Structural Systems

ANNUAL REPORT 2004

10-YEAR FINANCIAL SUMMARY

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
External Sales of goods and rendering of services ($'000)	**78,453**	102,336	117,229	94,981	94,016	47,807	39,630	25,107	28,962	24,076
Profit (Loss) before tax ($'000)	**(8,231)**	580	(4,493)	386	3,723	4,041	4,977	4,326	3,114	2,046
Profit (Loss) after tax ($'000) (¹)	**(8,589)**	450	(4,716)	341	2,200	2,559	3,005	2,657	1,995	1,331
Shareholders funds at end of year ($'000)	**9,303**	17,776	15,426	19,953	18,435	11,941	10,482	8,827	7,296	6,094
Net tangible assets ($'000) (¹)	**7,298**	14,644	12,071	16,330	14,587	7,828	7,436	7,830	7,130	5,948
Return on shareholder's funds (¹)	**(92.3%)**	2.5%	(30.6%)	1.7%	11.9%	21.4%	28.7%	30.1%	27.3%	21.8%
Return on sales	**(10.9%)**	0.4%	(4.0%)	0.4%	2.9%	5.4%	7.8%	10.9%	7.1%	5.7%
Basic earnings per share (cents) (²)	**(33.7)**	1.9	(22.0)	1.6	12.7	16.2	21.5	19.4	13.9	9.6
Net tangible asset backing per share (cents) (²)	**28.5**	57.4	56.3	76.2	70.0	48.2	48.6	52.6	49.5	43.1
Dividends declared and paid (cents)	**-**	-	-	2.0	13.0	13.0	13.0	12.5	11.0	7.5
Dividends times covered	**N/A**	N/A	N/A	0.8	0.9	1.2	1.6	1.6	1.5	1.5
Depreciation and amortisation ($'000)	**2,408**	2,595	2,432	2,032	1,776	1,332	1,212	804	702	523
Interest Paid ($'000)	**1,136**	663	911	556	548	213	173	120	121	94
Interest received ($'000)	**8**	-	-	7	23	20	100	191	82	46
Share Price at 30 June	**$0.48**	$0.40	$0.60	$0.76	$1.42	$2.00	$2.30	$2.50	$1.36	$1.00
Shares on issue at 30 June (000)	**25,624**	25,499	21,428	21,428	20,857	16,229	15,303	13,532	12,087	11,534
Market Capitalisation at 30 June ($'000)	**12,300**	10,200	12,857	16,285	29,617	32,458	35,196	33,829	16,438	11,534

(¹) Adjusted for outside equity interests
(²) Adjusted for Bonus Issues

The Directors of Structural Systems Limited (ABN 57 006 413 574) present their report for the year ended 30 June 2004.

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 (Resigned 18 November 2003)
David R Perry
Ian L Fraser (Appointed 5 May 2004)

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

	2004 $'000	2003 $'000
Operating Profit (Loss) before Income Tax	**(8,231)**	580
Income Tax Attributable to Operating Profit (Loss)	**(312)**	(116)
Operating Profit (Loss) after Income Tax and before Outside Equity Interests	**(8,543)**	464
Outside Equity Interests	**(46)**	(14)
Net Profit (Loss) attributable to the members of Structural Systems Limited	**(8,589)**	450

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

2004 was a year of transition for the Structural Systems Group as it took action to resolve its problems once and for all. While these problems have always been confined to two areas the impact has been significant to the overall business. The loss incurred this year is a consequence of an ill-fated expansion several years ago into areas that the Company did not have the required systems or skills in place to deliver profitable outcomes.

With a determination to restructure the business so that a return to profitability in the years ahead would be more certain 2004 saw a focus on completing Total Fire Protection's remaining contracts and finalising commercial arrangements. As this business was closed a write-off of the carrying value of goodwill was required.

The formwork division was restructured and reduced in size. During the financial year ended 30th June 2004, a commercial dispute in relation to the valuation of works completed was settled which resulted in a significant write off. All loss making projects dating from prior to the restructure are now completed and commercially finalised. While the Company will still undertake structure packages that include formwork, the volume of this type of work is now at a level that the Board considers appropriate given its risk and potential returns to the group.

With the effect from these businesses now behind us, the Company is making good progress with its post tensioning, remedial, mining and ground support, specialist engineering and structure package contracts.

Capital Raising

As a consequence of the finalization of loss making contracts and closing Total Fire Protection the Company consumed considerable cash during the period. In order to ensure the future stability of the organization and reduce the reliance on its principal facility provider the Company undertook a rights issue of unsecured convertible notes during the year. This issue raised approximately $5.2 million after costs and these funds were applied to reduce term debt.
The rights issue has enabled the Company to reduce its costs of funds.

Structural Systems – Western Division

Due to limited opportunities in the Perth building and civil markets the volume of work undertaken this year by the Western Division was historically low. However, strong levels of tendering activity in the second half have led to a number of significant projects being awarded and a solid order book for financial year 2005.

The division commenced a number of bridge maintenance contracts in the second half of financial year 2004 and this type of work is complementary to our existing remedial division.

Significant contracts completed or in hand are:
- Perth Convention & Exhibition Centre
- Tonkin Highway Extension Bridges
- Darwin LNG Tank
- Mt Henry Bridge Duplication as part of Southern Metro Rail Project
- Innaloo Shopping Centre Expansion
- RACWA new Head Office
- Bridgetown Bridges Maintenance
- Geraldton & Cataby Bridge Maintenance

Structural Systems – Northern Division

Structural Systems (Northern) produced another solid result this financial year.

Our presence in Queensland is now well established and the branch was a good contributor to the overall result.

With the expected decline in the residential markets the NSW division focus moved towards the retail, commercial, and industrial sectors. These sectors now represent a significant portion of our existing order book.

Remedial and Civil Engineering are growing steadily and plans to expand these sectors in the coming year are well under way.

With high levels of work in hand for the coming year Northern division is expected to continue to be a significant contributor to the Group's results.

Significant contracts completed or in hand are:
- Comalco Alumina Refinery Silo's Gladstone, QLD
- M1 Residential Development Maroochydore, QLD
- Oxley / Sandgate WWTP Qxley & Sandgate, QLD
- Space Apartments Maroochydore, QLD
- Woolworths Support Office Bella Vista, NSW
- Form 302 Victoria Park, NSW
- Sky City Business Park Bella Vista, NSW
- Darling Park Stage 3 Sydney, NSW
- Penrith Plaza Sydney, NSW
- Aero Commercial Development Mascot, NSW
- Anglican Retirement Village Woolooware, NSW
- Anglican Retirement Village Campbelltown, NSW
- Gungahlin Shopping Centre Gungahlin, ACT

Structural Systems – Victorian Division

The strategy for the operation in Victoria for financial year 2004 was to complete the existing loss making formwork projects, finalise any commercial disputes and restructure the business such that it could produce acceptable results in the future. Essentially this was achieved. All Fastform projects were completed and commercially finalised.

Overall activity in Victoria reduced in the year as the structures package division was scaled down to a more manageable level. This business is now operating profitably and is establishing credibility in the marketplace. The reduction in volumes in the structure packages division and a softening of the residential market led to reduced post tensioning and reo fixing activities in the first half of financial year 2004. Opportunities in other market sectors such as retail and civil have increased in the second half of financial year 2004.

The remedial division produced a solid result in line with expectations. Activity during the year was mainly in traditional areas of high rise building façade repair. Other opportunities have increased in the civil engineering and building retrofitting markets.

Significant contracts completed or in hand are:
- National Australia Bank Headquarters Dockland Melbourne
- Southern Cross Redevelopment Melbourne
- Freshwater Commercial Building Slipform Melbourne
- South Melbourne Market Rooftop Repair Melbourne
- Digital Harbour Docklands Melbourne
- 130 Racecourse Road Flemington Façade Repair Melbourne
- Holiday Inn Façade Repair Melbourne Airport
- 2-26 Elizabeth Street Façade Repair and Cladding Melbourne
- The Glen Carpark Extension Melbourne
- Foxtel Building Moonee Ponds Melbourne
- Market Square Condos Melbourne

Total Fire Protection

With the decision made to close this business the focus was on completion of existing projects and finalising any remaining contractual issues. The majority of works are now completed and all projects except for the UOM Western Precinct project are in the later stages of the defects liability period.

Rock Engineering

Increased activity in the mining sector saw an improved performance from Rock Engineering in financial year 2004. The business took advantage of this climate to expand its activities into a number of new areas and increase its client base.

Contributing to the increased volumes was an expansion on our existing drilling capability, increased market presence in Queensland and the addition of specialised slope protection systems for mining and civil works. These sectors are expected to continue to provide good opportunities for further growth. The core business remains strong and the Board believes it has favourable prospects for the financial year 30 June 2005.

Significant contracts completed or in hand are:

- Argyle Diamond Mine - ground support works, WA
- Cadia Valley Operations – surface drilling works, NSW
- Kalgoorlie Super Pit Gold Mine – ground support works, WA
- Kanowna Belle Gold Mine – ground support works, WA
- St Ives Operations – ground support works, WA
- Airlie Beach – slope protection system, QLD

Structural Systems Joint Venture – Middle East

General construction activity in the UAE continues at high levels. However, with a large number of post tensioning contractors operating in the region projects are keenly sought after. With the completion during the financial year 2004 of the Burjuman Shopping Centre project the joint venture has undergone a restructuring to reduce its operating cost base. This has enabled the business to continue to secure profitable projects from a low risk position.

Recent appointments on the Hamad Medical City, Qatar and the Lake Terrace Tower in Dubai UAE has resulted in a significant portion of the 2005 revenue already being secured.

Significant contracts completed or in hand are:

- Burjuman Shopping Centre Retail Extension and Office and Apartment Towers Dubai UAE
- Interchange 4 Bridge Works Dubai UAE
- 44 Storey Lake Terrace Dubai UAE
- Cargo Village Access Road Bridges Dubai UAE
- Ministry of Public Health & Staff Club Buildings Hamad Medical City Qatar
- North Manama Corridor Improvement Project 5 Bridges Bahrain

Structural Systems Joint Venture – United Kingdom

The United Kingdom Joint Venture has been in operation for two years. It is now well established as a design and construction post tensioning contractor in the UK and Ireland. The business currently has in hand two major contracts which underpin the operation and has recently commenced other projects in Manchester and the north of England. The client base for the joint venture has expanded over the last twelve months and it is expected that this should lead to further opportunities in the future.

Significant contracts completed or in hand are:

- Havering Hospital Romford
- White City Carparks London
- Salford Quays Manchester
- Quinn Silos Ireland

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.

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 62.			Director since 1985, Chairman since 1998. Member of Institution of Engineers', Australia. Member of Audit Committee and Remuneration Committee.
Interest in Shares	⇨	666,553	- Held in a Family Trust.
	⇨	944,534	- Alrellin Nominees Pty Ltd of which company he is a Director and Shareholder.
	⇨	2,288	- Held personally.
	⇨	20,000	- Held by Bruce Crome Nominees Pty Ltd
Anthony L Harper (Non Executive Director), age 66.			Resigned as a Director 28 July 2003 Member of the Australian Society of Certified Practicing Accountants,
Interest in Shares	⇨	93,337	- Held in a Family Trust
		944,534	- Alrellin Nominees Pty Ltd of which Company he is a Director and Shareholder.
Robert W Freedman (Managing Director) age 59.			Director since 1985, Managing Director since 1998. Member of the Institution of Engineers', Australia, Post Graduate Diploma in Business Administration (W.A.I.T).
Interest in Shares	⇨	834,136	- Held in a Family Trust.
David J Pash (Chief Operating Officer), age 41.			Resigned as a Director 18 November 2003. Bachelor of Building.
Interest in Shares	⇨	85,133	- Held in a Family Trust.
	⇨	70,000	- Held Personally.
David R Perry (Chief Financial Officer), age 37			Director since 12 March 2003 Bachelor of Economics
Interest in Options	⇨	200,000	- Held Personally.
Interest in Shares	⇨	20,000	- Held by David Perry Superannuation Fund.
Ian L Fraser (Independent Director), age 49			Director since 5 May 2004 FCPA, Fellow of the Australian Society of CPAs. FAICD, Fellow of the Australian Institute of Company Directors.
Interest in Convertible Notes	⇨	16,000	- Held by Ian Fraser Superannuation Fund

DIRECTORS ATTENDANCE AT MEETINGS

Year ended 30 June 2004

	Structural Systems Board		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
B A Crome	9	9	1	1	1	1
R W Freedman	9	9	-	-	-	-
A L Harper	0	0	-	-	-	-
D J Pash	3	3	-	-	-	-
D R Perry	9	9	1	1	1	1
I L Fraser	1	1	-	-	-	-

DIRECTORS' AND EXECUTIVE OFFICERS' 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

Disclosure relating to directors and executive officers emoluments has been included in Note 33 of the financial report.

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
Nov 02	600,000	5	-	-	600,000	$0.45	Nov 02 to Sept 07	30 Sept 07

Shareholders Option Plan

During the year, the company issued 12,749,849 unsecured convertible notes and at balance date, 119,651 notes were converted with 59,828 options being issued. 5,494 of these options were exercised at $0.45 cents at 30 June, and 54,334 options were outstanding with an expiry date of 30 June 2007, at an exercise price of $0.45 cents.

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 $21,368 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 27 September 2004.

B.A. CROME – DIRECTOR

R.W. FREEDMAN – DIRECTOR

CORPORATE GOVERNANCE

Board of Directors

The Board of Directors of Structural Systems Limited (Company) 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 (MD), 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 position of Chairman of the Board and MD was held by different persons.

Independent Directors, as defined by the ASX Corporate Governance Council in their paper titled "Principles of Good Governance and Best Practice Recommendations" dated March 2003, do not make up the majority of the Board. Of the four Directors one is independent. The Chairman, due to his shareholding, is not an Independent Director. The Board has considered its composition and believes that given its size, the participation of one Independent Director is appropriate for the Company.

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 the 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 reputation. 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.

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

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

Board Committees

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 decided during the year that due to the size and structure of the existing Board and prevailing circumstances to disband the Audit Committee and Remuneration Committee. The matters previously handled by these committees were handled by the full Board during the year. With the appointment of Ian Fraser as an independent non-executive Director in May 2004 it is the intention to re-establish the Audit Committee with Ian to chair. This committee will be supplemented with an independent external party once established.

Performance Evaluation

The Board regularly reviews its performance of the Board and each Director.

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.

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 MD 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.

Corporate Reporting

The MD and CFO have provided the Board with confirmation that, in all material respects, the Company's risk management, internal compliance and control systems are sound and operating efficiently and effectively. The MD and CFO have also provided the Board with confirmation that, in all material respects, the Company's financial report for the year ended 30 June 2004 present a true and fair view of the Company's financial condition and operating results.

Financial Reporting

A comprehensive budget is prepared by the MD, CFO and General Managers and is approved by the Board. Monthly results are reported against the budget and revised forecasts are regularly prepared for the financial year as it unfolds. The company's financial reporting package is a fully integrated project management and accounting system and allows for review of every project being undertaken within the Group. This application underpins the companies business systems and is operational in all head office locations and on major sites throughout Australia. Financial reports are received regularly from offshore operations.

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.

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 in the Directors' Report and Note 33.

Remuneration of Senior Executives

The remuneration levels of the senior managers are recommended by the MD 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 these executives throughout the financial year.

The Board 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.

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.

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.

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.

Occupational Health Safety

Safety is a core value and major priority; our goal is zero injuries.

Structural Systems is committed to continually strive to protect the physical health and wellbeing of its employees in the workplace, and this is reflective by the appointment of a National Risk & Compliance Manager and in turn with continued safety performances of its operations, particularly with significant insurance premium reductions at its Western & Northern Divisions and Rock Engineering businesses. Recent achievements have included certification to AS/NZS 4801:2000 Safety Management Systems certified by SAI Global for Rock Engineering and Lost Time Injury Free periods of more than 12 months for both Western business units and encouraging safety performance measures for Structural Systems Northern Division, which also included successful safety auditing under the Premium Discount Plan (PDS) by Workcover NSW. Planning for national certification to these standards is currently part of business plans for Structural Systems. Structural Systems believes that a safe workforce contributes to business success. Structural Systems is committed to preventing new injuries and have set performance targets of achieving a significant reduction in incidents for the coming reporting year and this shall be achieved through continual identification, evaluation and control of workplace risks and hazards and compliance to regulatory requirements.

Structural Systems has developed a set of core occupational safety and health standards that conform to the requirements of AS/NZS 4801:2000 Safety Management Systems. Structural Systems have implemented these standards nationally over the past year through continued education, training and the incorporation of systems, risk assessment and procedures.

Environment

Wherever possible we prevent, or otherwise minimize, mitigate and remediate, harmful effects of the Company’s operations on the environment.
Excellence in environmental performance is essential to our business success. Compliance with all environmental laws and regulations is the foundation on which Structural Systems builds its environmental performance. We support and encourage further action by developing and implementing internationally recognized management systems and voluntary commitments.

Structural Systems similarly approach a comprehensive understanding of the full life cycle and safe use of our products to ensure all benefits are delivered. Structural Systems has developed a set of standards that conforms to the requirements of AS/NZS: 14001 Environmental Standards and continually builds systems to identify, assess and manage environmental risk. These apply at each stage of planning, development, operation and closure, as well as in acquisition and divestment evaluations, to achieve continuous improvement in environmental performance.

Structural Systems is currently planning implementation nationally of these standards and key environmental performance targets and objectives as part of its continual improvements in environmental business practices.

Human Resource Management

Structural Systems requires safe and effective working relationships at all levels within the Company. Whilst respecting different cultures, traditions and employment practices, we share common goals, in particular the elimination of workplace injuries, and are committed to good company values and ethical behavior.

Structural Systems employees on the basis of job requirements and does not discriminate on ground of age, ethnic or social origin, gender, sexual orientation, politics or religion.

Structural Systems continually improves skills and competencies by regular performance reviews; recognising potential, undertaking education, training and coaching as appropriate, and offering professional development opportunities within the Company.

Statement of Financial Performance for year ended 30 June 2004

	Notes	STRUCTURAL SYSTEMS GROUP 2004 $'000	STRUCTURAL SYSTEMS GROUP 2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	STRUCTURAL SYSTEMS LIMITED 2003 $'000
Revenue from sale of goods	(2)	**2,425**	4,909	**-**	-
Revenue from rendering of services	(2)	**76,028**	97,427	**4,839**	3,193
Other revenues from ordinary activities	(2)	**1,117**	264	**832**	213
Total Revenue	(2)	**79,570**	102,600	**5,671**	3,406
Raw materials and consumables used for sale of goods		**(1,359)**	(2,743)	**-**	-
Construction and servicing costs		**(74,327)**	(90,569)	**-**	-
Changes in inventories and raw materials		**(1,487)**	1,436	**-**	-
Depreciation and amortisation expense	(3)	**(2,408)**	(2,595)	**(1,470)**	(532)
Goodwill write off Total Fire Protection		**(935)**	-	**-**	
Borrowing costs	(3)	**(1,136)**	(663)	**(871)**	(583)
Cost of Rights Issue convertible notes		**(532)**	-	**(532)**	-
Other expenses from ordinary activities	(3)	**(5,617)**	(6,886)	**(2,798)**	(2,078)
Profit (Loss) from ordinary activities before related income tax expense		**(8,231)**	580	**-**	213
Income tax (expense) benefit relating to ordinary activities	(4)	**(312)**	(116)	**252**	208
Net Profit (Loss)		**(8,543)**	464	**252**	421
Net profit attributable to outside equity interests	(26)	**(46)**	(14)	**-**	-
Net profit (loss) attributable to members of the parent entity		**(8,589)**	450	**252**	421
Net exchange difference on translation of financial statements of self sustaining foreign operations	(23)	**59**	(227)	**-**	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity		**(8,530)**	223	**252**	421
Basic earnings per share	(5)	(33.7¢)	1.9¢		
Diluted earnings per share	(5)	(30.3¢)	1.8¢		

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

Statement of Financial Position for year ended 30 June 2004

	Notes	STRUCTURAL SYSTEMS GROUP 2004 $'000	STRUCTURAL SYSTEMS GROUP 2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	STRUCTURAL SYSTEMS LIMITED 2003 $'000
CURRENT ASSETS					
Cash Assets	(31)	**260**	74	**6**	-
Receivables	(6)	**19,168**	23,057	**193**	205
Inventories	(7)	**4,350**	5,838	**-**	-
Other	(8)	**551**	473	**544**	461
TOTAL CURRENT ASSETS		**24,329**	29,442	**743**	666
NON CURRENT ASSETS					
Receivables	(9)	**-**	-	**41,524**	34,030
Other financial assets	(10)	**24**	24	**3,057**	3,057
Property, plant and equipment	(11)	**10,851**	12,743	**8,354**	4,461
Intangible assets	(12)	**2,005**	3,132	**8**	15
Deferred tax assets	(13)	**1,128**	1,203	**969**	72
TOTAL NON-CURRENT ASSETS		**14,008**	17,102	**53,912**	41,635
TOTAL ASSETS		**38,337**	46,544	**54,655**	42,301
CURRENT LIABILITIES					
Payables	(14)	**14,438**	13,167	**1,093**	2,500
Interest bearing liabilities	(15)	**2,264**	9,662	**1,670**	9,059
Current tax liabilities	(16)	**339**	143	**-**	-
Provisions	(17)	**2,256**	2,568	**155**	177
TOTAL CURRENT LIABILITIES		**19,297**	25,540	**2,918**	11,736
NON-CURRENT LIABILITIES					
Payables	(18)	**-**	-	**22,458**	9,340
Interest bearing liabilities	(19)	**8,634**	2,053	**7,973**	872
Deferred tax liability	(20)	**833**	934	**748**	103
Provisions	(21)	**14**	31	**-**	-
TOTAL NON-CURRENT LIABILITIES		**9,481**	3018	**31,179**	10,315
TOTAL LIABILITIES		**28,778**	28,558	**34,097**	22,051
NET ASSETS		**9,559**	17,986	**20,558**	20,250
EQUITY					
Contributed equity	(22)	**15,056**	15,000	**15,056**	15,000
Reserves	(23)	**1,602**	1,542	**3,931**	3,931
Retained profits (Accumulated Losses)	(24)	**(7,355)**	1,234	**1,571**	1,319
TOTAL PARENT ENTITY INTEREST		**9,303**	17,776	**20,558**	20,250
Outside equity interests	(26)	**256**	210	**-**	-
TOTAL EQUITY		**9,559**	17,986	**20,558**	20,250

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

Statement of Cashflows for year ended 30 June 2004

	Notes	STRUCTURAL SYSTEMS GROUP 2004 $'000	STRUCTURAL SYSTEMS GROUP 2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	STRUCTURAL SYSTEMS LIMITED 2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		**89,741**	114,325	**89,698**	114,171
Cash payments in the course of operations		**(87,555)**	(117,179)	**(87,415)**	(117,226)
Convertible note expenses		**(479)**	-	**(479)**	-
Interest received		**8**	-	**8**	-
Borrowing costs paid		**(952)**	(649)	**(952)**	(649)
Income tax (paid) refunded		**(171)**	(232)	**(171)**	(232)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(31)	**592**	(3,735)	**689**	(3,936)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		**(571)**	(622)	**(571)**	(622)
Proceeds from sale of property, plant and equipment		**1,017**	264	**1,017**	264
Loan from associated company (net)		**218**	132	**-**	132
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**664**	(226)	**446**	(226)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**450**	1,305	**450**	1,305
Proceeds from issue of convertible notes		**5,738**	-	**5,738**	-
Repayment of borrowings		**(2,359)**	(1,809)	**(2,359)**	(1,809)
Lease and lease purchase payments		**(1,225)**	(1,265)	**(1,225)**	(1,265)
Proceeds from issue of shares		**2**	2,126	**2**	2,126
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**2,606**	357	**2,606**	357
NET INCREASE (DECREASE) IN CASH HELD		**3,862**	(3,604)	**3,741**	(3,805)
Effect of exchange rates on cash holdings		**59**	(227)	**-**	-
Cash at beginning of financial year		**(4,888)**	(1,057)	**(4,962)**	(1,157)
CASH AT END OF FINANCIAL YEAR	(31)	**(967)**	(4,888)	**(1,221)**	(4,962)

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

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.

Receivables, with the exception of uncertified claims, 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 it 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.

Structural Systems Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime with effect from 1 July 2003. Structural Systems Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has not entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(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:

	2004	2003
Property, plant and equipment		
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%
Intangibles		
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.

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) Convertible notes

Convertible notes are brought to account on issue at the value of net proceeds received. Interest is fixed at 11%pa and payable six monthly in arrears.

Interests paid on the convertible notes are recognised as interest expense in the profit from ordinary activities.

(x) Comparative figures

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

(y) 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.

(z) Adoption of Australian equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

- Impairment of Assets

  The economic entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

- Goodwill on Consolidation

  Under the proposed changes to the IAS 22: Business Combinations, goodwill is to be capitalised to the statement of financial position and subjected to an annual impairment test. Amortisation of goodwill is to be prohibited. Current accounting policy of the entity is to amortise goodwill on a straight line basis over the period of 20 years.

- Non-current Investments

  Under the pending AASB: 139: Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

- Income Tax

  Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

- Derivative Financial Instruments

  The economic entity does not currently recognise derivative financial instruments in the financial statements. Pending AASB 139: Financial Instruments: Recognition and Measurement will require a change to the method of accounting for derivative financial instruments and hedging activities so that they are recorded in the financial statements.

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
2. REVENUE FROM ORDINARY ACTIVITIES				
Sale of goods revenue from operating activities	**2,425**	4,909	**-**	-
Rendering of services revenue from operating activities	**76,028**	97,427	**-**	-
Management fee to controlled entities	**-**	-	**4,839**	3,193
Other Revenues:				
From operating activities				
Dividends received from wholly owned subsidiary	**-**	-		213
Interest – other parties	**8**	-	**8**	-
Rental revenue	**8**	-	**-**	-
Other revenue	**83**	-	**40**	-
From outside operating activities				
Gross proceeds from sale of non-current assets	**818**	264	**784**	-
Proceeds from disposal of Goodwill - TFP Service Division	**200**	-	**-**	-
Total revenue from ordinary activities	**79,570**	102,600	**5,671**	3,406
3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES				
(a) Profit (loss) from ordinary activities before income tax is arrived at after charging (crediting) the following items:				
Amortisation and depreciation of:				
• Buildings	**92**	120	**92**	120
• Plant and equipment	**1,974**	2,211	**1,256**	404
• Leasehold improvements	**149**	41	**114**	-
• Goodwill	**192**	223	**8**	8
Bad and doubtful debts expense including movements in provision for doubtful debts	**162**	(42)	**-**	-
Interest paid and due and payable:				
• Other persons	**712**	451	**601**	437
• Directors' loans	**128**	55	**128**	55
• Other related parties	**65**	31	**65**	31
• Finance charges on capitalised assets	**231**	164	**77**	98
Rental – operating leases	**283**	544	**18**	-
Loss (gain) on disposal of plant and equipment	**(199)**	(23)	**(187)**	-
Provision for:				
• Employee benefits	**(383)**	(501)	**(22)**	(221)
• Net foreign exchange loss (gain)	**-**	77	**-**	77
(b) Auditors of the Company, Anderson Roscoe	**$ 111,617**	$ 118,200	**$ 22,967**	$ 28,100
• Other Auditors	**-**	-	**-**	-
	$ 111,617	$ 118,200	**$ 22,967**	$ 28,100
Other Services				
• Auditors of the Company, Anderson Roscoe	**$ 79,715**	$ 53,932	**$ 48,629**	$ 49,850

(c) Other expenses – parent entity

Other expenses of $2,798,000 (2003: $2,078,000) comprises administrative costs incurred in the operations of the holding company such as salaries and wages $1,119,000; bank fees and charges $493,000; written down value of non-current assets sold $597,000; and professional and consultant fees $185,000

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000

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

(d) Significant revenues and expenses

The following significant revenue and (expense) items are relevant in explaining the financial performance:

	STRUCTURAL SYSTEMS GROUP 2004 $'000	2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	2003 $'000
Revenue:				
Proceeds from disposal of service division, Total Fire Protection	**551**	-	**-**	-
Expense:				
Convertible note expenses	**(532)**	-	**(532)**	-
Write off of claims subject to dispute	**(5,371)**	-	**-**	-
Write off of goodwill – Total Fire Protection	**(935)**	-	**-**	-
Redundancy costs due to closure of Total Fire Protection	**(120)**	-	**-**	-

4. INCOME TAX EXPENSE

The prima facie tax on operating profit is reconciled to the Income tax provided in the accounts as follows:

	STRUCTURAL SYSTEMS GROUP 2004 $'000	2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	2003 $'000
Prima facie tax payable on operating profit at 30% (2003 – 30%)				
• Economic entity	**(2,469)**	174	**0**	64
• Other members of the income tax consolidated group	**-**	-	**(2,695)**	-
Add (deduct) tax effect of:				
• Amortisation of goodwill	**288**	67	**288**	2
• Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	**15**	27	**13**	17
• Dividend rebate	**-**	-	**-**	(64)
• Non (assessable profit) deductible loss on overseas entity	**10**	-	**10**	-
Current year losses not taken up as future income tax benefit	**2,468**	27	**2,444**	-
• Tax benefit of losses transferred to (from) entities within group	**-**	(179)	**-**	(227)
Allocation of FITB and PDIT to parent entity under tax consolidation	**-**	-	**(312)**	-
Income tax expense (benefit) on current years operating profit	**312**	116	**(252)**	(208)
Income tax expense attributable to:				
Provision of Income Tax:				
Income tax expense	**312**	116	**(252)**	(208)
Movement in provision for deferred income tax	**62**	239	**(645)**	217
Movement in future income tax benefit	**(75)**	(214)	**897**	(9)
Income tax paid current year	**(28)**	(34)	**-**	-
Current year income tax payable (refundable)	**271**	107	**-**	-
Prior Year income tax payable	**60**	95	**-**	-
Income tax payable	**359**	202	**-**	-
Income tax refundable (other debtors)	**(28)**	-	**-**	-
Future Income Tax Benefits not taken to account:				
Tax losses	**3,869**	1,407	**3,818**	488
Capital losses	**139**	139	**139**	139
	4,008	1,546	**3,957**	627

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

(i) 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

(ii) the relevant Company/or the economic entity continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the relevant Company and/or the economic entity in realising the benefit.

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
5. EARNING PER SHARE				
(a) Reconciliations of earnings to net profit (loss)				
Net profit (loss)	**(8,543)**	464		
Net profit attributable to outside equity interest	**(46)**	(14)		
Earnings used in the calculation of earnings per share	**(8,589)**	450		
Interest on convertible notes	**107**	-		
Earnings used in the calculation of dilutive EPS	**(8,482)**	450		
(b) Weighted average number or ordinary shares on issue used in the calculation of basic earnings per share	**25,501,866**	23,707,024		
Weighted average number of options/convertible notes outstanding	**2,450,120**	910,000		
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	**27,951,987**	24,617,024		
6. RECEIVABLES (CURRENT)				
Trade debtors	**18,770**	22,188	**-**	-
Provision for doubtful debts	**(364)**	(231)	**-**	-
	18,406	21,957	**-**	-
Loans and advances to staff	**-**	4	**-**	-
Other debtors and deposits	**46**	163	**2**	14
Loans to associated entities	**716**	933	**191**	191
	19,168	23,057	**193**	205
7. INVENTORIES (CURRENT)				
Raw materials and stores at cost	**3,229**	3,215	-	-
Work in progress	**66**	68	-	-
Construction work in progress	**1,055**	2,555	-	-
	4,350	5,838	-	-
Construction work in progress comprises:				
Contract costs incurred to date	**79,467**	57,947	-	-
Profit recognised to date	**19,485**	10,977	-	-
	98,952	68,924	-	-
Less: Provision for losses	**(3,305)**	(869)	-	-
	95,647	68,055	-	-
Less: Progress billings	**(97,465)**	(68,510)	-	-
Net construction work in progress	**(1,818)**	(455)	-	-
Net construction work in progress comprises:				
Amounts due from customers – inventories	**1,055**	2,555	-	-
Amounts due to customers – payables	**(2,873)**	(3,010)	-	-
	(1,818)	(455)	-	-
Progress billings and advances received and receivable	**97,465**	68,510	-	-
Retentions on construction projects in progress included in progress billings	**53**	213	-	-
8. OTHER CURRENT ASSETS				
Prepayments	**551**	473	**544**	461
9. RECEIVABLES (CURRENT)				
Loans to controlled entities	**-**	-	**41,524**	34,030

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000

10. OTHER FINANCIAL ASSETS (NON CURRENT)

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Shares in other companies				
Unlisted shares at cost	**24**	24	**-**	-
Shares in controlled entities at cost	**-**	-	**3**	3
Shares in controlled entities at Directors valuation (a)	**-**	-	**3,054**	3,054
	24	24	**3,057**	3,057

(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.

11. PROPERTY, PLANT AND EQUIPMENT

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Freehold Land				
At Directors valuation (2001)	**-**	135	**-**	135
At independent valuation (b)	**1,826**	1,826	**1,826**	1,826
	1,826	1,961	**1,826**	1,961
Buildings				
At Directors valuation (2001)	**1,466**	1,553	**1,466**	1,553
At cost – subsequent additions	**63**	63	**63**	63
Accumulated amortisation	**(455)**	(407)	**(455)**	(407)
	1,074	1,209	**1,074**	1,209
Leasehold improvements				
At cost	**61**	130	**38**	-
Accumulated amortisation	**(56)**	(89)	**(36)**	-
	5	41	**2**	-
Plant, Equipment and Motor Vehicles				
At cost	**18,381**	19,922	**11,605**	4,427
At Directors valuation 1995 (a) – deemed cost	**295**	295	**295**	295
Accumulated depreciation	**(11,512)**	(11,615)	**(7,163)**	(3,500)
	7,164	8,602	**4,737**	1,222
Leased assets at assessed value	**1,242**	1,242	**1,101**	76
Accumulated amortisation	**(460)**	(312)	**(386)**	(7)
	782	930	**715**	69
Total plant, equipment and motor vehicles	**7,946**	9,532	**5,452**	1,291
Total	**10,851**	12,743	**8,354**	4,461

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:

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Freehold land				
Carrying amount at beginning of year	**1,961**	1,961	**1,961**	1,961
Additions	**-**	-	**-**	-
Disposals	**(135)**	-	**(135)**	-
Revaluation increment	**-**	-	**-**	-
Carrying amount at end of year	**1,826**	1,961	**1,826**	1,961

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)				
Buildings				
Carrying amount at beginning of year	**1,209**	1,329	**1,209**	1,329
Additions	**-**	-		-
Disposals	**(43)**	-	**(43)**	-
Depreciation	**(92)**	(120)	**(92)**	(120)
Carrying amount at end of year	**1,074**	1,209	**1,074**	1,209
Leasehold Improvements				
Carrying amount at beginning of year	**41**	47	**-**	-
Transfers within group	**-**	-	**35**	-
Additions	**-**	35	**-**	-
Disposals	**(27)**	-	**(27)**	-
Amortisation	**(9)**	(41)	**(6)**	-
Carrying amount at end of year	**5**	41	**2**	-
Plant and equipment				
Carrying amount at beginning of year	**9,532**	10,144	**1,291**	2,009
Additions	**940**	1,840	**558**	85
Disposals	**(412)**	(241)	**(392)**	-
Transfer of assets within group	**-**	-	**5,358**	(399)
Depreciation	**(2,114)**	(2,211)	**(1,363)**	(404)
Carrying amount at end of year	**7,946**	9,532	**5,452**	1,291
12. INTANGIBLES				
Goodwill	**3,283**	4,544	**159**	159
Accumulated amortisation	**(1,278)**	(1,412)	**(151)**	(143)
	2,005	3,132	**8**	15
13. DEFERRED TAX ASSETS				
Future income tax benefits	**1,128**	1,203	**969**	72
14. PAYABLES (CURRENT)				
Trade Creditors	**5,229**	5,362	**369**	578
Other creditors and accruals	**6,335**	4,795	**724**	1,922
Contract billings in advance	**2,874**	3,010	**-**	-
	14,438	13,167	**1,093**	2,500
15. INTEREST BEARING LIABILITIES (CURRENT)				
Bank overdraft – secured	**1,227**	4,962	**1,227**	4,962
Bank loans – secured	**68**	2,207	**-**	2,150
Loans - Directors'	**-**	1,300	**-**	1,300
Other loans	**5**	5	**-**	-
Lease liability	**260**	234	**238**	213
Lease purchase liability	**704**	954	**205**	434
	2,264	9,662	**1,670**	9,059
16. TAX LIABILITIES (CURRENT)				
Income Tax	**339**	143	**-**	-
17. PROVISIONS (CURRENT)				
Employee benefits	**2,256**	2,568	**155**	177

		STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
		2004	2003	**2004**	2003
		$'000	$'000	**$'000**	$'000
18. PAYABLES (NON CURRENT)					
Amounts owing to related entities		**-**	-	**22,458**	9,340
19. INTEREST BEARING LIABILITIES (NON CURRENT)					
Convertible note issue		**5,684**	-	**5,684**	-
Bank Loans – secured		**-**	220	**-**	100
Other loans		**1,750**	-	**1,750**	-
Lease liability		**371**	632	**295**	533
Lease purchase liability		**829**	1,201	**244**	239
		8,634	2,053	**7,973**	872
20. DEFERRED TAX LIABILITY					
Provision for deferred income tax		**813**	875	**748**	103
Income tax		**20**	59	**-**	-
		833	934	**748**	103
21. PROVISIONS (NON CURRENT)					
Employee benefits		**14**	31	**-**	-
22. CONTRIBUTED EQUITY					
Issued and paid up capital 25,624,618 (2003 -25,499,473) fully paid ordinary shares		**15,056**	15,000	**15,056**	15,000
Movements in ordinary share capital	**No.**				
Balance at the beginning of the financial year	25,499,473	**15,000**	12,873	**15,000**	12,873
Shares issued:					
Notes converted and options exercised	125,145	**56**	2,240	**56**	2,240
Transaction costs relating to share issue	-	**-**	(113)	**-**	(113)
	25,624,618	**15,056**	15,000	**15,056**	15,000

(a) During the year the company issued 125,145 ordinary shares via note conversion (119,651) and options exercised (5,494) at $0.45 cents each to shareholders.
(b) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
(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.
(d) Options - For information relating to the Executive Share Option Plan, refer to Note 32 (c).

23. RESERVES

	2004	2003	**2004**	2003
Asset Revaluation Reserve				
• 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
Capital Profits Reserve				
• Balance at beginning of year	**210**	210	**2,610**	2,610
• Goodwill on transfer of business to subsidiary companies	**-**	-	**-**	-
• Balance at end of year	**210**	210	**2,610**	2,610
Foreign Currency Translation Reserve				
• Balance at beginning of year	**11**	238	**-**	-
• Translation adjustment on controlled foreign entities	**59**	(227)	**-**	-
• Balance at end of year	**71**	11	**-**	-
	1,602	1,542	**3,931**	3,931

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000

23. RESERVES (CONTINUED)

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).

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 (ACCUMULATED LOSSES)

	Group 2004	Group 2003	Limited 2004	Limited 2003
Retained profits at beginning of year	**1,234**	784	**1,319**	898
Net profit (loss) attributable to members of the parent entity	**(8,589)**	450	**252**	421
Dividends	**-**	-	**-**	-
Retained profits (Accumulated Losses) at end of year	**(7,355)**	1,234	**1,571**	1,319

25. DIVIDENDS PROVIDED OR PAID

	Group 2004	Group 2003	Limited 2004	Limited 2003
The amounts paid or provided by way of dividend by the parent entity are:				
• An interim ordinary dividend was not declared (2003- nil)	**-**	**-**	**-**	**-**
• A final ordinary dividend has not been declared (2003– nil)	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**
Dividend Franking Account				
Class C 30% (2003-30%) franking credits available			**2,783**	206

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:
(a) franking credits that will arise from the payment of the amount of the provision for income tax
(b) franking debits that will arise from the payment of dividends recognised as a liability at year-end
(c) franking credits that will arise from the receipt of dividends recognised as receivables at year-end, and
(d) 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

	Group 2004	Group 2003	Limited 2004	Limited 2003
Outside equity interests in controlled entities comprise:				
Interest in retained profits at the beginning of the financial year	**206**	192	**-**	-
Interest in operating profit after income tax	**46**	14	**-**	-
Interest in retained profits at the end of the financial year	**252**	206	**-**	-
Interest in share capital	**4**	4	**-**	-
	256	210	**-**	-

27. TOTAL EQUITY RECONCILIATION

	Group 2004	Group 2003	Limited 2004	Limited 2003
Total equity at beginning of year	**17,986**	15,622	**20,250**	17,702
Total changes in parent equity interest in equity recognised in statement of financial performance	**(8,530)**	223	**252**	421
Transactions with owners as owners				
Contributions of equity	**56**	2,127	**56**	2,127
Dividends	**-**	-	**-**	-
Total changes in outside equity interest	**46**	14	**-**	-
Total equity at end of year	**9,559**	17,986	**20,558**	20,250

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000

28. CAPITAL AND LEASING COMMITMENTS

	2004 Group	2003 Group	2004 Limited	2003 Limited
Lease expenditure				
Finance Leases				
• not later than 1 year	**314**	314	**285**	285
• later than 1 year, but not later than 5 years	**396**	711	**312**	597
Total maximum lease commitment	**710**	1,025	**597**	882
Future finance charges	**(79)**	(159)	**(64)**	(136)
Lease liability	**631**	866	**533**	746
Lease Purchase				
• not later than 1 year	**799**	1,091	**234**	472
• later than 1 year, but not later than 5 years	**889**	1,288	**276**	255
Total maximum lease commitment	**1,688**	2,379	**510**	727
Future finance charges	**(155)**	(224)	**(61)**	(54)
Lease purchase liability	**1,533**	2,155	**449**	673
Non-cancellable Operating Leases				
Contracted for but not capitalised in accounts				
• not later than 1 year	**117**	220	**-**	-
• later than 1 year, but not later than 5 years	**41**	460	**-**	-
• later than 5 years	**-**	-	**-**	-
	158	680	**-**	-

29. CONTINGENT LIABILITIES

	2004 Group	2003 Group	2004 Limited	2003 Limited
Contract cash retentions	**53**	213	**-**	-
Contract performance guarantees	**6,284**	8,521	**4,948**	6,294
Guarantee by the Company in respect of bank facilities of controlled entities	**-**	-	**1,023**	2,226
Cross guarantees by the Company and controlled entities in respect of bank facilities	**10,837**	15,141	**-**	-
	17,174	23,875	**5,971**	8,520

30. ECONOMIC DEPENDENCY

Neither the Company, nor its subsidiaries, are dependent on any supplier

31. NOTES TO STATEMENT OF CASH FLOWS

	2004 Group	2003 Group	2004 Limited	2003 Limited
Components of cash				
Cash on hand	**2**	6	**-**	-
Cash at bank	**258**	19	**6**	-
Cash on deposit	**-**	49	**-**	-
Cash Assets	**260**	74	**6**	-
Bank overdrafts	**(1,227)**	(4,962)	**(1,227)**	(4,962)
	(967)	(4,888)	**(1,221)**	(4,962)

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000

31. NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)

	2004	2003	**2004**	2003
Funds from operations				
Reconciliation of net cash inflow from operating activities to profit from ordinary activities after tax				
Profit (loss) from ordinary activities after income tax	**(8,543)**	464	**252**	421
Depreciation and amortisation	**2,408**	2,595	**1,470**	532
Net (profit) loss on sale of non-current assets	**(200)**	(23)	**(187)**	-
Bad and doubtful debts	**162**	(42)	**-**	-
Goodwill written off (net) Total Fire Protection	**735**	-	**-**	-
Change in operating assets and liabilities				
▪ (Increase) decrease in trade debtors	**3,388**	2,286	**-**	-
▪ (Increase) decrease in other receivables	**121**	100	**11**	220
▪ (Increase decrease in loans to controlled entities	**-**	-	**906**	(5,851)
▪ (Increase) decrease in inventories	**1,487**	(1,436)	**-**	-
▪ (Increase) decrease in prepayments	**(78)**	143	**(83)**	(69)
▪ (Decrease) increase in trade creditors	**(133)**	(4,257)	**(209)**	578
▪ (Decrease) increase in other creditors	**1,404**	(2,967)	**(1,197)**	420
▪ (Decrease) increase employee benefits	**(383)**	(482)	**(22)**	20
▪ (Decrease) increase in other provisions	**54**	-	**-**	-
▪ (Decrease) increase in income tax payable	**157**	(79)	**-**	-
▪ (Decrease) increase in deferred tax payable	**(62)**	(239)	**645**	(217)
▪ (Decrease (increase) in future income tax benefit	**75**	202	**(897)**	10
Net cash inflow from operating activities	**592**	(3,735)	**689**	(3,936)
Non-cash financing and investing activities				
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	**369**	1,255	**132**	76

32. EMPLOYEE ENTITLEMENTS

	2004	2003	**2004**	2003
(a) Aggregate employee entitlements including on-costs				
- Current	**2,256**	2,568	**155**	177
- Non –current	**14**	31	**-**	-
	2,270	2,599	**155**	177

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:

	2004	2003	**2004**	2003
Assumed rate of increase in wage and salary rates	**3.5%**	3.5%	**3.5%**	3.5%
Discount rate	**5.7%**	5.5%	**5.7%**	5.5%
Settlement term (years)	**10**	10	**10**	10
(b) Number of Employees	**509**	624	**7**	6

(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

	2004	2003	**2004**	2003
Share Capital	**-**	-	**-**	-

Un-issued ordinary shares of the Company under option are

Issue Date	Expiry Date	Exercise Price	Number of Options 2004	Number of Options 2003
8 November 2002	30 September 2007	$0.45	**600,000**	**600,000**

32. EMPLOYEE ENTITLEMENTS (CONTINUED)

No options were issued under this plan during the year ended 30 June 2004
No options were exercised during the year ended 30 June 2004 and 210,000 options lapsed during the year

The market value of share under these options at 30 June 2004 was $0.48 per share (2003 - $0.40)

(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. Names, positions held and remuneration of parent entity Directors and Specified Executives in office at any time during the financial year are:

			Salary & Fees	Superannuation	Other Benefits [1]	Total
Specified Directors			$	$	$	$
B A Crome	Chairman (Non Executive)	2004	84,999	7,650	11,844	104,493
		2003	85,000	7,650	10,161	102,811
R W Freedman	Managing Director	2004	105,999	52,008	35,805	193,812
		2003	106,000	87,958	31,577	225,535
D R Perry	Director and Chief Financial Officer	2004	162,500	22,917	29,646	215,063
		2003	150,000	22,500	20,517	193,017
A L Harper	Director (Non Executive) resigned 28/07/03	2004	2,083	188	-	2,271
		2003	25,000	2,250	-	27,250
I L Fraser	Director (Non Executive) appointed 05/05/04	2004	6,666	600	-	7,266
D J Pash	Director (resigned 18/11/03)	2004	33,853	2,350	28,813	65,016
	Remuneration as an executive	2004	53,780	3,734	45,774	103,288
		2004	87,633	6,084	74,587	168,304
		2003	100,803	9,072	36,233	146,108
Total Remuneration Specified Directors		2004	449,880	89,447	151,882	691,209
		2003	466,803	129,430	98,488	694,721
Specified Executives						
F Filippone	Group Principal Engineer	2004	136,004	12,240	27,415	175,659
		2003	136,000	12,240	21,359	169,599
M Pope	General Manager – Victoria – Construction	2004	123,824	12,684	19,811	156,319
		2003	101,400	12,610	19,292	133,302
R O'Connor	General Manager – Victoria – Remedial Work	2004	104,400	9,251	15,600	129,251
		2003	101,400	12,610	19,292	133,302
M Schweiger	General Manager – Northern Division	2004	96,302	13,170	5,248	114,720
		2003	96,302	29,647	8,667	134,616
S Crole	General Manager – Western Division	2004	84,922	8,601	16,920	110,443
		2003	110,000	9,900	23,124	143,024
D Minchin	General Manager – Rock Engineering (Aust) P/L	2004	80,749	27,680	19,532	127,961
		2003	96,366	21,983	8,673	127,022
Total Remuneration Specified Executives		2004	626,201	83,626	104,526	814,353
		2003	641,468	98,990	100,407	840,865

1. Other benefits include where applicable motor vehicle lease payments and running costs, allowances and Fringe Benefits Tax
2. No options were granted as remuneration during the year.

33. REMUNERATION OF DIRECTORS AND EXECUTIVES (CONTINUED)

b. Options and Rights Holdings

Number of Options held by Specified Directors and Executives

	Balance 01/07/2003	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2004
Specified Directors					
D R Perry	200,000	-	-	-	200,000
D J Pash	80,000	-	-	(80,000)	-
Specified Executives					
F Filippone	130,000	-	-	(130,000)	-
M Schweiger	100,000	-	-	-	100,000
S Crole	100,000	-	-	-	100,000
D Minchin	100,000	-	-	-	100,000
	710,000	-	-	(210,000)	500,000

The other Specified Directors and Executives did not hold any options at the beginning and during the year.

Options held by the Specified Directors and Executives were not vested at balance date.

The Net Change Other reflected above includes those options that have lapsed and forfeited by holders.

c. Shareholdings

Number of shares held by Specified Directors and Executives

	Balance 01/07/2003	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/2004
Specified Directors					
B A Crome	1,613,375	-	-	20,000	1,633,375
R W Freedman	834,136	-	-	-	834,136
D R Perry	-	-	-	20,000	20,000
A L Harper	1,037,871	-	-	-	1,037,871
D J Pash	155,133	-	-	-	155,133
Specified Executives					
F Filippone	29,000	-	-	11,000	40,000
D Minchin	100,000	-	-	(50,000)	50,000
	3,769,515	-	-	1,000	3,770,515

The other Specified Directors and Executives did not have any interests in the Company's shareholdings at the beginning and during the year.

Net Change Other refers to shares purchased or sold during the financial year.

d. Remuneration Practices

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

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

The remuneration levels of the senior managers are recommended by the MD 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 these executives throughout the financial year.

The Board 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.

34. PARTICULARS RELATING TO CONTROLLED ENTITIES

Group accounts include a consolidation of the following:

	Place of Incorporation	Principal Activity	Ownership Interest 2004	2003
Rock Engineering (Aust) Pty Ltd	Victoria	Mining	**90%**	90%
NASA Structural Systems L.L.C	U.A.E	Construction	**100%**	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	**100%**	100%
Total Fire Protection Pty Ltd	Victoria	Fire Systems	**100%**	100%
Structural Systems (Civil) Pty Ltd (formerly Residential Fire Sprinkler Systems Pty Ltd)	Victoria	Construction	**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%**	85%

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)	**-**	-	**-**	-

Details of investment in Joint Venture Entities

Name	Principal Activities	Ownership Interest 2004	2003	Investment Carrying Amount 2004	2003
BBR Structural Systems Joint Venture	Construction	**50%**	50%	**-**	-
Structural Systems (UK) Ltd	Construction	**40%**	40%	**-**	-

36. DISCONTINUING OPERATIONS

On 6 November 2003 the economic entity announced a plan to dispose of its fire services subsidiary and thereby discontinue its operations in this business. The division was being wound down during the financial year. The proceeds from the sale of the fire services subsidiary assets have been included in the current year result.

Financial information relating to the fire services subsidiary is set out below and in Segment Reporting Note 39.

	STRUCTURAL SYSTEMS GROUP 2004 $'000	2003 $'000	STRUCTURAL SYSTEMS LIMITED 2004 $'000	2003 $'000
The financial performance of the discontinuing division during the period which has been incorporated into the statement of financial performance is as follows:				
Revenue from ordinary activities	**3,157**	17,840		
Expenses from ordinary activities	**(5,789)**	(19,942)		
Loss from ordinary activities before income tax	**(2,632)**	(2,102)		
Income tax expense	**(175)**	(7)		
Net loss attributable to members of the parent entity	**(2,807)**	(2,109)		
The carrying amounts of assets and liabilities (including intercompany loans) of the discontinuing subsidiary at the balance date were:				
Total Assets	**346**	5,665		
Total Liabilities	**(6,129)**	(8,029)		
Net Liabilities	**(5,783)**	(2,364)		

36. DISCONTINUING OPERATIONS (CONTINUED)

Cash Flows of Discontinuing Subsidiary

The fire service subsidiary did not maintain a bank account and cash receipts and payments were operated through the main bank account held by and in the name of the parent entity.

Details of the sale of the subsidiary which has been incorporated into the current year's result are as follows:

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Net sales price	**551**	-	**-**	-
Carrying amount of assets disposed				
• plant and equipment	**(333)**	-	**-**	-
• goodwill	**(935)**	-	**-**	-
Loss on asset disposals before income tax	**(717)**	-	**-**	-
Income tax expense	**-**	-	**-**	-
Loss on asset disposal after income tax	**(717)**	-	**-**	-

37. EVENTS AFTER BALANCE DATE

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 the financial years after the financial year under review.

38. RELATED PARTY INFORMATION

Directors who held office during the year are:

- Bruce A Crome
- Robert W Freedman
- Anthony L Harper (Resigned 28 July 2003)
- David J Pash (Resigned 18 November 2003)
- David R Perry
- Ian L Fraser (Appointed 5 May 2004)

Directors' remuneration is disclosed in 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.

Interest on Directors' loans was paid to B A Crome of $33,685, R W Freedman of $23,913 and D J Pash of $58,220. The loan bears interest at 11% per annum.

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:

	2004	2003
Structural Systems Limited – ordinary shares	**3,680,515**	3,640,515
Structural Systems Limited – options	**200,000**	280,000

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.

	2004	2003
• Management fees received	**4,839**	3,193
• Loans to controlled entities	**41,524**	34,030
• Loans from controlled entities	**22,459**	9,340
• Dividends from controlled entities	**-**	213

39. SEGMENT RESULTS

Business Segments

	Construction		Mining		Discontinuing Operation Fire Systems		Corporate		Eliminations		Economic Entity	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
Revenue												
External Sales	**64,699**	75,212	**11,713**	9,283	**3,157**	17,840	**-**	-	**-**	-	**79,570**	102,336
Other Segments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total Sales Revenue	**64,699**	75,212	**11,713**	9,283	**3,157**	17,840	**-**	-	**-**	-	**79,570**	102,336
Unallocated Revenue											**-**	264
Total revenue from ordinary activities											**79,570**	102,600
Result												
Profit from ordinary activities before income tax expense	**(6,552)**	2,183	**833**	379	**(2,632)**	(2,102)	0	213	**120**	**(93)**	**(8,231)**	580
Income tax expense											**(312)**	(116)
Profit from ordinary activities after income tax expense											**(8,543)**	464
Assets												
Segment assets	**33,711**	36,641	**4,488**	4,899	**138**	5,005	**-**	-	**-**	-	**38,337**	46,544
Liabilities												
Segment liabilities	**25,468**	23,193	**3,065**	2,910	**245**	2,456	**-**	-	**-**	-	**28,778**	28,558
Other												
Acquisition of non-current segment assets	**561**	706	**379**	1,118	**-**	53	**-**	-			**940**	1,877
Depreciation and amortisation of segment assets	**1,515**	1,652	**696**	548	**197**	396	**-**	-			**2,408**	2,595

Geographical Segments

	Australia		United Arab Emirates		Hong Kong		Economic Entity	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000	**2004 $'000**	2003 $'000
External Sales	**79,560**	102,596	**10**	3	**-**	-	**79,570**	102,600
Carrying amount of segment assets	**37,553**	45,663	**784**	882	**-**	-	**38,337**	46,544
Acquisiton of non-current segment assets	**940**	1,877	**-**	-	**-**	-	**940**	1,877

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000

40. FINANCING ARRANGEMENTS

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

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Total facilities available:				
Bank overdrafts	**2,000**	1,520	**2,000**	1,520
Bill acceptance facility	**0**	2,250	**0**	950
Bank guarantee facility	**8,000**	9,177	**6,938**	6,675
	10,000	12,947	**8,938**	9,145
Facilities used at balance date:				
Bank overdrafts	**0**	2,754	**0**	2,754
Bill acceptance facility	**0**	2,250	**0**	950
Bank guarantee facility	**6,284**	8,521	**5,329**	6,294
	6,284	13,525	**5,329**	9,998
Facilities not used at balance date:				
Bank overdrafts	**2,000**	-	**2,000**	-
Bill acceptance facility	**-**	-	**-**	-
Bank guarantee facility	**1,716**	656	**1,609**	381
	3,716	656	**3,609**	381

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 12.10% (2003 – 11.6%).

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 (2003 – 2.5%).

Unsecured Convertible Notes mature on 30 June 2007 at face value of $0.45 cents per Convertible Note. Interest is payable semi-annually in arrears at the coupon rate of 11% per annum and default interest fixed at 12% per annum.

The Notes are convertible, at the option of the Noteholder at any time during the term to 30 June 2007, into shares on the basis of 1 share for each Convertible Note converted.

If a Convertible Note is converted before 30 December 2005, in addition to the shares issued on conversion, one free Note Option will be granted for every two Convertible Notes converted by a Noteholder.

41. 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				
	Weighted Average Interest Rate	Floating Interest Rate	1 Year or less	Over 1 Year to 5 Years	More than 5 Years	Non-interest Bearing	Total
2004							
Financial Assets							
Cash	-	-	-	-	-	260	260
Investments	-	-	-	-	-	24	24
Receivables	-	-	-	-	-	19,168	19,168
						19,452	19,452
2004							
Financial Liabilities							
Bank overdrafts and loans	12.10%	1,227	68	-	-	-	1,295
Payables	-	-	-	-	-	14,438	14,438
Convertible note issue	11.0%	-	-	5,684	-	-	5,684
Other loans	11.0%	-	5	1,750	-	-	1,755
Lease and lease purchase liabilities	5.8%	-	964	1,200	-	-	2,164
		1,227	1,037	8,634	-	14,438	25,336

41. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within: 1 Year or less	Over 1 Year to 5 Years	More than 5 Years	Non-interest Bearing	Total
2003							
Financial Assets							
Cash	-	-	-	-	-	74	74
Investments	-	-	-	-	-	24	24
Receivables	-	-	-	-	-	23,057	23,057
		-	-	-		23,155	23,155
2003							
Financial Liabilities							
Bank overdrafts and loans	11.6%	4,962	2,207	220	-	-	7,389
Payables	-	-	-	-	-	13,167	13,167
Other loans	11.0%	-	1,305	-	-	-	1,305
Lease and lease purchase liabilities	8.4%	-	1,188	1,833	-	-	3,021
		4,962	4,700	2,053	-	13,167	24,882

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 2004 was nil. (2003– 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	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Financial Assets				
Cash	**260**	74	**260**	74
Receivables	**19,168**	23,057	**19,168**	23,057
Investments - Unlisted	**24**	24	**24**	24
Financial Liabilities				
Bank overdrafts and loans	**1,295**	7,389	**1,295**	7,389
Payables	**14,438**	13,167	**14,438**	13,167
Convertible notes	**5,684**	-	**5,684**	-
Interest bearing liabilities	**1,755**	1,305	**1,755**	1,305
Lease and lease purchase liabilities	**2,164**	3,021	**2,164**	3,021

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

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 9 to 34, 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 2004 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: 27 September 2004

Structural Systems Limited ABN 57 006 413 574 and Controlled Entities
Independent Audit Report
To the Members of Structural Systems Limited

anderson roscoe
CHARTERED ACCOUNTANTS

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.

Associates:
Russell W Drysdale C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
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Scope

The financial report and directors' responsibility

The financial report comprises the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying Notes to the Financial Statements, and the Directors' Declaration for Structural Systems Limited and controlled entities for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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 2004 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 financial reporting requirements in Australia.

Anderson Roscoe

Anderson Roscoe

Andrew Roscoe

Andrew P Roscoe
Partner
Dated: 27 September 2004

DISTRIBUTION OF SHAREHOLDERS AND SHAREHOLDINGS

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES
1 - 1,000	92	36,677
1,001 - 5,000	234	731,265
5001 - 10,000	158	1,226,630
10.001 - 100,000	318	10,227,118
100,001 - Over	37	13,409,095
TOTAL	**839**	**25,630,785**

The number of Shareholders holding less than a marketable parcel at 31 August 2004 is 81 holding in total 25,677 shares.

TWENTY LARGEST SHAREHOLDERS	NUMBER OF SHARES	% OF ISSUED CAPITAL
National Nominees Limited	2,134,046	8.33
Alrellin Nominees Pty Ltd	1,889,068	7.37
JP Morgan Nominees Australia Limited	1,110,140	4.33
Argo Investments Limited	954,238	3.72
Tintagel Nominees Pty Ltd	834,136	3.25
Bruce Crome Nominees Pty Ltd	640,616	2.50
Grose Family	341,060	1.33
ES Group Entities Pty Ltd	318,116	1.24
Victorian Workcover Authority	313,100	1.22
Windun Pty Ltd	300,000	1.17
Temasek Holdings Pty Ltd	290,735	1.13
Harg Pty Ltd	278,255	1.09
Mr John Horton Seymour and Mrs Yvonne Catherine Seymour	250,000	0.98
Loftus Lane Investments Pty Ltd	243,467	0.95
Mr John Romulus Spangaro	235,384	0.92
Mr James Crosthwaite	209,000	0.82
Mr Francis Maxwell Hooper	201,164	0.78
Mr Philip Henry Hall	200,000	0.78
Mr Hong Ming Lee Pty Ltd	183,243	0.71
Mr Peter Begg Lawrence and Ms Clare Lorraine Lawrence	181,070	0.71
Total	**11,106,838**	**43.33**

SUBSTANTIAL SHAREHOLDERS

National Nominees Limited	2,134,046	8.33%
Alrellin Nominees Pty Ltd	1,889,068	7.37%

ON MARKET BUY BACK

There is no current on market buy back.

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
Website: 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

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
Anderson Roscoe.

BANKERS
National Australia Bank.