b>(848)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(3,604)</b>	<b>(283)</b>	<b>(3,805)</b>	<b>142</b>
Effect of exchange rates on cash holdings		(227)	189	-	-
Cash at beginning of financial year		(1,057)	(963)	(1,157)	(1,299)
<b>CASH AT END OF FINANCIAL YEAR</b>	(31)	<b>(4,888)</b>	<b>(1,057)</b>	<b>(4,962)</b>	<b>(1,157)</b>

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this financial report are:

**(a) Basis of preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Structural Systems Limited and controlled entities, and Structural Systems Limited as an individual parent entity. Structural Systems Limited is a listed public company, incorporated and domiciled in Australia.

It has been prepared on an accruals basis and is based on historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

**(b) Principles of consolidation*****Controlled entities***

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

***Associates***

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

***Joint ventures***

A joint venture is either an entity or operation that is jointly controlled by the consolidated entity.

***Joint venture entities***

In the consolidated financial statements investments in joint venture entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The consolidated entity's share of the joint venture entity's net profit or loss is recognised in the consolidated operating statement of financial performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

***Joint venture operation***

The consolidated entity's interest in an unincorporated joint venture is brought to account by including its proportionate share of the joint venture's assets, liabilities and expenses and the consolidated entity's revenue from the sale of its share of output on a line-by-line basis, from the date joint control commences to the date joint control ceases.

***Transactions eliminated on consolidation***

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Unrealised gains resulting from transactions with associates and joint ventures are eliminated to the extent of the consolidated entity's interest. Unrealised gains relating to associates and joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence of recoverable amount impairment.

**(c) Revenue recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

***Sale of goods***

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

**(c) Revenue recognition (continued)*****Rendering of services***

Revenue from rendering services is recognised in proportion to the stage of completion of the contract when the stage of contract completion can be reliably measured. The stage of completion is assessed by reference to surveys of work performed.

Where the outcome of a contract cannot be reliably estimated contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is only recognised to the extent of costs incurred. An expected loss is recognised immediately as an expense.

***Interest revenue***

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

***Sale of non-current assets***

The gross proceeds on non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Any related balance in the asset revaluation reserve is transferred to the capital profits reserve on disposal.

***Construction contracts***

Contract revenue and expenses are recognised on an individual contract basis using the percentage of completion method when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and total contract revenue and costs to complete can be reliably estimated.

Profit recognition does not normally commence until a contract is at least 20% complete.

Stage of completion is measured by reference to an assessment of total labour hours and other costs incurred to date as a percentage of estimated total costs for each contract.

Where the outcome of a contract cannot be reliably estimated contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of cost incurred. An expected loss is recognised immediately as an expense.

***Dividends***

Revenue from dividends and distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities.

Revenue from dividends from associates is recognised by the parent entity when dividends are received.

Revenue from dividends from other investments are recognised when received.

Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

**(d) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivable and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

**(e) Foreign currency*****Transactions***

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

The accounting for hedges is set out in Note 1(f).





(e) **Foreign currency (continued)**

***Translation of controlled foreign entities***

The assets and liabilities of foreign operations, including associates and joint venturers, that are self-sustaining are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

The assets and liabilities of foreign operations, including associates and joint venturers, that are integrated are translated using the temporal method. Monetary assets and liabilities are translated into Australian currency at rates of exchange rates current at balance date, while non-monetary items and revenue and expense items are translated at exchange rates current when the transactions occurred. Exchange differences arising on translation are brought to account in the statement of financial performance.

The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of is transferred to retained earnings in the year of disposal.

(f) **Derivatives**

The consolidated entity is exposed to changes in interest rates, foreign exchange rates and commodity prices from its activities. The consolidated entity uses forward foreign exchange contracts to hedge these risks. Derivative financial instruments are not held for speculative purposes.

***Hedges***

***Anticipated transactions***

Where hedge transactions are designated as a hedge of the anticipated purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, gains and losses, on the hedge arising up to the date of the anticipated transaction, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the statement of financial performance.

When the anticipated transaction is no longer expected to occur as designated the deferred gains and losses relating to the hedged transaction are recognised immediately in the statement of financial performance.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur as designated, the deferred gains and losses that arose on the hedge prior to its termination continue to be deferred and are included in the measurement of the purchase or sale or interest transaction when it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur as designated, deferred gains and losses that arose on the hedge prior to its termination are included in the statement of financial performance for the period.

Where a hedge is redesignated as a hedge of another transaction, gains and losses arising on the hedge prior to its redesignation are only deferred where the original anticipated transaction is still expected to occur as designated. When the original anticipated transaction is no longer expected to occur as designated, any gains or losses relating to the hedge instrument are included in the statement of financial performance for the period.

Gains and losses that arise prior to and upon the maturity of transactions entered into under hedge rollover strategies are deferred and included in the measurement of the hedged anticipated transaction if the transaction is still expected to occur as designated. If the anticipated transaction is no longer expected to occur as designated, the gains and losses are recognised immediately in the statement of financial performance.

***Net investment in foreign operation***

Foreign exchange differences relating to foreign currency transactions hedging a net investment in a foreign operation are transferred to the foreign currency translation reserve on consolidation.

***Other hedges***

All other hedge transactions are initially recorded at the relevant rate at the date of the transaction. Hedges outstanding at balance date are valued at the rates ruling on that date and any gains or losses are brought to account in the statement of financial performance. Costs or gains arising at the time of entering into the hedge are deferred and amortised over the life of the hedge.

(g) **Borrowing costs**

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

**(h) Taxation**

The consolidated entity adopts the liability method of tax effect accounting.

Income tax expense is calculated on operating profit from ordinary activities adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt.

Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

To the extent that dividends are proposed by controlled entities incorporated overseas, the consolidated entity has provided for withholding tax. A provision is also made for the withholding tax on the balance on unremitted profits that eventually will be remitted to the Company.

**(i) Acquisitions of assets**

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets as set out in Note 1(g).

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

***Subsequent additional costs***

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

**(j) Revisions of accounting estimates**

Revisions to accounting estimates are recognised prospectively in current and future periods only.

**(k) Receivables**

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

***Trade debtors***

Trade debtors to be settled within 60 days are carried at amounts due.

**(l) Inventories**

Inventories are carried 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.

***Manufacturing activities***

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.

***Net realisable value***

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

**(m) Construction work in progress**

Construction work in progress is carried at cost plus profit recognised to date based on the value of work completed, less progress billings and less provision for foreseeable losses, allocated between amounts due from customers and amounts due to customers.

Cost includes variable and fixed costs directly related to specific contracts, those cost related to contract activity in general which can be allocated to specific contracts on a reasonable basis and other costs specifically chargeable under the contract. Costs expected to be incurred under penalty clauses and rectification provisions, and borrowing costs where contracts are classified as qualifying assets (see Note 1(g)) are also included.

**(n) Investments*****Controlled entities***

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

***Associates***

In the Company's financial statements investments in unlisted shares of associates are carried at the lower of cost and recoverable amount.

Investments in listed shares in associates are measured at fair value, being the current quoted market prices.

***Joint ventures***

In the Company's financial statements investments in joint venture entities other than partnerships are carried at the lower of cost and recoverable amounts. Joint venture partnerships are equity accounted for as set out in Note 1(b).

In the Company's financial statements investments in joint venture operations are accounted for as set out in Note 1 (b).

***Other entities***

Investments in other listed entities are measured at fair value, being the current quoted market prices.

Investments in marketable securities held for the purpose of trading are measured at fair value.

**(o) Leased assets**

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

***Finance leases***

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

***Operating leases***

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**(p) Goodwill**

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired.

For associates and joint venture entities, the consolidated financial statements include the carrying amount of goodwill in the equity accounted investment carrying amounts.

**(q) Recoverable amount of non-current assets valued on cost basis**

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

The re-valuation of freehold land and buildings has not taken account of the potential Capital Gains Tax on assets acquired after the introduction of Capital Gains Tax.

**(r) Depreciation and amortisation*****Complex assets***

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

***Useful lives***

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives.

Leased assets or where it is likely the consolidated entity will obtain ownership of the asset are amortised over the life of the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The depreciation/amortisation rates used for each class of asset are as follows:

	2003	2002
<b><i>Property, plant and equipment</i></b>		
Buildings	2.5%	2.5%
Leasehold improvements	20%	20%
Plant and equipment	10%	10%
Leased assets		
- Plant and equipment	15%	15%
- Mining Equipment	25%	25%
<b><i>Intangibles</i></b>		
Goodwill	20 years	20 years

**(s) Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**(t) Bank loans**

Bank loans are carried on the statement of financial position at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Other creditors and accruals".

**(u) Employee entitlements*****Wages, salaries, annual leave and sick leave***

The provisions for employee entitlements to wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up the balance date, calculated at undiscounted amounts based on current wage and salary rates including related on-costs.

***Long service leave***

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to balance date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

***Employee share and option plans***

Where shares or options are issued to employees as remuneration for past services, the difference between fair value of the shares or options issued and the consideration received, if any, from the employee is expensed. The fair value of the shares or options issued is recorded in contributed equity.

Other share or options issued to employees are recorded in contributed equity at the fair value of consideration received, if any.

Transaction costs associated with issuing shares and options are recognised in equity subject to the extent of the proceeds received, otherwise expensed. Other administrative costs are expensed.



(u) **Employee entitlements (continued)**

**Superannuation plan**

The company and other controlled entities contribute to several defined contribution superannuation plans. Contributions are charged against income as they are made.

(v) **Provisions**

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(w) **Comparative figures**

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

(x) **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.

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>2.. REVENUE FROM ORDINARY ACTIVITIES</b>				
Sale of goods revenue from operating activities	4,909	3,053	-	-
Rendering of services revenue from operating activities	97,427	114,176	-	-
Management fee to controlled entities	-	-	3,193	1,982
<b>Other Revenues:</b>				
<i>From operating activities</i>				
Dividends received from wholly owned subsidiary	-	-	213	-
• Other parties				
<i>From outside operating activities</i>				
Gross proceeds from sale of non-current assets	264	379	-	346
<b>Total revenue from ordinary activities</b>	<b>102,600</b>	<b>117,608</b>	<b>3,406</b>	<b>2,328</b>

**3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES**

(a) Profit (loss) from ordinary activities before income tax is arrived at after charging (crediting) the following items:

Amortisation and depreciation of:

• Buildings	120	82	120	82
• Plant and equipment	2,211	2,074	404	535
• Leasehold improvements	41	9	-	-
• Goodwill	223	268	8	8
Bad and doubtful debts expense including movements in provision for doubtful debts	(42)	109	-	-
Interest paid and due and payable:				
• Other persons	451	653	437	619
• Director' loans	48	-	48	-
• Finance charges on capitalised assets	164	258	98	183
Rental – operating leases	544	309	-	-
Loss (gain) on disposal of plant and equipment	(23)	(203)	-	(206)
Provision for:				
• Employee benefits	(501)	636	(221)	(1,332)
• Net foreign exchange loss (gain)	77	-	77	-

(b) Auditors of the Company , McKenzie & Partners

• Other Auditors	-	-	-	-
	<b>118</b>	<b>90</b>	<b>28</b>	<b>28</b>
Other Services				
• Auditors of the Company, McKenzie & Partners	54	139	50	139



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES (continued)

(c) Other expenses – parent entity

Other expenses of \$2,078,000 (2002: \$694,000) comprises administrative costs such as salaries, wages and bank charges and fees incurred in the operations of the holding company.

4. INCOME TAX EXPENSE

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% (2002 – 30%)	202	(1,381)	64	62
Add (deduct) tax effect of:				
• Amortisation of goodwill	103	116	2	3
• Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	27	29	17	16
• Dividend rebate	(64)	-	(64)	-
Current year losses not taken up as future income tax benefit	27	1959	-	-
Prior year losses offset against provision for deferred income tax	-	153	-	-
• Tax benefit of losses transferred to (from) entities within group	(179)	(681)	(227)	488
Income tax expense (benefit) on current years operating profit	116	195	(208)	569
Income tax expense attributable to:				
<b>Provision of Income Tax:</b>				
Income tax expense	116	195	(208)	569
Movement in provision for deferred income tax	239	(527)	217	(91)
Movement in future income tax benefit	(214)	478	(9)	(478)
Income tax paid current year	(34)	(68)	-	-
Current year income tax payable (refundable)	107	78	-	-
Prior Year income tax payable	95	-	-	-
Income tax payable (refundable)	202	78	-	-
<b>Future Income Tax Benefits not taken to account:</b>				
Tax losses	1,407	1,965	488	-
Capital losses	139	210	139	206
	1,546	2,175	627	206

The potential future income tax benefit will only be obtained if:

- the relevant Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another Company in the economic entity
- the relevant Company/or the economic entity continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the relevant Company and/or the economic entity in realising the benefit.

5. EARNING PER SHARE

(a) Reconciliations of earnings to net profit (loss)		
Net profit (loss)	464	(4,688)
Net profit attributable to outside equity interest	(14)	(28)
Earnings used in the calculation of earnings per share	450	(4,716)
(b) Weighted average number or ordinary shares on issue used in the		
Calculation of basic earnings per share	23,707,024	21,427,973
Options outstanding under the Executive Share Option Plan	910,000	310,000
Weighted average number of potential ordinary shares used in the		
Calculation of diluted earnings per share	24,617,024	21,737,973



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>6. RECEIVABLES (CURRENT)</b>				
Trade debtors	22,188	24,513	-	-
Provision for doubtful debts	(231)	(312)	-	-
	21,957	24,201	-	-
Loans and advances to staff	4	8	-	-
Other debtors and deposits	163	258	14	234
Loans to associated entities	933	1,066	191	191
	23,057	25,533	205	425
<b>7. INVENTORIES (CURRENT)</b>				
Raw materials and stores at cost	3,215	2,939	-	-
Work in progress	68	416	-	-
Construction work in progress	2,555	1,046	-	-
	5,838	4,401	-	-
<b>Construction work in progress comprises:</b>				
Contract costs incurred to date	57,947	66,198	-	-
Profit recognised to date	10,977	7,100	-	-
	68,924	73,298	-	-
Less: Provision for losses	(869)	(1,780)	-	-
	68,055	71,518	-	-
Less: Progress billings	(68,510)	(75,320)	-	-
Net construction work in progress	(455)	(3,802)	-	-
<b>Net construction work in progress comprises:</b>				
Amounts due from customers – inventories	2,555	1,046	-	-
Amounts due to customers – payables	(3,010)	(4,848)	-	-
	(455)	(3,802)	-	-
Progress billings and advances received and receivable	68,510	70,815	-	-
Retentions on construction projects in progress included in progress billings	213	703	-	-
<b>8. OTHER CURRENT ASSETS</b>				
Prepayments	473	615	461	393
<b>9. RECEIVABLES (NON CURRENT)</b>				
Loans to controlled entities	-	-	34,030	29,196
<b>10. OTHER FINANCIAL ASSETS (NON CURRENT)</b>				
<b>Shares in other companies</b>				
Unlisted shares at cost	24	24	-	-
Shares in controlled entities at cost	-	-	3	13
Shares in controlled entities at Directors valuation (a)	-	-	3,054	3,054
	24	24	3,057	3,067

(a) The Directors' valuation of shares in controlled entities was based on net fair value, being the relevant share of underlying net assets. The valuation was not made in accordance with a policy of regular revaluation.

Capital gains tax has not been taken into account in determining the re-valued amount.



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Freehold Land</b>				
At Directors valuation (2001)	135	135	135	135
At independent valuation (b)	1,826	1,826	1,826	1,826
	<b>1,961</b>	<b>1,961</b>	<b>1,961</b>	<b>1,961</b>
<b>Buildings</b>				
At Directors valuation (2001)	1,553	1,553	1,553	1,553
At cost – subsequent additions	63	63	63	63
Accumulated amortisation	(407)	(287)	(407)	(287)
	<b>1,209</b>	<b>1,329</b>	<b>1,209</b>	<b>1,329</b>
<b>Leasehold improvements</b>				
At cost	130	95	-	-
Accumulated amortisation	(89)	(48)	-	-
	<b>41</b>	<b>47</b>	<b>-</b>	<b>-</b>
<b>Plant, Equipment and Motor Vehicles</b>				
At cost	19,922	18,389	4,427	5,495
At Directors valuation 1995 (a) – deemed cost	295	295	295	295
Accumulated depreciation	(11,615)	(9,684)	(3,500)	(3,921)
	<b>8,602</b>	<b>9,000</b>	<b>1,222</b>	<b>1,869</b>
Leased assets at assessed value	1,242	1,434	76	267
Accumulated amortisation	(312)	(290)	(7)	(127)
	<b>930</b>	<b>1,144</b>	<b>69</b>	<b>140</b>
Total plant, equipment and motor vehicles	<b>9,532</b>	<b>10,144</b>	<b>1,291</b>	<b>2,009</b>
Total	<b>12,743</b>	<b>13,481</b>	<b>4,461</b>	<b>5,299</b>

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

- (a) The Directors valuation in 1995 was carried out in June 1995 and was on the basis of the current market value of the assets concerned.
- (b) The independent valuation of the consolidated entity's freehold land and building was carried out as at 30 June 2001. On the basis of open market values for existing use resulted in a valuation of land of \$1,825,536. The valuation has been brought to account.

#### Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

<b>Freehold land</b>				
Carrying amount at beginning of year	1,961	2,085	1,961	2,085
Additions	-	-	-	-
Disposals	-	(124)	-	(124)
Revaluation increment	-	-	-	-
Carrying amount at end of year	<b>1,961</b>	<b>1,961</b>	<b>1,961</b>	<b>1,961</b>
<b>Buildings</b>				
Carrying amount at beginning of year	1,329	1,348	1,329	1,348
Additions	-	63	-	63
Disposals	-	-	-	-
Depreciation	(120)	(82)	(120)	(82)
Carrying amount at end of year	<b>1,209</b>	<b>1,329</b>	<b>1,209</b>	<b>1,329</b>
<b>Leasehold Improvements</b>				
Carrying amount at beginning of year	47	48	-	-
Additions	35	8	-	-
Disposals	-	-	-	-
Amortisation	(41)	(9)	-	-
Carrying amount at end of year	<b>41</b>	<b>47</b>	<b>-</b>	<b>-</b>





	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>11. <u>PROPERTY, PLANT AND EQUIPMENT</u> (continued)</b>				
<b>Plant and equipment</b>				
Carrying amount at beginning of year	10,144	8,758	2,009	1,900
Additions	1,840	3,513	85	662
Disposals	(241)	(53)	-	(18)
Transfer of assets to subsidiaries	-	-	(399)	-
Depreciation	(2,211)	(2,074)	(404)	(535)
Carrying amount at end of year	9,532	10,144	1,291	2,009
<b>12. <u>INTANGIBLES</u></b>				
Goodwill	4,544	4,544	159	159
Accumulated amortisation	(1,412)	(1,189)	(143)	(136)
	3,132	3,355	15	23
<b>13. <u>DEFERRED TAX ASSETS</u></b>				
Future income tax benefits	1,203	1,405	73	82
<b>14. <u>PAYABLES (CURRENT)</u></b>				
Trade Creditors	5,362	9,619	578	-
Other creditors and accruals	4,795	5,926	1,922	1,502
Contract billings in advance	3,010	4,848	-	-
	13,167	20,393	2,500	1,502
<b>15. <u>INTEREST BEARING LIABILITIES (CURRENT)</u></b>				
Bank overdraft – secured	4,962	1,157	4,962	1,157
Bank loans – secured	2,207	2,906	2,150	2,800
Loans - Directors'	1,300	-	1,300	-
Other loans	5	212	-	-
Lease liability	234	290	213	102
Lease purchase liability	954	845	434	156
	9,662	5,410	9,059	4,215
<b>16. <u>TAX LIABILITIES (CURRENT)</u></b>				
Income Tax	143	156	-	-
<b>17. <u>PROVISIONS (CURRENT)</u></b>				
Employee benefits	2,568	3,036	177	157
<b>18. <u>PAYABLES (NON CURRENT)</u></b>				
Amounts owing to related entities	-	-	9,340	13,813
<b>19. <u>INTEREST BEARING LIABILITIES (NON CURRENT)</u></b>				
Bank Loans – secured	220	830	100	650
Other loans	-	289	-	-
Lease liability	632	889	533	-
Lease purchase liability	1,201	1,006	239	126
	2,053	3,014	872	776



		STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
20.	<b>DEFERRED TAX LIABILITY</b>				
	Provision for deferred income tax	875	1,114	103	320
	Income tax	59	124	-	-
		934	1,238	103	320
21.	<b>PROVISIONS (NON CURRENT)</b>				
	Employee benefits	31	45	-	-
22.	<b>CONTRIBUTED EQUITY</b>				
	Issued and paid up capital 25,499,473 (2002 -21,427,972) fully paid ordinary shares	15,000	12,873	15,000	12,873
	<b>Movements in ordinary share capital</b>				
	Balance at the beginning of the financial year	No. 21,427,972	12,873	12,873	12,873
	Shares issued:				
	Share placement and top up plan	4,071,501	2,240	2,240	-
	Transaction costs relating to share issue	-	(113)	(113)	-
		25,499,473	15,000	15,000	12,873
<p>(a) During the year the company issued 4,071,500 ordinary shares via private share placement (2,614,000) and share top-up (1,457,500) at \$0.55 cents each to shareholders.</p> <p>(b) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.</p> <p>(c) 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.</p> <p>(d) Options - For information relating to the Executive Share Option Plan, refer to Note 32 (c).</p>					
23.	<b>RESERVES</b>				
	<b>Asset Revaluation Reserve</b>				
	• Balance at beginning of year	1,321	1,321	1,321	1,321
	• Revaluation increment on freehold land	-	-	-	-
	• Balance at end of year	1,321	1,321	1,321	1,321
	<b>Capital Profits Reserve</b>				
	• Balance at beginning of year	210	210	2,610	210
	• Goodwill on transfer of business to subsidiary companies	-	-	-	2,400
	• Balance at end of year	210	210	2,610	2,610
	<b>Foreign Currency Translation Reserve</b>				
	• Balance at beginning of year	238	49	-	-
	• Translation adjustment on controlled foreign entities	(227)	189	-	-
	• Balance at end of year	11	238	-	-
		1,542	1,769	3,931	3,931

#### Nature and Purpose of Reserves

##### Asset Revaluation

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 1041.

##### Capital Profits

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



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

#### Foreign Currency Reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations, the translation of transactions that hedge the Company's net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a self-sustaining operation. Refer to accounting policy Note 1(e)

#### 24. RETAINED PROFITS

Retained profits at beginning of year	784	5,500	898	1,261
Net profit attributable to members of the parent entity	450	(4,716)	421	(363)
Dividends	-	-	-	-
Retained profits at end of year	1,234	784	1,319	898

#### 25. DIVIDENDS PROVIDED OR PAID

The amounts paid or provided by way of dividend by the parent entity are:

• An interim ordinary dividend was not declared (2002- nil)	-	-	-	-
• A final ordinary dividend has not been declared (2002- nil)	-	-	-	-
	-	-	-	-

#### Dividend Franking Account

Class C 30% (2002-30%) franking credits available			206	114
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The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax
- franking debits that will arise from the payment of dividends recognised as a liability at year-end
- franking credits that will arise from the receipt of dividends recognised as receivables at year-end, and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

#### 26. OUTSIDE EQUITY INTERESTS

Outside equity interests in controlled entities comprise:

Interest in retained profits at the beginning of the financial year	192	164	-	-
Interest in operating profit after income tax	14	28	-	-
Interest in retained profits at the end of the financial year	206	192	-	-
Interest in share capital	4	4	-	-
	210	196	-	-

#### 27. TOTAL EQUITY RECONCILIATION

Total equity at beginning of year	15,622	20,121	17,702	15,666
Total changes in parent equity interest in equity recognised in statement of financial performance	223	(4,527)	421	(363)
Capital reserve on transfer of businesses to subsidiary companies	-	-	-	2,400
Transactions with owners as owners				
Contributions of equity	2,127	-	2,127	-
Dividends	-	-	-	-
Total changes in outside equity interest	14	28	-	-
Total equity at end of year	17,986	15,622	20,250	17,702



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>28. CAPITAL AND LEASING COMMITMENTS</b>				
<b>Lease expenditure</b>				
<b>Finance Leases</b>				
• not later than 1 year	314	384	285	107
• later than 1 year, but not later than 5 years	711	949	597	-
Total maximum lease commitment	1,025	1,333	882	107
Future finance charges	(159)	(154)	(136)	(5)
<b>Lease liability</b>	<b>866</b>	<b>1,179</b>	<b>746</b>	<b>102</b>
<b>Lease Purchase</b>				
• not later than 1 year	1,091	980	472	172
• later than 1 year, but not later than 5 years	1,288	1,072	255	132
Total maximum lease commitment	2,379	2,052	727	304
Future finance charges	(224)	(201)	(54)	(22)
<b>Lease purchase liability</b>	<b>2,155</b>	<b>1,851</b>	<b>673</b>	<b>282</b>
<b>Non-cancellable Operating Leases</b>				
Contracted for but not capitalised in accounts				
• not later than 1 year	220	286	-	-
• later than 1 year, but not later than 5 years	460	642	-	-
• later than 5 years	-	-	-	-
	680	928	-	-
Plant and equipment, contracted, but not provided for and payable		-	-	-
<b>29. CONTINGENT LIABILITIES</b>				
Contract cash retentions	213	919	-	-
Contract performance guarantees	8,521	9,445	6,294	5,280
Guarantee by the Company in respect of bank facilities of controlled entities	-	-	2,226	7,450
Cross guarantees by the Company and controlled entities in respect of bank facilities	15,141	14,220	-	-
	23,875	24,584	8,520	12,730
<b>30. ECONOMIC DEPENDENCY</b>				
Neither the Company, nor its subsidiaries, are dependent on any supplier				
<b>31. NOTES TO STATEMENT OF CASH FLOWS</b>				
<b>Components of cash</b>				
Cash on hand	6	9	-	-
Cash at bank	19	33	-	-
Cash on deposit	49	58	-	-
Cash Assets	74	100	-	-
Bank overdrafts	(4,962)	(1,157)	(4,962)	(1,157)
	(4,888)	(1,057)	(4,962)	(1,157)
<b>Funds from operations</b>				
Reconciliation of net cash inflow from operating activities to profit from ordinary activities after tax				
Profit (loss) from ordinary activities after income tax	464	(4,688)	421	(363)
Depreciation and amortisation	2,595	2,432	532	626
Net (profit) loss on sale of non-current assets	(23)	(203)	-	(206)
Bad and doubtful debts	(42)	-	-	-

**31. NOTES TO STATEMENT OF CASH FLOWS (continued)**

<b>Change in operating assets and liabilities:</b>				
▪ (Increase) decrease in trade debtors	2,286	(4,247)	-	4,752
▪ (Increase) decrease in other receivables	100	424	220	286
▪ (Increase) decrease in loans to controlled entities	-	-	(5,851)	647
▪ (Increase) decrease in loans to associated entities	-	(485)	-	(190)
▪ (Increase) decrease in inventories	(1,436)	218	-	2,102
▪ (Increase) decrease in prepayments	143	(38)	(69)	(275)
▪ (Decrease) increase in trade creditors	(4,257)	(622)	578	(3,691)
▪ (Decrease) increase in other creditors	(2,967)	9,355	420	175
▪ (Decrease) increase employee benefits	(482)	636	20	(1,332)
▪ (Decrease) increase in income tax payable	(79)	(157)	-	-
▪ (Decrease) increase in deferred tax payable	(239)	48	(217)	568
▪ (Decrease) (increase) in future income tax benefit	202	-	10	-
<b>Net cash inflow from operating activities</b>	<b>(3,735)</b>	<b>2,673</b>	<b>(3,936)</b>	<b>3,099</b>
<b>Non-cash financing and investing activities</b>				
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	1,255	1,319	76	127

**32. EMPLOYEE ENTITLEMENTS**

(a) Aggregate employee entitlements including on-costs				
- Current	2,568	3,036	177	157
- Non-current	31	45	-	-
	<b>2,599</b>	<b>3,081</b>	<b>177</b>	<b>157</b>

The present values of employee entitlements not expected to be settled within twelve months of balance date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	3.5%	3.5%	3.5%	3.5%
Discount rate	5.5%	8.5%	5.5%	8.5%
Settlement term (years)	10	10	10	10
(b) Number of Employees	624	810	6	8

**(c) Executive Share Option Plan**

The Company has an Executive Share Option Plan approved at the Annual General Meeting on 26 October 1994.

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.

The following was recognized in the financial statements of the Company in relation to employee share options exercised during the financial year

Share Capital -

Un-issued ordinary shares of the Company under option are

Issue Date	Expiry Date	Exercise Price	Number of Options	
			2003	2002
1 September 1998	28 September 2003	\$1.70	100,000	100,000
6 August 1999	30 June 2004	\$0.60	80,000	80,000
6 August 1999	30 June 2004	\$1.00	30,000	130,000
8 November 2002	30 September 2007	\$0.45	600,000	-

600,000 options were issued during the year ended 30 June 2003

No options were cancelled or exercised during the year ended 30 June 2003

The market value of share under these options at 30 June 2003 was \$0.40 per share (2002 - \$0.60)



	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2003	2002	2003	2002
	\$	\$	\$	\$

**(d) Superannuation Commitments**

The economic entity contributes to a number of superannuation funds which exist to provide benefits for employees and their dependants on retirement, disability or death. The funds include Company sponsored and multi-employer industry funds. The economic entity and employee members made contributions as specified by legislation or the relevant trust deed. Legal enforceability is dependent on the terms of the legislation and relevant trust deeds.

All funds provide an accumulation benefit and the economic entity is under no obligation to make up any shortfall in fund assets to meet payments due to employees.

**33. REMUNERATION OF DIRECTORS' AND EXECUTIVES'****(a) Directors' Remuneration**

Amounts received or due and receivable by  
Directors or any related party

	694,721	467,244	694,721	467,244
\$ 20,000 - \$ 29,999	1	1	1	1
\$ 90,000 - \$ 99,999	-	1	-	1
\$100,000 - \$109,999	1	-	1	-
\$140,000 - \$149,999	1	-	1	-
\$150,000 - \$159,999	-	1	-	1
\$190,000 - \$199,999	1	1	1	1
\$220,000 - \$229,999	1	-	1	-

Directors income includes amounts paid by the Company during the year to indemnify Directors, but does not include insurance premiums paid by the Company or related parties in respect of Directors and Officers liabilities insurance contract, as the insurance policies do not specify premiums paid in respect of individual Directors. Details of the insurance premiums paid are set out in the Directors Report.

**(b) Executives' Remuneration**

The remuneration of Executives who work wholly or mainly outside Australia is not included in this disclosure. Total remuneration received, or due and receivable, from the Company or related parties by Executive Officers of the Company whose income is \$100,000 or more

	1,532,112	1,982,645	657,019	620,427
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The number of Executives, including Executive Directors whose remuneration was within the following bands.

\$100,000 - \$109,999	-	1	-	-
\$110,000 - \$119,999	1	1	-	1
\$120,000 - \$129,999	2	1	-	1
\$130,000 - \$139,999	1	1	-	1
\$140,000 - \$149,999	2	1	-	1
\$150,000 - \$159,999	1	2	-	2
\$160,000 - \$169,999	1	1	-	1
\$170,000 - \$179,999	-	1	-	1
\$180,000 - \$189,999	-	1	1	1
\$190,000 - \$199,999	1	1	1	1
\$200,000 - \$209,999	-	1	1	1
\$220,000 - \$229,999	1	-	-	-

Executives remuneration does not include insurance premiums paid by the Company or related parties in respect of Directors and Officers liabilities and legal expenses insurance contracts, as the insurance policies do not specify premiums paid in respect of individual Executives. Details of the insurance premiums paid are set out in the Directors Report.

The Company has no liability in respect to termination benefits under service agreements with Directors and Executives, apart from provisions for annual leave and long service, which is included in Employee Benefits Notes (17) and (21).



STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
2003	2002	2003	2002
\$'000	\$'000	\$'000	\$'000

34. **PARTICULARS RELATING TO CONTROLLED ENTITIES**

Group accounts include a consolidation of the following:

	Place of Incorporation	Principal Activity	Ownership Interest	
			2003	2002
Rock Engineering (Aust) Pty Ltd	Victoria	Mining	90%	90%
NASA Structural Systems L.L.C	U.A.E	Construction	100%	100%
Structural Systems (Pacific) Ltd	Hong Kong	Construction	-	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	100%	100%
Total Fire Protection Pty Ltd	Victoria	Fire Systems	100%	100%
Residential Fire Sprinkler Systems Pty Ltd	Victoria	Fire Systems	100%	100%
Fastform Systems Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Southern) Pty Ltd	South Australia	Construction	100%	100%
Structural Systems (Western) Pty Ltd	Victoria	Construction	100%	100%
Emirates & Australia Post Tensioning L.L.C	U.A.E	Construction	100%	100%
Tiltform Structural Systems Pty Ltd	Victoria	Construction	85%	-

The parent entity lost control of Structural Systems (Pacific) Ltd on 26 May 2003 when it was deregistered.

Tiltform Structural Systems Pty Ltd was incorporated in Victoria on 3 September 2002.

35. **INVESTMENT IN ASSOCIATES**

The equity method of accounting for investments in associates was not applied during the current year due to the net losses of the investment being greater than the cost of the investment.

Share of joint venture profit (losses)	-	8	-	8
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**Details of investment in Joint Venture Entities**

Name	Principal Activities	Ownership Interest		Investment Carrying Amount	
		2003	2002	2003	2002
BBR Structural Systems Joint Venture	Construction	50%	50%	-	-
Structural Systems (UK) Ltd	Construction	40%	40%	-	-

36. **EVENTS AFTER BALANCE DATE**

After balance date part of the service operations of Total Fire Protection Pty Ltd (TFP) was sold. Structural Systems Limited has streamlined the TFP operations into head office to substantially reduce overheads and costs. The financial effect of this transaction has not been brought to account in the 2003 financial report.



NOTE (37) SEGMENT RESULTS

Business Segments

	Construction		Mining		Fire Systems		Corporate		Eliminations		Economic Entity	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>												
External Sales	75,212	92,414	9,283	7,923	17,840	16,892	-	-	-	-	102,336	117,229
Other Segments	-	2	-	39	-	25	-	-	-	(66)	-	-
Total Sales Revenue	75,212	92,416	9,283	7,962	17,840	16,917	-	-	-	(66)	102,336	117,229
Unallocated Revenue											264	379
<b>Total revenue for ordinary activities</b>											<b>102,600</b>	<b>117,608</b>
<b>Results</b>												
Profit from ordinary activities before income tax expense	2,183	(3,228)	379	406	(2,102)	(1,997)	213	206	(93)	120	580	(4,493)
Income tax expense											(116)	(195)
Net Profit											<b>464</b>	<b>(4,688)</b>
<b>Assets</b>												
Segment assets	36,641	37,922	4,899	4,547	5,005	6,446	-	-	-	-	46,544	48,915
<b>Liabilities</b>												
Segment liabilities	23,193	26,757	2,910	2,964	2,456	3,571	-	-	-	-	28,558	33,292
<b>Other</b>												
Acquisition of non-current segment assets	706	1,870	1,118	1,311	53	381	-	-	-	-	1,877	3,562
Depreciation and amortisation of segment assets	1,652	1,583	548	397	396	452	-	-	-	-	2,595	2,432

Geographical Segments

	Australia		United Arab Emirates		Hong Kong		Economic Entity	
	2003	2002	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External Sales								
Carrying amount of segment assets	102,596	117,153	3	76	-	-	102,600	117,229
Acquisition of non-current segment assets	45,663	47,728	882	1,173	-	14	46,544	48,915
	1,877	3,562	-	-	-	-	1,877	3,562



**38. RELATED PARTY INFORMATION**

Directors who held office during the year are:

- B A Crome
- R W Freedman
- A L Harper (Resigned 28 July 2003)
- D J Pash (Appointed 12 March 2003)

Directors remuneration is disclosed in the Directors Report and Note (33).

Apart from the details disclosed in this note, no Director has entered into a material contract with the economic entity 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.

Rent of \$77,000 was paid to the Minsal Property Trust by Rock Engineering (Aust) Pty Ltd for leasehold property in which B.A. Crome and R.W. Freedman each hold a 12.5% interest.

Interest on Directors' loans was paid to B A Crome of \$9,275, R W Freedman of \$9,275 and D J Pash of \$29,088. The loan bears interest at the banks published overdraft rate plus 2%.

**Directors Holding of Shares and Share Options**

The interests of Directors of the reporting entity and their Director-related entities in shares and share options of entities within the economic entity at year end are set out below:

Structural Systems Limited – ordinary shares	3,640,515	3,600,515
Structural Systems Limited – options	280,000	80,000

During the year the parent entity sold and purchased goods and services and provided accounting and administration assistance to its controlled entities. These transactions were on commercial terms and conditions.

• Management fees received	3,193	1,982
• Purchase of goods and services	-	-
• Sales of goods and services	-	-
• Amounts receivable from controlled entities	-	-
• Amounts payable to controlled entities	-	-
• Loans to controlled entities	34,030	29,196
• Loans from controlled entities	9,340	13,813
• Dividends from controlled entities	213	-

**39. FINANCING ARRANGEMENTS**

The economic entity has access to the following lines of credit:

**Total facilities available:**

Bank overdrafts	1,520	1,520	1,520	1,520
Bill acceptance facility	2,250	3,450	950	950
Bank guarantee facility	9,177	11,007	6,675	5,815
	12,947	15,977	9,145	8,285

**Facilities used at balance date:**

Bank overdrafts	2,754	1,157	2,754	1,157
Bill acceptance facility	2,250	3,450	950	950
Bank guarantee facility	8,521	9,445	6,294	5,280
	13,525	14,052	9,998	7,387

**Facilities not used at balance date:**

Bank overdrafts	-	363	-	363
Bill acceptance facility	-	-	-	-
Bank guarantee facility	656	1,562	381	535
	656	1,925	381	898

**39. FINANCING ARRANGEMENTS (continued)**

Finance facilities of the Company are secured by a registered first mortgage over the Company's land and buildings and registered mortgage debenture over all assets of the Company and an interlocking guarantee and indemnity between the Company 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 11.6% (2002 – 10.6%).

The bill acceptance facility is a 5 year fixed rate bill maturing on 14 April 2004. The interest rate is 6.21%.

The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees charged are 2.5% per annum of facility utilised (2002 – 2.0%).

**40. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE****Interest Rate Risk**

The economic entity does not enter into interest rate swaps, forward rate agreements and interest rate options to manage cash flow risks associated with the interest rates on borrowings that are floating, or to alter interest rate exposures arising from mismatches in re-pricing dates between assets and liabilities.

**Interest Rate Risk Exposure**

The economic entity's exposure to interest rate risk and effective weighted average interest rate of classes of financial assets and financial liabilities is set out below.

	Fixed interest rate maturing within					
	Floating Interest Rate	1 Year or less	Over 1 Year to 5 Years	More than 5 Years	Non-interest Bearing	Total
<b>2003</b>						
<b>Financial Assets</b>						
Cash	-	-	-	-	74	74
Investments	-	-	-	-	24	24
Receivables	-	-	-	-	23,057	23,057
	-	-	-	-	23,155	23,155
Weighted average interest rate	-	-	-	-	-	-
<b>2003</b>						
<b>Financial Liabilities</b>						
Bank overdrafts and loans	4,962	2,207	220	-	-	7,389
Payables	-	-	-	-	13,167	13,167
Other loans	-	1,305	-	-	-	1,305
Lease and lease purchase liabilities	-	1,188	1,833	-	-	3,021
	4,962	4,700	2,053	-	13,167	24,882
Weighted average interest rate	11.6	8.4	8.4			
<b>2002</b>						
<b>Financial Assets</b>						
Cash	-	-	-	-	100	100
Investments	-	-	-	-	24	24
Receivables	-	-	-	-	25,533	25,533
	-	-	-	-	25,657	25,657
Weighted average interest rate	-	-	-	-	-	-
<b>2002</b>						
<b>Financial Liabilities</b>						
Bank overdrafts and loans	1,157	2,905	830	-	-	4,892
Payables	-	-	-	-	20,393	20,393
Other loans	-	212	289	-	-	501
Lease and lease purchase liabilities	-	1,135	1,895	-	-	3,030
	1,157	4,252	3,014	-	20,393	28,816
Weighted average interest rate	10.6	7.7	8.1	-	-	-

**Foreign Exchange Risk**

The economic entity enters into forward foreign exchange contracts to hedge certain anticipated purchase and sale commitments denominated in foreign currencies. The terms of these commitments are rarely more than one year.

As these contracts are hedging anticipated sales and purchases, any unrealized gains and losses on the contracts, together with the costs of the contracts, will be recognized in the financial statements at the time the underlying transaction occurs. The net unrecognised gain (loss) on hedges of anticipated foreign currency purchases and sales at 30 June 2003 was nil. (2002– nil).

**Net Fair Values of Financial Assets and Liabilities Valuation Approach**

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

Monetary financial assets and financial liabilities not readily traded in an organized 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. The carrying amounts of bank term deposits, accounts receivable, accounts payable, bank loans and dividends payable approximate net fair value.

	STRUCTURAL SYSTEMS GROUP			
	Carrying Amount		Net Fair Value	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>Financial Assets</b>				
Cash	74	100	74	100
Receivables	23,057	25,533	23,057	25,533
Investments - Unlisted	24	24	24	24
<b>Financial Liabilities</b>				
Bank overdrafts and loans	7,389	4,892	7,389	4,892
Payables	13,167	20,393	13,167	20,393
Interest bearing liabilities	1,305	501	1,305	501
Lease and lease purchase liabilities	3,021	3,030	3,021	3,030

Cash is readily traded. All other financial assets and liabilities are not readily traded on organized markets in standardised form.

**DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDINGS**

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES
1 - 1,000	89	34,063
1,001 - 5,000	257	778,006
5,001 - 10,000	163	1,247,149
10,001 - 100,000	341	10,096,814
100,001 - Over	32	13,343,441
<b>TOTAL</b>	<b>882</b>	<b>25,499,473</b>

The number of Shareholders holding less than a marketable parcel at 29 August 2003 is 79 holding in total 24,187 shares.

TWENTY LARGEST SHAREHOLDERS	NUMBER OF SHARES	% OF ISSUED CAPITAL
National Nominees Limited	2,426,446	9.52%
Alrellin Nominees Pty Ltd	1,889,068	7.41%
Stoddarts (1985) Pty Limited	954,238	3.74%
Alfasi Holdings Pty Ltd	908,525	3.56%
Tintagel Nominees Pty Ltd	834,136	3.27%
Commonwealth Custodial Services Limited	811,415	3.18%
Bruce Crome Nominees Pty Ltd	640,616	2.51%
Alfasi Superannuation Pty Ltd	366,679	1.44%
Jilip Ten Pty Ltd	341,060	1.34%
ES Group Equities Pty Ltd	318,116	1.25%
Victorian Workcover Authority	313,100	1.23%
Temasek Holdings Pty Ltd	290,735	1.14%
Harg Pty Limited	278,255	1.09%
Mr John Romulus Spangaro	235,384	0.92%
Mr James Crosthwaite	209,000	0.82%
Mr Philip Henry Hall	200,000	0.78%
Mr Hong Ming Lee	183,243	0.72%
Mr Peter Begg Lawrence & Ms Clare Lorraine Lawrence	181,070	0.71%
Mr Francis Maxwell Hooper	176,531	0.69%
Mrs Robyn Sommerville Swanson & Mr Robert Geoffrey Swanson	171,880	0.67%
<b>Total</b>	<b>11,729,497</b>	<b>45.99%</b>

**SUBSTANTIAL SHAREHOLDERS**

National Nominees Limited	2,426,446	9.52%
Alrellin Nominees Pty Ltd	1,889,068	7.41%
Alfasi Holdings Pty Ltd & Alfasi Superannuation Pty Ltd	1,275,204	5.00%

**ON MARKET BUY BACK**

There is no current on market buy back



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 10 to 33, are in accordance with the Corporations Act 2001:
  - (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 2003 and of the performance for the year ended on that date of the company and economic entity;
2. 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.

B A CROME

R W FREEDMAN

Dated: 26 September 2003



Structural Systems Limited ABN 57 006 413 574 and Controlled Entities

Independent Audit Report

To the Members of Structural Systems Limited

Scope

We have audited the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statement and Directors Declaration of Structural Systems Limited and controlled entities for the financial year ended 30 June 2003.

The financial report includes the consolidated financial statements 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. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Structural Systems Limited is in accordance with:

- a. the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
  - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

McKenzie & Partners

Andrew P Roscoe  
Partner

Dated: 26 September 2003



#### **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.

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**

Shareholders may arrange to have all or part of their dividend automatically reinvested to buy additional shares. The shares are issued at a discount, as determined by the Directors (currently 5%) to the market price which is based on the weighted average market price of ordinary shares sold on the books closing date and the three business days immediately preceding that date. The Directors may, at their discretion, refuse to permit any Shareholder to participate in the Plan where that Shareholder elects to participate in respect of less than 100 shares or in respect of partly paid shares.

#### **DIVIDEND PAYMENT DIRECT TO A BANK, BUILDING SOCIETY OR CREDIT UNION ACCOUNT**

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

#### **COMPANY SECRETARY**

The Company Secretary is David Perry.

#### **REGISTERED OFFICE**

The registered office of the Company is:  
112 Munro Street, South Melbourne Victoria 3205  
Telephone: (03) 9646 7622  
Facsimile: (03) 9646 7133  
Email: [ssl@structural.com.au](mailto:ssl@structural.com.au)  
Website: [www.structuralsystems.com.au](http://www.structuralsystems.com.au)

#### **STOCK EXCHANGE LISTING**

Structural Systems Limited shares are listed on the Australian Stock 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 Ltd  
Level 12  
565 Bourke Street  
Melbourne Victoria 3000

GPO Box 2975EE  
Melbourne Victoria 3001

Telephone: (03) 9611 5711  
Facsimile: (03) 9611 5710  
Website: [www.computershare.com](http://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**

McKenzie & Partners.

#### **BANKERS**

National Australia Bank.