STRUCTURAL SYSTEMS ANNOUNCES A RECORD PROFIT FOR THE THIRD CONSECUTIVE YEAR AND A FULLY FRANKED FINAL DIVIDEND OF 6.0 CENTS A SHARE

Structural Systems Limited **("Structural" or "the company")** first listed on the ASX in April 1987 and marks its twentieth anniversary of being part of the ASX this year with a record pre-tax profit of $12.316 million. This result compares with $7.165 million profit for the corresponding period last year. Revenue grew by 35% to $141.239 million, up $36.834 million from the $104.405 million reported in 2006. The after tax profit for the year was $8.824 million, compared with $5.345 million last year.

Basic earnings per share grew by 39% to 21.2 cents compared to 15.2 cents for the corresponding period. This growth in EPS was achieved in a period where the number of shares on issue increased by 7.487 million to 46.438 million shares. Diluted earnings per share increased from 12.7 cents to 20.3 cents. The convertible notes issued by the company in April 2004 expired on 30 June 2007. Options issued relating to conversion of the notes expired on the same date.

172,882 shares were bought back on market during the year as part of the capital management of the company. This share buy back plan commenced in June 2006. As at balance date a total of 424,155 shares had been bought back on market for cancellation.

The directors resolved to declare a final dividend of 6.0 cents per share, fully franked and payable on 19 October 2007. The record date for determining entitlements is 21 September 2007. The directors have determined that the dividend reinvestment plan remain suspended.

An overview of the various business segments is discussed below –

- **Mining & Ground Support**
  The continued growth in Rock Engineering's core service areas contributed to the 31% growth in revenue to $24.601 million for the 2007 year. Rock Engineering has expanded its drilling and geo-technical activity into the civil engineering construction sector. The company made further investment in drill units and specialist ground support equipment during the period. The expansion of the drill fleet in the period incurred significant start up costs and as a consequence earnings growth was subdued. Profit before tax rose by 6% to $1.805 million for the year.

- **Post-tensioning – Australia**
  With strong construction markets across Australia during the year the post tensioning business continued its growth in the commercial sector and increased its capacity to undertake major civil works. The expansion of investment in water supply related infrastructure was key sector targeted during the year. One major dam upgrade was completed during the year and the company is currently working on several other water infrastructure projects. The acquisition of Refobar has proved successful and the revenue contribution was $6.9 million for the year.

- **Remedial - Australia**
  Revenue from remedial activities grew by 18% to $9.8 million. The ability to offer a very diverse range of remedial, project management and maintenance services throughout Australia has allowed the company to continue to grow. The company continues to increase its re-occurring revenue streams based on term contracts.

- **Structure Packages**
  With an increasing number of projects coming on stream in Victoria the Structures package division was well placed to take part in the opportunities available. Growth in the retail construction sector was particularly strong during the period. The company undertook a wide range of projects during the period from construction of a large cement storage silo to the design and construction of piers and cross heads for 3 new bridges as part of the Eastlink project as well as several major shopping centre expansions. Revenue for this division grew by 75% to $40.945 million.

- **International**
  Revenue from the Middle East operation grew by 8% to $7.764 million. Profit during the year was affected by inflation in the region that was not able to be recovered from existing contracts. The company also incurred additional costs related to the establishment of operations and reviewing prospects in new regions. This year marks ten years presence in the Middle East region and the opportunities available remain significant.

  Equity accounted profit from the UK business was $332K for the year. Work in hand is at a high level and opportunities continue to emerge with projects for the forthcoming London Olympics.

Future prospects

While a record profit result was achieved in 2007, a key focus of the year was about establishing a higher benchmark platform for future years. The costs associated with preparing the business for the future have been taken into account in this year.

The company remains committed to diversifying and growing the products and services it provides. The civil infrastructure market sector is a key part of the growth strategy for the construction divisions. The track record of the company demonstrates its capacity to undertake complex engineering and construction projects in the infrastructure sectors. As public and private investment continues to grow in this market the Board is of the view that substantial opportunities exist in the future.

Rock Engineering has secured significant forward contracts and a greater level of capacity than any prior year. During the year the company structured its growing business such that the forward opportunities are able to be well managed and the excellent reputation it enjoys for safety and QA is maintained.

The company is preparing to leverage off its existing off-shore operations to continue expansion plans in the Middle East and Europe during financial year 2008.

Work in hand including the Company's share of international operations at the end of June 2007 was in excess of $100 million.

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Dated: 17 August 2007

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 2007
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 2007
Previous Corresponding Period:	Financial year ending 30 June 2006

<u>Results for announcement to the market</u>

Revenue and Earnings Information	Up (Down)	Percentage Change		Amount $'000
Revenues from ordinary activities	Up	35%	to	141,239
Profit (loss) from ordinary activities before income tax expense	Up	72%	to	12,316
Net profit (loss) from ordinary activities after tax (before outside equity interests)	Up	65%	to	8,824
Net profit (loss) for the period attributable to members	Up	65%	to	8,824

Dividends (Distributions)	Amount per security	Franked amount per security
Final dividend declared and payable 19 October 2007	6.0 cents	6.0 cents
Interim dividend paid 13 April 2007	4.0 cents	4.0 cents
Record date for determining entitlements to the dividend: 21 September 2007		

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

Information on Audit

The accounts are currently being 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 2007	Note	2007 $'000	2006 $'000
Revenue		141,226	104,375
Other Income		13	30
Total Revenue	**2**	**141,239**	**104,405**
Raw materials and consumables used for sale of goods		(5,956)	(2,927)
Construction and servicing costs		(116,531)	(82,856)
Changes in inventories and work in progress		5,732	(2,106)
Depreciation and amortisation expense		(4,102)	(2,946)
Finance costs		(381)	(541)
Other expenses from ordinary activities		(8,017)	(6,464)
Share of net profits of joint ventures & associates accounted for using the equity method		332	600
Profit Before Income Tax Expense		**12,316**	**7,165**
Income tax expense		(3,492)	(1,820)
Profit After Income Tax		**8,824**	**5,345**
Profit attributable to minority equity interests		-	-
Profit Attributable to Members Of The Parent Entity		**8,824**	**5,345**
Basic earnings per share (cents)		21.2c	15.2c
Diluted earnings per share (cents)		20.3c	12.7c
Dividends per share paid (cents)		9.0c	4.0c
Weighed average number of shares outstanding during the period used in the calculation of basic earnings per share ('000)		41,661	35,224

The accompanying notes form part of these financial statements

Structural Systems

Engineers & Contractors

Consolidated Balance Sheet

As at 30 June 2007	Note	2007 $'000	2006 $'000
Current Assets			
Cash and cash equivalents	18	7,126	4,973
Trade and other receivables	4	33,807	23,998
Inventories	5	9,878	4,146
Other current assets		42	441
Total Current Assets		**50,853**	**33,558**
Non Current Assets			
Trade and other receivables		191	-
Financial assets		-	-
Investment accounted for using equity method		839	750
Property, plant and equipment	6	20,875	14,223
Intangible assets	7	5,032	3,492
Deferred tax assets	8	1,487	1,843
Total Non-Current Assets		**28,424**	**20,308**
Total Assets		**79,277**	**53,866**
Current Liabilities			
Trade and other payables	9	29,791	20,459
Short-term borrowings	10	3,314	2,672
Current tax liabilities	11	3,529	-
Short term provisions	12	4,534	2,926
Total Current Liabilities		**41,168**	**26,057**
Non–Current Liabilities			
Trade and other payables	9	336	822
Long-term borrowings	13	4,499	1,590
Deferred tax liability	14	120	507
Long term provisions	15	186	202
Total Non-Current Liabilities		**5,141**	**3,121**
Total Liabilities		**46,309**	**29,178**
Net Assets		**32,968**	**24,688**
Equity			
Issued Capital	16	24,460	21,013
Share Option Equity		500	271
Reserves	17	819	1,026
Retained earnings / (Accumulated Losses)		7,251	2,440
Total Parent Entity Interest		33,030	24,750
Minority equity interests		(62)	(62)
Total Equity		**32,968**	**24,688**

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 2007

	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 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	19			(1,523)					(1,523)
Balance at 30 June 2006		21,013	271	2,440	918	265	(157)	(62)	24,688
Balance at 1 July 2006		21,013	271	2,440	918	265	(157)	(62)	24,688
Shares issued during the period		3,662							3,662
Shares bought back during the year		(215)							(215)
Shares options issued during the period			229						229
Profit attributable to members of parent entity				8,824					8,824
Translation adjustment on controlled foreign entities' financial statements							(207)		(207)
Profit attributable to minority shareholders									
Sub-total		24,460	500	11,264	918	265	(364)	(62)	36,981
Dividends paid or provided for	19			(4,013)					(4,013)
Balance at 30 June 2007		24,460	500	7,251	918	265	(364)	(62)	32,968

The accompanying notes form part of these financial statements

Structural Systems

Engineers & Contractors

Consolidated Cash Flow Statement

Year Ended 30 June 2007	Note	2007 $'000	2006 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		146,706	108,530
Cash payments in the course of operations		(129,966)	(100,878)
Convertible note expenses		-	-
Interest received		173	302
Finance Costs		(389)	(843)
Dividends received – SS UK		243	-
GST (remitted to) refunded from the ATO		(5,189)	-
Income tax (paid) refunded		5	(327)
Net cash provided by (used in) operating activities	**18 (b)**	**11,583**	**6,784**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,953)	(3,551)
Proceeds from sale of property, plant and equipment		81	53
Loan from associated company (net)		(376)	-
Payment for controlled entities – Rock Engineering		(93)	
Payment for controlled entities – Refobar	**18 (d) (i)**	(1,827)	
Payment for controlled entities – BBR Structural Systems		(433)	(372)
Net cash provided by (used in) investing activities		**(5,601)**	**(3,870)**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(1,050)
Lease and lease purchase payments		(2,302)	(2,260)
Share buy-back payment		(209)	(252)
Proceeds from issue of shares		2,902	638
Dividends paid by parent entity		(4,013)	(1,523)
Dividends paid by controlled entity to outside equity interest		-	(340)
Net cash used in financing activities		**(3,622)**	**(4,787)**
Net increase (decrease) in cash held		2,360	(1,872)
Effect of exchange rates on cash holdings		(207)	87
Cash at beginning of financial year		4,973	6,758
Cash at end of financial year	**18 (a)**	**7,126**	**4,973**

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

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.

	2007 $'000	2006 $'000
2. Revenue		
Operating Activities		
Sale of goods	8,041	4,162
Rendering of services	132,450	99,860
Interest		
▪ Other parties	173	302
Other Revenue	562	51
	141,226	**104,375**
Non-operating activities		
Gain on disposal of property, plant & equipment	**13**	**30**
Total Revenue	**141,239**	**104,405**
3. Profit for the year		
Profit before income tax is arrived at after charging the following items:		
Amortisation and depreciation of:		
▪ Buildings	50	57
▪ Plant and equipment	4,052	2,887
▪ Leasehold improvements	-	2
Bad and doubtful debts expense	246	80
Interest paid and due and payable:		
▪ Other persons	83	220
▪ Related Parties	-	28
▪ Finance charges on capitalised assets	297	292
Rental – operating leases	448	306
Loss on disposal of plant and equipment	-	-
4. Trade and other receivables (current)		
Trade debtors	34,173	24,227
Provision for impairment of receivables	(547)	(544)
	33,626	23,683
Loans and advances to staff	42	16
Other debtors and deposits	139	108
Loans to associated entities	-	191
	33,807	**23,998**
5. Inventories (current)		
Raw materials and stores at cost	6,307	2,981
Construction work in progress at cost	3,571	1,165
	9,878	**4,146**

	2007 $'000	2006 $'000
6. Property plant and equipment		
Freehold land		
At independent valuation (note 7b)	1,733	1,733
At Cost – Subsequent additions	1,851	1,851
	3,584	**3,584**
Buildings		
At Directors valuation (2001)	1,466	1,466
At cost – subsequent additions	119	63
Accumulated depreciation	(621)	(571)
	964	**958**
Leasehold improvements		
At cost	59	59
Accumulated amortisation	(59)	(59)
	-	**-**
Plant, equipment and motor vehicles		
At cost	33,861	24,353
At Directors valuation 1995 (note 7a) – deemed cost	295	295
Accumulated depreciation	(17,905)	(15,061)
	16,251	**9,587**
Leased assets at assessed value	264	264
Accumulated amortisation	(188)	(169)
	76	**95**
Total plant, equipment and motor vehicles	**16,327**	**9,682**
Total	**20,875**	**14,223**

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

	2007 $'000	2006 $'000
7. Intangible Assets		
Goodwill at cost	5,032	3,492
Accumulated impaired losses	-	-
	5,032	**3,492**
8. Deferred tax assets		
Provisions	1,487	1,026
Tax losses	-	817
	1,487	1,843
9. Trade and other payables		
CURRENT		
Trade payables	8,636	5,466
Sundry payables and accruals	4,128	4,036
Contract billings in advance - due to customers for contract works	17,027	10,957
	29,791	**20,459**
NON-CURRENT		
Consideration outstanding on acquisition of acquired portion of BBR Structural Systems JV	**336**	**822**
10. Borrowings (current)		
Convertible notes	19	472
Other loans	0	360
Lease liability	75	85
Lease purchase liability	3,220	1,755
	3,314	**2,672**
11. Tax Liabilities (current)		
Income tax	**3,529**	**-**
12. Provisions (current)		
Employee benefits	**4,534**	**2,926**
13. Borrowings (non current)		
Other loans	-	-
Convertible Note	-	-
Lease liability	-	58
Lease purchase liability	4,499	1,532
	4,499	**1,590**
14. Deferred tax liability		
Tax allowances relating to property, plant & equipment	120	114
Revaluation adjustments taken directly to equity	-	393
Income tax	-	-
	120	**507**
15. Provision (non current)		
Employee benefits	**186**	**202**

	2007 $'000	2006 $'000
16. Issued capital		
Issued and paid up capital, 46,437,886 (2006– 38,950,483) fully paid ordinary shares	24,460	21,013
Movements in ordinary share capital		
Balance at the beginning of the financial year	21,013	15,059
Shares issued:		
Convertible Notes converted	454	5,208
Options on convertible notes converted exercised	2,352	234
Employee share plan	556	404
Shares issued for minority share of Rock Engineering	300	360
Share buy back	(215)	(252)
	24,460	**21,013**
17. Reserves,		
a. Asset Revaluation reserve		
▪ Balance at beginning of year	918	918
▪ Transfer to capital profits reserve		
- realised increment on freehold land sold during the year.	-	-
▪ Realisation of deferred tax on disposal of asset	-	-
▪ Balance at end of year	**918**	**918**
b. Capital Profits Reserve		
▪ Balance at beginning of year	265	265
▪ Transfer from asset revaluation reserve – realised increment on freehold land sold.	-	-
▪ Transfer from retained profits		
- Capital profit on sale of freehold land	-	-
▪ Balance at end of year	**265**	**265**
c. Foreign Currency Translation Reserve		
▪ Balance at beginning of year	**(157)**	**(245)**
▪ Translation adjustment on controlled foreign entities	**(206)**	**88**
▪ Transfer to retained profits	**-**	**-**
▪ Balance at end of year	**(363)**	**(157)**
Total Reserves	**819**	**1,026**

	2007 $'000	2006 $'000
18. Notes to Cash Flow Statement		
a. Components of cash and cash equivalents		
Cash on hand	17	4
Cash at bank	7,109	4,969
	7,126	4,973
Bank overdrafts	-	-
	7,126	**4,973**
b. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	8,824	5,345
Non-cash flows in profit:		
Depreciation and amortisation	4,102	2,946
Impairment loss	9	32
Net (profit) loss on sale of non-current assets	(12)	(30)
Bad and doubtful debts	273	80
Remuneration Expense – share based payments	229	
Share of net profit of joint venture using the equity method	(332)	(600)
Change in operating assets and liabilities:		
▪ (Increase) decrease in trade and other receivables	(8,822)	(4,489)
▪ (Increase) decrease in inventories	(4,901)	1,307
▪ (Increase) decrease in prepayments	400	4
▪ (Decrease) increase in trade and other payables	6,726	211
▪ (Decrease increase in provisions	1,590	486
▪ (Decrease) increase in income tax payable	3,528	(314)
▪ (Decrease) increase in deferred tax liabilities	(387)	(589)
▪ Decrease (increase) in deferred tax assets	356	2,395
Net cash inflow from operating activities	**11,583**	**6,784**
c. Non cash financing and investing activities		
Plant and equipment acquired under finance leases, lease purchase or Vendor finance	**6,688**	**2,158**
Shares used as consideration for acquiring controlled entity – Refer 19 (d) (ii)	**300**	**360**

(d) Acquisition of Entities

(i) Refobar Australia Pty Ltd

On the 1st July 2006, the company acquired Refobar Australia Pty Ltd which has been a key suppier of post-tensioning products to the group for a number of years
Details of the transaction are:

Purchase consideration	2,326,527
Cash consideration	2,326,527
Amount due under contract of sale	(500,000)
Cash outflow	1,826,527
Assets and liabilities held at acquisition date:	
Receivables	1,217,237
Inventories	830,656
Plant and equipment	1,200,000
Payables	(2,321,227)
	926,666
Goodwill on consolidation	1,399,861
	2,326,527

The goodwill is attributable to the 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.

19. 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 2007	Current	19 October 2007	6.0¢	6.0¢	0¢
Year 2006	Previous	20 October 2006	5.0¢	5.0¢	0¢
Interim dividend: Year 2007	Current	13 April 2007	4.0¢	4.0¢	0¢
Year 2006	Previous	24 March 2006	2.5¢	2.5¢	0¢

Total dividend per security (interim plus final)

Current Year	Previous Year
10.0 cents	7.5 cents

20. 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

21. NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	60.3 cents	54.6 cents

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

On 1 July 2006, Structural Systems Limited acquired all shares on issue of Refobar Australia Pty Ltd

23. 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%	332	600

24. Foreign Entities

Accounting Standards used in compiling financial reports:

Australian Accounting Standards

25.SEGMENT REPORTING

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/07 $'000	30/06/06 $'000	30/06/07 $'000	30/06/06 $'000	30/06/07 $'000	30/06/06 $'000	30/06/07 $'000	30/06/06 $'000	30/06/07 $'000	30/06/06 $'000	30/06/07 $'000	30/06/06 $'000
Primary reporting – Business segments												
REVENUE												
External sales	115,889	85,312	24,602	18,781	-	-	-	-	140,491	104,093	-	-
Other segments	556	109	-	-	4,183	7,900	(4,165)	(8,008)	575	-	-	-
Total sales revenue	116,445	85,421	24,602	18,781	4,183	7,900	(4,165)	(8,008)	141,066	104,093	-	-
Unallocated revenue									173	312		
Total revenue									141,239	104,405		
RESULTS												
Segment result	10,100	4,565	1,805	1,698	978	3,734	(899)	(3,432)	11,984	6,565	-	-
Share of net profits of equity accounted associates and joint venture entities	332	600	-	-	-	-	-	-	332	600	-	-
									12,316	7,165	-	-
Income tax expense									(3,492)	(1,820)	-	-
Profit after income tax									8,824	5,346	-	-
ASSETS												
Segment assets	70,118	47,679	9,159	6,188	-	-	-	-	79,277	53,867	-	-
Discontinued operations assets									-	-		
Total assets									79,277	53,867		

25. SEGMENT REPORTING (CONTINUED)

	Construction		Mining		Corporate		Eliminations		Economic Entity (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/07 $'000	**30/06/06 $'000**	**30/06/07 $'000**	**30/06/06 $'000**	**30/06/07 $'000**	**30/06/06 $'000**	**30/06/07 $'000**	**30/06/06 $'000**	**30/06/07 $'000**	**30/06/06 $'000**	**30/06/07 $'000**	**30/06/06 $'000**
LIABILITIES												
Segment liabilities	40,657	26,675	5,648	2,488	-	-	-	-	46,305	29,163	4	15
Discontinued operations liabilities									4	15		
Total liabilities									46,309	29,178		
OTHER												
Investments accounted for using the equity method	839	750	-	-		-		-	839	750	-	-
Acquisitions of non-current segment assets (incl. HP & Leases)	9,424	4,917	1,410	792		-		-	10,834	5,709	-	-
Depreciation and amortisation of segment assets	3,144	2,058	958	888		-		-	4,102	2,946	-	-
Other non-cash segment expenses	511	107	-	5		-		-	511	112	-	-

	Australia		United Arab Emirates		United Kingdom		Economic Entity	
	2007 $'000	2006 $'000	2007 **$'000**	2006 $'000	**2007 $'000**	2006 $'000	**2007 $'000**	2006 $'000
Secondary reporting – Geographical segments								
Segment revenues for external customers	**133,550**	97,215	**7,689**	7,190	**-**	-	**141,239**	104,405
Carrying amount of segment assets	**72,916**	48,803	**5,522**	4,314	**839**	750	**79,277**	53,867
Acquisition of non-current segment assets	**10,835**	5,709	**-**	-	**-**	-	**10,835**	5,709