Structural Systems
Engineers & Contractors

STRUCTURAL SYSTEMS ANNOUNCES A RECORD PROFIT AND A FULLY FRANKED FINAL DIVIDEND OF 5.0 CENTS A SHARE

Structural Systems Limited **("Structural" or "the company")** today reported a pre-tax, pre minorities' profit of $7.165 million compared to a $3.444 million profit for the corresponding period last year. This profit was achieved on revenue of $104.405 million, down 2% on the $106.948 million reported in 2005. The after tax, after minorities profit for the year was $5.345 million compared to $2.142 million last year.

This significantly improved result reflects the focus of management and the directors have had on restoring shareholder wealth. The diversity in services the company provides continues to grow as does the geographical spread of operations.

As part of the capital management of the company a share buy back plan was commenced in June 2006. As at balance date a total of 251,273 shares had been brought back on market for cancellation.

The directors resolved to declare a final dividend of 5.0 cents per share, fully franked and payable on 20 October 2006. The record date for determining entitlements is 20 September 2006. The directors have determined that the dividend reinvestment plan remains suspended.

An overview of the various business segments is discussed below –

- **Mining & Ground Support**
  Revenue from Rock Engineering increased by 15% to $18.78 million in 2006. During the year, the company continued to invest in new equipment to supplement the existing fleet and capitalise on the opportunities available in the buoyant mining services market. Profit before tax rose by 38% to $1.698 million for the year. Rock Engineering is now 100% owned by the Company. Full ownership was effective from 1 July 2005.

- **Post-tensioning – Australia**
  Post tensioning continues to be the largest business sector in which the company operates. In 2006, post-tensioning accounted for approximately 50% of the company's Australasian revenue. During the year increased focus was given to civil works on the Eastern seaboard and the company undertook a number of high profile projects during this period. The cable stay works on the Green Bridge in Brisbane is an example of the type of civil engineering project the company will continue to target in the future.

- **Remedial - Australia**
  The result for the year from the remedial operation established in NSW in late 2004 was particularly pleasing. Revenue from this business grew from $865K in 2005 to $5.3 million for the 2006 year. The profitable establishment of this business has given the company the ability to undertake major remedial works throughout Australia.

- **Structure Packages**
  The Structure package division continues to develop and improve. This division is benefiting from the difficult restructuring decisions made 2.5 years ago. A major focus of this division has been to develop alliances with key clients and secure the majority of its work through negotiations. An acceptable balance between risk and reward has now been achieved in this business which accounts for approximately 24% of the company's Australasian revenue.

- **International**
  The United Kingdom (UK) and United Arab Emirates (UAE) operations of the company grew strongly in 2006 helped by the acquisition (effective 1 July 2005) of the 50% of the UAE business that we did not own. Profits also grew strongly increasing by 80% to $1.44 million in the period under review.

  Whilst the equity accounted profit from the UK business was a solid $600K for the year, it would have been higher but for the delayed start to the LNG tank works in Wales. The majority of both revenue and profit from this major project is likely to be realised in the 2007 financial year.

Future prospects

The directors are committed to improving shareholder wealth by a combination of increased dividends and improved share price. The continued expansion of both the regions in which the company operates and the services and products the company supplies will increase the opportunities for improved profitability. The board also believes there are opportunities in the vertical supply chain within the company's traditional market sectors. These opportunities could arise from further efficiencies in delivery or having a greater stake in the overall supply chain.

The expansion of Rock Engineering remains a key part of the company's future strategy. This business provides services to major global mining companies, resource contractors and emerging mid-tier producers across a diversified commodity range. Rock is well placed to continue to benefit from the high levels of activity in both the resource, civil and infrastructure sectors.

The company expanded its civil engineering capabilities during the year. The levels of infrastructure spend forecast for Australia in the short to medium term will be a key strategic focus for the company.

Work in hand including the Company's share of international operations at the end of June 2006 was in excess of $80 million.

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Dated: 7 September 2006

About Structural Systems Limited
Structural Systems is a specialist professional Engineering and Contracting Company, which provides innovative skills, services and products to the Construction and Mining Industries both nationally and internationally. Operations commenced as BBR Australia Pty Ltd in 1961 and became the public company, Structural Systems Limited, in 1987.

Structural Systems

Engineers & Contractors

Preliminary Final Report of Structural Systems Limited
For the year ended 30 June 2006
ABN 57 006 413 574

This preliminary Final report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ending 30 June 2006
Previous Corresponding Period:	Financial year ending 30 June 2005

Results for announcement to the market

Revenue and Earnings Information	Up (Down)	Percentage Change		Amount $'000
Revenues from ordinary activities	Down	2%	to	104,405
Profit (loss) from ordinary activities before income tax expense	Up	108%	to	7,165
Net profit (loss) from ordinary activities after tax (before outside equity interests)	Up	115%	to	5,345
Net profit (loss) for the period attributable to members	Up	150%	to	5,345

Dividends (Distributions)	Amount per security	Franked amount per security
Final dividend declared and payable 20 October 2006 Interim dividend paid 24 March 2006	5.0 cents 2.5 cents	5.0 cents 2.5 cents
Record date for determining entitlements to the dividend: 20 September 2006		

Brief explanation of revenue and net profit: Please refer to attached ASX announcement accompanying this Appendix 4E.

Information on Audit

The accounts have been audited.

The information contained in this report is to be read in conjunction with the last annual report and any announcements to the market by Structural Systems during the period.

Structural Systems

Engineers & Contractors

Consolidated Income Statement

Year Ended 30 June 2006	Note	2006 $'000	2005 $'000
Revenue		104,375	106,948
Other Income		30	-
Total Revenue	**3**	**104,405**	**106,948**
Raw materials and consumables used for sale of goods		(2,927)	(2,381)
Construction and servicing costs		(82,856)	(93,394)
Changes in inventories and work in progress		(2,106)	546
Depreciation and amortisation expense	**4**	(2,946)	(2,418)
Finance costs	**4**	(541)	(1,023)
Other expenses from ordinary activities		(6,464)	(5,035)
Share of net profits of joint ventures & associates accounted for using the equity method		600	201
Profit Before Income Tax Expense	**4**	**7,165**	**3,444**
Income tax expense		(1,820)	(955)
Profit After Income Tax		**5,345**	**2,489**
Profit attributable to minority equity interests		-	(347)
Profit Attributable to Members Of The Parent Entity		**5,345**	**2,142**
Basic earnings per share (cents)		15.2c	8.4c
Diluted earnings per share (cents)		12.7c	7.2c
Dividends per share paid (cents)		4.0c	-
Weighed average number of shares outstanding during the period used in the calculation of basic earnings per share ('000)		32,224	25,630

The accompanying notes form part of these financial statements

Structural Systems

Engineers & Contractors

Consolidated Balance Sheet

As at 30 June 2006	Note	2006 $'000	2005 $'000
Current Assets			
Cash and cash equivalents	**19**	4,973	6,758
Trade and other receivables	**5**	23,998	19,589
Inventories	**6**	4,146	5,453
Other current assets		441	445
Total Current Assets		**33,558**	**32,245**
Non Current Assets			
Financial assets		-	24
Investment accounted for using equity method		750	150
Property, plant and equipment	**7**	14,223	11,479
Intangible assets	**8**	3,492	2,005
Deferred tax assets	**9**	1,843	4,238
Total Non-Current Assets		**20,308**	**17,896**
Total Assets		**53,866**	**50,141**
Current Liabilities			
Trade and other payables	**10**	20,459	19,331
Short-term borrowings	**11**	2,672	2,104
Current tax liabilities	**12**	-	312
Short term provisions	**13**	2,926	2,472
Total Current Liabilities		**26,057**	**24,219**
Non–Current Liabilities			
Trade and other payables	**10**	822	585
Long-term borrowings	**14**	1.590	8,529
Deferred tax liability	**15**	507	1,098
Long term provisions	**16**	202	171
Total Non-Current Liabilities		**3,121**	**10,383**
Total Liabilities		**29,178**	**34,602**
Net Assets		**24,688**	**15,539**
Equity			
Issued Capital	**17**	21,013	15,059
Share Option Equity		271	271
Reserves	**18**	1,026	938
Retained earnings / (Accumulated Losses)		2,440	(1,382)
Total Parent Entity Interest		24,750	14,886
Minority equity interests		(62)	653
Total Equity		**24,688**	**15,539**

The accompanying notes form part of these financial statements

Structural Systems
Engineers & Contractors

STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Share Capital Ordinary	Share Options Equity	Retained Earnings (Accumulated Losses)	Asset Revaluation Reserve	Capital Profits Reserve	Foreign Currency Translation Reserve	Minority Equity Interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2004	2(a)	15,056	66	(3,717)	926	210	70	256	12,867
Shares issued during the period		3							3
Share options issued during the period			205						205
Profit attributable to members of parent entity	2(c)			2,142					2,142
Transfers to and from reserves									
- capital profit reserve				(45)		45			-
- foreign currency reserve				238			(238)		-
- asset revaluation reserve					(10)	10			-
Realisation of deferred tax on disposal of asset					2				2
Translation adjustment on controlled foreign entities' financial statements							(77)		(77)
Profit attributable to minority shareholders								397	397
Balance at 30 June 2005	2(b)	15,059	271	(1,382)	918	265	(245)	653	15,539
Balance at 1 July 2005		15,059	271	(1,382)	918	265	(245)	653	15,539
Shares issued during the period		6,207							6,207
Shares bought back during the year		(252)							(252)
Profit attributable to members of parent entity				5,346					5,346
Acquisition of additional shareholding in controlled entities								(715)	(715)
Translation adjustment on controlled foreign entities' financial statements							88		88
Profit attributable to minority shareholders								-	-
Sub-total		21,013	271	3,964	918	265	(157)	(62)	26,212
Dividends paid or provided for	20			(1,523)					(1,523)
Balance at 30 June 2006		21,013	271	2,440	918	265	(157)	(62)	24,688

The accompanying notes form part of these financial statements

Structural Systems
Engineers & Contractors

Consolidated Cash Flow Statement

Year Ended 30 June 2006	Note	2006 $'000	2005 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		108,530	115,597
Cash payments in the course of operations		(100,878)	(104,734)
Convertible note expenses		-	(54)
Interest received		302	176
Finance Costs		(843)	(874)
Income tax (paid) refunded		(327)	(488)
Net cash provided by (used in) operating activities	**19 (b)**	**6,784**	**9,623**
Cash flows from investing activities			
Payments for property, plant and equipment		(3,551)	(1,793)
Proceeds from sale of property, plant and equipment		53	1,150
Loan from associated company (net)		-	1,110
Payment for controlled entities – BBR Structural Systems	**19 (d) (i)**	(372)	-
Net cash provided by (used in) investing activities		**(3,870)**	**467**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(1,050)	(768)
Lease and lease purchase payments		(2,260)	(1,520)
Share buy-back payment		(252)	-
Proceeds from issue of shares		638	-
Dividends paid by parent entity		(1,523)	-
Dividends paid by controlled entity to outside equity interest		(340)	-
Net cash used in financing activities		**(4,787)**	**(2,288)**
Net increase (decrease) in cash held		(1,872)	7,802
Effect of exchange rates on cash holdings		87	(77)
Cash at beginning of financial year		6,758	(967)
Cash at end of financial year	**19 (a)**	**4,973**	**6,758**

The accompanying notes form part of these financial statements

Note 1: Statement of Significant Accounting Policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies in this report are those that will be included in the annual financial report and have been included in the Appendix 4E disclosures to provide additional information with regards to the accounting policies adopted by the Group.

This report is to be read in conjunction with any public announcements made by Structural Systems Limited during the reporting period.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, 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.

The financial report of Structural Systems Limited and controlled entities, and Structural Systems Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Structural Systems Limited and controlled entities, and Structural Systems Limited as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB have been applied (refer to note 1 (v)). These consolidated accounts are the first financial statements of Structural Systems Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and where applicable, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting policies

a) **Principles of Consolidation**

A controlled entity is any entity Structural Systems Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

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

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b) **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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.

c) **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.

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

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

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

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

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

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

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

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

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

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation
The depreciation amount of all fixed assets including building and capitalised live assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Buildings	2.5%
Leasehold improvements	20%
Plant and equipment	10%
Leased assets	
- Plant and Equipment	15%
- Mining Equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as financial leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Trade debtors to be settled within 60 days are carried at amounts due. The recoverability of debtors is assessed at reporting date and an estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due.

Held-to-maturity investments
These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.
Trade accounts payable are normally settled within 60 days.

Derivative instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

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

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

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

i) Investment in Associates
Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies. The equity method of accounting recognises the group's share of past acquisitions reserves of its associates.

j) Interests in Joint Ventures

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

k) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

l) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

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

Group companies

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

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

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

m) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Share based payments
The group operates a Directors and Employees share option plan. The fair value of the options granted is recognised as an expense with a corresponding increase in equity. The fair value is determined using an option pricing model.

n) 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 finance costs in the income statement.

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

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

q) Revenue
Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue 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.

The gain or loss on non-current asset sales are included as revenue or an expense 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.

All revenue is stated net of the amount of goods and services tax (GST).

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

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

s) Goods and Service Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

t) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

u) 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.

v) AASB 1 transitional exemptions
The group has made its elections in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Business combinations
AASB 3 'Business combinations' was not retrospectively applied to business combinations prior to 1 July 2004. Goodwill amortisation recognised up to 1 July 2004 has not been reversed.

Share-based payment transactions
AASB 2 'Share-based payment' has been applied to equity instruments granted after 7 November 2002 that had not vested by 1 January 2005.

Financial instruments
AASB 1 provides an exemption from the requirements to restate comparative information for AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. The group has elected to apply this exemption to the comparative information on financial instruments.

w) New accounting standards and UIG interpretations
Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2006 reporting period. The Group has not yet made an assessment of the impact of these new standards and interpretations, but do not expect that they will have a material impact on the financial statements.

x) Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. The directors believe that the estimates and assumptions used during the year would not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 2 : FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Reconciliation of Equity at 1 July 2004

ECONOMIC ENTITY

	Note	Previous G.A.A.P. at 1 July 2004 $'000	AIFRS Adjustments $'000	AIFRS At 1 July 2004 $'000
CURRENT ASSETS				
Cash and cash equivalents		260		260
Trade and other receivables		19,168		19,168
Inventories		4,350		4,350
Other current assets		551		551
Total Current Assets		24,329		24,329
NON-CURRENT ASSETS				
Financial assets		24		24
Investments accounted for using the equity method		-		-
Property, plant and equipment		10,851		10,851
Intangible assets		2,005		2,005
Deferred Tax Assets	2(d)	1,128	3,704	4,832
Total Non-Current Assets		14,008	3,704	17,712
TOTAL ASSETS		38,337	3,704	42,041
CURRENT LIABILITIES				
Trade and other payables		14,438		14,438
Short-term borrowings		2,264		2,264
Current Tax Liabilities		339		339
Short-term provisions		2,256		2,256
Total Current Liabilities		19,297		19,297
NON-CURRENT LIABILITIES				
Trade and other payables		-		-
Long-term borrowings		8,634		8,634
Deferred Tax Liabilities	2(f)	833	396	1,229
Long-term Provisions		14		14
Total non-current liabilities		9,481	396	9,877
TOTAL LIABILITIES		28,778	396	29,174
NET ASSETS		9,559	3,308	12,867
EQUITY				
Issued capital		15,056		15,056
Share option equity	2(g)	-	66	66
Reserves	2(h)	1,602	(396)	1,206
Retained earnings (Accumulated Losses)	2(i)	(7,335)	3,638	(3,717)
Parent equity interest		9,303	3,308	12,611
Minority equity interest		256		256
TOTAL EQUITY		9,559	3,308	12,867

(b) Reconciliation of Equity at 30 June 2005

	Note	Previous G.A.A.P. at 30 June 2005 $'000	AIFRS Adjustments $'000	AIFRS At 30 June 2005 $'000
		ECONOMIC ENTITY		
CURRENT ASSETS				
Cash and other equivalents		6,758	-	6,758
Trade and other receivables		19,589	-	19,589
Inventories		5,453	-	5,453
Other current assets		445	-	445
Total Current Assets		32,245	-	32,245
NON-CURRENT ASSETS				
Financial assets		24	-	24
Investments accounted for using the equity method		150	-	150
Property, plant and equipment		11,479	-	11,479
Intangible assets	**2(e)**	1,845	160	2,005
Deferred Tax Assets	**2(d)**	1,265	2,973	4,238
Total Non-Current Assets		14,763	3,133	17,896
TOTAL ASSETS		47,008	3,133	50,141
CURRENT LIABILITIES				
Trade and other payables		19,331	-	19,331
Short-term borrowings		2,104	-	2,104
Current Tax Liabilities		312	-	312
Short-term provisions		2,472	-	2,472
Total Current Liabilities		24,219	-	24,219
NON-CURRENT LIABILITIES				
Trade and other payables		585	-	585
Long-term borrowings		8,529	-	8,529
Deferred Tax Liabilities	**2(f)**	705	393	1,098
Long-term provisions		171	-	171
Total non-current liabilities		9,990	393	10,383
TOTAL LIABILITIES		34,209	393	34,602
NET ASSETS		12,799	2,740	15,539
EQUITY				
Issued capital		15,059	-	15,059
Share option equity	**2(g)**	-	271	271
Reserves	**2(h)**	1,331	(393)	938
Retained earnings (accumulated losses)	**2(i)**	(4,244)	2,862	(1,382)
Parent equity interest		12,146	2,740	14,886
Outside equity interest		653	-	653
TOTAL EQUITY		12,799	2,740	15,539

(c) Reconciliation of profit or loss for the year ended 30 June 2005

		ECONOMIC ENTITY		
		Previous G.A.A.P. 2005	AIFRS Adjustments	AIFRS 2005
	Note	$'000	$'000	$'000
Revenues		108,097	(1,149)	106,948
Changes in inventories of finished goods & work in progress		546	-	546
Raw materials and consumables used for sale of goods		(2,381)	-	(2,381)
Construction servicing & contract costs		(93,189)	(205)	(93,394)
Depreciation and amortisation expense	**2(e)**	(2,578)	160	(2,418)
Finance costs		(1,023)	-	(1,023)
Other expenses		(6,184)	1,149	(5,035)
Share of net profits (losses) of JV & associates (equity method)		201	-	201
Profit (loss) before income tax expense		3,489	(45)	3,444
Income tax (expense) benefit for the year	**2(j)**	(224)	(731)	(955)
Profit (loss) after income tax expense		3,265	(776)	2,489
(Profit) loss attributable to minority equity interests		(347)	-	(347)
Profit (loss) attributable to members of the parent entity		2,918	(776)	2,142

	Notes to the reconciliations of equity and profit and loss at 1 July 2004 and 30 June 2005	30 June 2005	1 July 2004
		$'000	$'000
(d)	**Deferred tax assets comprise:**		
	Deferred tax provided on the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised	3,704	3,704
	Utilisation of tax losses	(731)	-
	Total	2,973	3,704
(e)	**Goodwill on consolidation**		
	Under AASB 3: Business Combination, goodwill is no longer amortised but subject to annual impairment testing. Impairment testing at 1 July 2004 confirmed no impairment of goodwill and the previously amortised goodwill will not be reversed, resulting in no change in retained earnings at 1 July 2004		
	Goodwill amounting to $160,000 previously amortised in the 2005 financial year has been reversed in the income statement for the year ended 30 June 2005	160	-
(f)	**Deferred tax liabilities comprise:**		
	Deferred tax on revaluation of non-current assets	396	396
	Realisation of deferred tax on disposal of non-current asset	(3)	-
	Total	393	396
(g)	**Share option equity comprises:**		
	Recognition (as an expense) of all share based remuneration under the Directors and Employees share option plan		
	- on translation to AIFRS – retained earnings 1 July 2004	66	66
	- for the financial year ended 30 June 2005	205	-
	Total	271	66
(h)	**Reserves comprise:**		
	Deferred tax on revaluation of non-current assets	(396)	(396)
	Realisation of deferred tax on disposal of non-current asset	3	-
	Total	(393)	(396)
(i)	**Retained earnings comprise:**		
	Recognition of deferred tax benefit on unused tax losses (refer 2(d))	3,704	3,704
	Utilisation of tax losses (refer 2(d))	(731)	-
	Recognition of share based remuneration (refer 2(g))	(271)	(66)
	Reversal of goodwill previously amortised (refer 2(e))	160	-
	Total	2,862	3,638
(j)	**Income tax expense comprises:**		
	Utilisation of tax losses recognised as deferred tax asset	(731)	-

(k) Property Plant and Equipment

The gain or loss on the disposal of property, plant and equipment is recognised on a net basis as revenue or as an expense, rather than separately recognising the consideration received as revenue. Revenue and Other expenses have therefore been adjusted to conform to presentation with current financial year.

	2006 $'000	2005 $'000
3. Revenue		
Operating Activities		
Sale of goods	4,162	3,227
Rendering of services	99,860	103,509
Interest		
▪ Other parties	302	176
Other Revenue	51	36
	104,375	**106,948**
Non-operating activities		
Gain on disposal of property, plant & equipment	**30**	**-**
Total Revenue	**104,405**	**106,948**
4. Profit for the year		
Profit before income tax is arrived at after charging the following items:		
Amortisation and depreciation of:		
▪ Buildings	57	59
▪ Plant and equipment	2,887	2,356
▪ Leasehold improvements	2	3
Bad and doubtful debts expense	80	460
Interest paid and due and payable:		
▪ Other persons	220	595
▪ Related Parties	28	166
▪ Finance charges on capitalised assets	292	261
Rental – operating leases	306	278
Loss on disposal of plant and equipment	-	330
5. Trade and other receivables (current)		
Trade debtors	24,227	19,600
Provision for impairment of receivables	(544)	(521)
	23,683	19,079
Loans and advances to staff	16	20
Other debtors and deposits	108	299
Loans to associated entities	191	191
	23,998	**19,589**
6. Inventories (current)		
Raw materials and stores at cost	2,981	3,992
Construction work in progress at cost	1,165	1,461
	4,146	**5,453**

	2006 $'000	2005 $'000
7. Property plant and equipment		
Freehold land		
At independent valuation (note 7b)	1,733	1,733
At Cost – Subsequent additions	1,851	150
	3,584	**1,883**
Buildings		
At Directors valuation (2001)	1,466	1,466
At cost – subsequent additions	63	63
Accumulated depreciation	(571)	(514)
	958	**1,015**
Leasehold improvements		
At cost	59	59
Accumulated amortisation	(59)	(58)
	-	**1**
Plant, equipment and motor vehicles		
At cost	24,353	20,089
At Directors valuation 1995 (note 7a) – deemed cost	295	295
Accumulated depreciation	(15,061)	(12,504)
	9,587	**7,880**
Leased assets at assessed value	264	1,289
Accumulated amortisation	(169)	(589)
	95	**700**
Total plant, equipment and motor vehicles	**9,682**	**8,580**
Total	**14,223**	**11,479**

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

(a) The Directors valuation 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 the valuation of land of $1,825,536. The valuation has been brought to account. Land value amounting to $92,471 was subsequently disposed. During the year, land was acquired for $1,700,486.

(c) The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders equity.

	2006 $'000	2005 $'000
8. Intangible Assets		
Goodwill at cost	3,492	2,005
Accumulated impaired losses	-	-
	3,492	**2,005**
9. Deferred tax assets		
Provisions	1,026	1,265
Tax losses	817	2,973
	1,843	4,238
10. Trade and other payables		
CURRENT		
Trade payables	5,466	7,229
Sundry payables and accruals	4,036	4,495
Contract billings in advance - due to customers for contract works	10,957	7,607
	20,459	**19,331**
NON-CURRENT		
Consideration outstanding on acquisition of acquired portion of BBR Structural Systems JV	**822**	**585**
11. Borrowings (current)		
Convertible notes	472	-
Other loans	360	372
Lease liability	85	302
Lease purchase liability	1,755	1,430
	2,672	**2,104**
12. Tax Liabilities (current)		
Income tax	**-**	**312**
13. Provisions (current)		
Employee benefits	**2,926**	**2,472**
14. Borrowings (non current)		
Other loans	-	1,050
Convertible Note	-	5,681
Lease liability	58	134
Lease purchase liability	1,532	1,664
	1,590	**8,529**
15. Deferred tax liability		
Tax allowances relating to property, plant & equipment	114	702
Revaluation adjustments taken directly to equity	393	393
Income tax	-	3
	507	**1,098**
16. Provision (non current)		
Employee benefits	**202**	**171**

	2006 $'000	2005 $'000
17. Issued capital		
Issued and paid up capital, 38,950,483 (2005 – 25,630,785) fully paid ordinary shares	21,013	15,059
Movements in ordinary share capital		
Balance at the beginning of the financial year	15,059	15,056
Shares issued:		
Convertible Notes converted	5,208	3
Options on convertible notes converted exercised	234	-
Employee share plan	404	-
Shares issued for minority share of Rock Engineering	360	-
Share buy back	(252)	-
	21,013	**15,059**
18. Reserves		
a. Asset Revaluation reserve		
▪ Balance at beginning of year	918	926
▪ Transfer to capital profits reserve		
- realised increment on freehold land sold during the year.	-	(10)
▪ Realisation of deferred tax on disposal of asset	-	2
▪ Balance at end of year	**918**	**918**
b. Capital Profits Reserve		
▪ Balance at beginning of year	265	210
▪ Transfer from asset revaluation reserve – realised increment on freehold land sold.	-	10
▪ Transfer from retained profits		
- Capital profit on sale of freehold land	-	45
▪ Balance at end of year	**265**	**265**
c. Foreign Currency Translation Reserve		
▪ Balance at beginning of year	**(245)**	**70**
▪ Translation adjustment on controlled foreign entities	**88**	**(77)**
▪ Transfer to retained profits	**-**	**(238)**
▪ Balance at end of year	**(157)**	**(245)**
Total Reserves	**1,026**	**938**

	2006 $'000	2005 $'000
19. Notes to Cash Flow Statement		
a. Components of cash and cash equivalents		
Cash on hand	4	9
Cash at bank	4,969	6,749
	4,973	6,758
Bank overdrafts	-	-
	4,973	**6,758**
b. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	5,345	2,489
Non-cash flows in profit:		
Depreciation and amortisation	2,946	2,418
Impairment loss	32	-
Net (profit) loss on sale of non-current assets	(30)	330
Bad and doubtful debts	80	460
Share of net profit of joint venture using the equity method	(600)	(201)
Change in operating assets and liabilities:		
▪ (Increase) decrease in trade and other receivables	(4,489)	(1,406)
▪ (Increase) decrease in inventories	1,307	(1,103)
▪ (Increase) decrease in prepayments	4	106
▪ (Decrease) increase in trade and other payables	211	5,723
▪ (Decrease increase in provisions	486	372
▪ (Decrease) increase in income tax payable	(314)	(45)
▪ (Decrease) increase in deferred tax liabilities	(589)	(114)
▪ Decrease (increase) in deferred tax assets	2,395	594
Net cash inflow from operating activities	**6,784**	**9,623**
c. Non cash financing and investing activities		
Plant and equipment acquired under finance leases, lease purchase or Vendor finance	**2,158**	**2,706**
Shares used as consideration for acquiring controlled entity – Refer 19 (d) (ii)	**360**	**-**

(d) Acquisition of Entities

(i) BBR Structural Systems Joint Venture

On the 1st January 2005, the company gained effective control over the financial & operating policies of BBR Structural Systems JV. The accounts were therefore consolidated in the group for the year ended 30 June 2005.
On 1 July 2005, the company acquired the remaining 50% interest in BBR Structural Systems resulting in the latter being a 100% controlled entity of Structural Systems Limited.
Details of the transaction are:

	$'000
Purchase consideration	666
Cash consideration	666
Amount due under contract of sale	(294)
Cash outflow	372
Assets and liabilities held at acquisition date:	
Receivables	2,611
Inventories	648
Plant and equipment	74
Payables	(2,635)
	699
Outside equity interests	(349)
	349
Goodwill on consolidation	317
	666

The goodwill is attributable to the high profitability of the business acquired and expected future growth.
The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its' carrying value.
Profit of BBR Structural Systems included in consolidated profit of the group since the acquisition date on 1 July 2005 amounted to $840,000.

(ii) Rock Engineering (Aust) Pty Ltd

On 1 July 2005, the parent entity acquired the balance of shares in Rock Engineering (Aust) Pty Ltd that it did not already own. This represented 10% of the issued share capital of Rock Engineering . Rock Engineering is now a wholly owned subsidiary of Structural Systems Limited.
Details of the transaction are:

	$'000
Purchase consideration	1,203
Cash consideration	243
Shares issued as consideration	960
Amount due under contract of sale	(843)
Shares issued as part of the consideration of acquisition	360
Assets and liabilities held at acquisition date:	
Receivables	4,270
Inventories	1,994
Plant and equipment	2,419
Payables	(5,023)
	3,660
Minority interest at acquisition	366
Less dividend paid	(340)
	26
Goodwill on consolidation	1,177
	1,203

The goodwill is attributable to the high profitability of the acquired business and expected future growth.
The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its' carrying value.
Profit before income tax of Rock Engineering (Aust) Pty Ltd included in consolidated profit of the group since the acquisition date on 1 July 2005 amounted to $1,697,667.

20. Dividends

Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend: Year 2006	Current	20 October 2006	5.0¢	5.0¢	0¢
Year 2005	Previous	31 October 2005	1.5¢	1.5¢	0¢
Interim dividend: Year 2006	Current	24 March 2006	2.5¢	2.5¢	0¢
Year 2005	Previous	Nil	0¢	0¢	0¢

Total dividend per security (interim plus final)

Current Year	Previous Year
7.5 cents	1.5 cents

21. Dividend Reinvestment

The dividend or distribution plans shown below are in operation.

Dividend Reinvestment Plan is not in operation for current year final dividend

Any other disclosures in relation to dividends (distributions).

N/A

22. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	54.6 cents	50.3 cents

23. Details Of Entities Over Which Control Has Been Gained Or Lost

No control was gained or lost over any entities during the period.

24. Details of Associates and Joint Venture Entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous Corresponding Period	Current Period $'000	Previous Corresponding Period $'000
Structural Systems (UK) Ltd	40%	40%	600	150

25. Foreign Entities

Accounting Standards used in compiling financial reports:

Australian Accounting Standards

26.SEGMENT REPORTING

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000
Primary reporting – Business segments												
REVENUE												
External sales	85,312	90,480	18,781	16,289	-	-	-	-	104,093	106,769	-	-
Other segments	109	133	-	-	7,900	3,782	(8,008)	(3,915)	-	-	-	-
Total sales revenue	85,421	90,613	18,781	16,289	7,900	3,782	(8,008)	(3,915)	104,093	106,769	-	-
Unallocated revenue									312	179		
Total revenue									104,405	106,948		
RESULTS												
Segment result	4,565	1,742	1,698	1,226	3,734	177	(3,432)	98	6,565	3,243	-	-
Share of net profits of equity accounted associates and joint venture entities	600	201	-	-	-	-	-	-	600	201	-	-
									7,165	3,444		
Income tax expense									(1,820)	(955)	-	-
Profit after income tax									5,346	2,489	-	-
ASSETS												
Segment assets	47,679	44,245	6,188	5,842	-	-	-	-	53,867	50,087	(0)	54
Discontinued operations assets									(0)	54		
Total assets									53,867	50,141		

26. SEGMENT REPORTING (CONTINUED)

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000	30/06/06 $'000	30/06/05 $'000
LIABILITIES												
Segment liabilities	26,675	30,756	2,488	3,798	-	-	-	-	29,163	34,554	15	48
Discontinued operations liabilities									15	48		
Total liabilities									29,178	34,602		
OTHER												
Investments accounted for using the equity method	750	150	-	-	-	-	-	-	750	150	-	-
Acquisitions of non-current segment assets (incl. HP & Leases)	4,917	2,608	792	1,891	-	-	-	-	5,709	4,499	-	-
Depreciation and amortisation of segment assets	2,058	1,542	888	876	-	-	-	-	2,946	2,418	-	-
Other non-cash segment expenses	107	205	5	255	-	-	-	-	112	460	-	-

	Australia		United Arab Emirates		United Kingdom		Economic Entity	
	2006 $'000	2005 $'000	**2006 $'000**	2005 $'000	**2006 $'000**	2005 $'000	**2006 $'000**	2005 $'000
Secondary reporting – Geographical segments								
Segment revenues for external customers	**97,215**	99,996	**7,190**	6,952	**-**	-	**104,405**	106,948
Carrying amount of segment assets	**48,803**	46,269	**4,314**	3,722	**750**	150	**53,867**	50,141
Acquisition of non-current segment assets	**5,709**	4,425	**-**	74	**-**	-	**5,709**	4,499

Structural Systems Limited ABN 57 006 413 574 and Controlled Entities

Independent Audit Report
To the Members of Structural Systems Limited

anderson roscoe
CHARTERED ACCOUNTANT

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Scope

The financial report and directors' responsibility

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, accompanying notes to the financial statements, and the Directors' Declaration for Structural Systems Limited and controlled entities for the year ended 30 June 2006. 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 2006 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
Chartered Accountants

Andrew Roscoe

Andrew P Roscoe
Partner
Date: 7 September 2006