Structural Systems

ANNUAL REPORT 2009

10-YEAR FINANCIAL SUMMARY

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
External sales of goods and rendering of services ($'000	319,210	282,573	141,239	104,405	106,948	78,453	102,336	117,229	94,981	94,016
Profit (Loss) before tax ($'000)	9,237	20,708	12,316	7,165	3,444	(8,231)	580	(4,493)	386	3,723
Profit (Loss) after tax ($'000) (¹)	8,887	15,182	8,824	5,345	2,142	(8,589)	450	(4,716)	341	2,200
Shareholders funds at end of year ($'000)	56,666	48,261	33,179	24,750	14,886	9,303	17,776	15,426	19,953	18,435
Net tangible assets ($'000) (¹)	40,482	32,021	27,936	21,258	12,881	7,298	14,644	12,071	16,330	14,587
Return on shareholder's funds (¹)	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%	(30.6%)	1.7%	11.9%
Return on sales	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%	(4.0%)	0.4%	2.9%
Basic earnings per share (cents) (²)	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9	(22.0)	1.6	12.7
Net tangible asset backing per share (cents) (²)	82.4	65.3	60.3	54.6	50.3	28.5	57.4	56.3	76.2	70.0
Dividends declared and / or paid (cents)	-	11.5	10.0	7.5	1.5	-	-	-	2.0	13.0
Dividends times covered	N/A	2.8	2.1	2.0	5.6	N/A	N/A	N/A	0.8	0.9
Depreciation and amortisation ($'000)	7,148	5,699	4,102	2,946	2,418	2,408	2,595	2,432	2,032	1,776
Interest paid ($'000)	1,564	951	381	541	1,023	1,136	663	911	556	548
Interest received ($'000)	87	410	173	302	176	8	-	-	7	23
Share price at 30 June	$0.79	$2.55	$2.82	$1.04	$0.61	$0.48	$0.40	$0.60	$0.76	$1.42
Shares on issue at 30 June	49,142	49,142	46,438	38,950	25,631	25,624	25,499	21,428	21,428	20,857
Market Capitalisation at 30 June ($'000)	38,822	125,312	130,955	40,508	15,635	12,300	10,200	12,857	16,285	29,617

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

Financial Performance

Due to the Global Financial Crisis, the year ended June 2009 has been one of the most challenging to date for the construction and resource sectors. Despite this, the directors are pleased to report that the Group's profit after tax for the 2009 financial year was $8.9 million. This result was achieved from record sales of $319.2 million up $36.64 million from the record level reported in the 2008 year of $282.573 million. The increase in revenue was due to strong growth from the Company's post-tensioning division particularly from its activities in the Middle East and its mining and civil services Company ROCK Australia.

With global economic conditions still very uncertain the directors have resolved not to declare a final dividend for the 2009 year. The board understands that many shareholders will be disappointed with the decision not to pay a dividend this year. However, the board is of the view that this is in the best interests of the Company in the long term.

Balance Sheet

Our aim is to strengthen the balance sheet so that it can adequately support the level of activity and growth prospects ahead for the Company. The Company has been reliant on debt in recent years to fund both growth and acquisitions. Since balance date the Company has raised $5.75 million by a share placement to institutional and professional investors through the issue of 7.371 million fully paid ordinary shares in the capital of the Company. This placement was followed with a share purchase plan to the Company's retail investors. The terms of the share purchase plan were the same as that for the placement. The board is pleased to confirm that a total of 595 shareholders subscribed to the offer and a total of $7.5 million in applications for shares was received. The board has determined that as the level of subscription to the offering was much greater than anticipated it will cap the share placement to the same level as that raised by the placement of $5.75 million. The combined total of these capital raisings substantially reduces the company's gearing levels and positions it well for the future.

Outlook

In the current environment, we continue to make the hard decisions needed to reduce costs, improve productivity and preserve cash. The Group continues to pursue opportunities to further grow the business. A number of initiatives are in place to take the Company's core skills to new geographical regions and to diversify the existing businesses. These strategic initiatives, complemented by the sustained strength of the Australian infrastructure market, the ongoing demand for Australian resources and the Group's growing presence internationally support a positive long term outlook for the Company.

On behalf of the board I would like to thank the management, staff and workforce of the Company for their committed and enthusiastic performance during these difficult economic times.

Robert Freedman
Chairman

Structural Systems Limited's (the "Company") pre tax result for the 2009 year was $9.238 million. This compares to the pre tax profit of $18.918 million adjusted for non continuing operations included in the 2008 year result. The reduction in profit can be primarily attributed to the loss reported from the Company's Construction division which operates in Victoria. Market conditions have been very difficult for this division throughout the year.

The profit after tax of $8.907 million was 41% below last year's result of $15.182 million. Despite the overall reduction in profit several of the Company's divisions reported excellent results for the year. Record profit results were achieved by ROCK Australia and the Company's Post-Tensioning operations in the Middle East on the back of strong revenue growth.

State and Federal Government projects featured prominently for the Group during the year, with projects being undertaken in the health, law, water and rail sectors. In the private sector works associated with the retail sector provided significant revenues with major projects also being completed in the industrial and commercial sectors.

Mining & Civil Services

ROCK Australia achieved record levels of revenue and profit for the 2009 year. Revenue increased during the year by 23% to $48.09 million. The 2009 year saw this division increase its activity in the civil arena with major works being undertaken for rail, road and airport facilities. The year also saw an increase in rockfall protection works in the civil market.

ROCK's Movement and Survey Radar (MSR) system secured several long term contracts during the year for the supply and support of MSR systems within Australia and overseas.

With the last few years seeing significant growth within ROCK's drilling capacity, the 2009 year saw a consolidation of the fleet. Drill fleet numbers remained similar to the 2008 year with two new major rigs being acquired in the current period. During the year the in-house workshop facility for the maintenance and rebuild requirements of the drill fleet was commissioned. ROCK completed its first major project in the coal sector with drill, blast and support of Hopper slots works for material handling infrastructure at the Clermont Mine Project.

During the year ROCK developed and patented a new underground mesh handling and installation system. The ROCK Mesha™ system offers significant benefits in cost, safety and quality over current practices.

ROCK maintained its independent accreditation of Integrated Management System for Safety (AS/NZS4801:2001) and Quality AS/NZS ISO 9001:2000.

Post-Tensioning

Revenue from post-tensioning and related activities increased by $22.8 million to $102.139 million for the 2009 year. During the year the division undertook several major projects. These included the Top Ryde Shopping Centre which is the largest post-tensioned project ever undertaken in Australia and the commencement of the installation of the world's largest capacity ground anchors at the Catagunya Dam in Tasmania.

The Company's manufacturing division Refobar Australia achieved ISO9001 Quality accreditation, in addition to achieving Workplace Health and Safety accreditation during the year. Refobar increased its range of post-tensioning consumables it produces with production now underway of barrel and wedges.

The Eleanor Schonell Bridge (Green Bridge) completed in 2008 took out the Gold Award (overall winner) at the Austroads Conference in New Zealand this year. The post-tensioning division expanded its geographical boundaries into South Australia during the year and now has a permanent presence in Adelaide. The Middle East division had a very successful year with record revenue and profit being achieved. Revenue from operations in the Middle East increased by 124% to $20.187 million with several major projects undertaken in the gulf region during the year. The division completed its largest project to date in Qatar (Qatar Airways Hotel project) as well as its largest project in Abu Dhabi (TDIC Headquarters). The division also completed its first project in the Kingdom of Bahrain. The NSW and QLD post-tensioning divisions achieved AS4801:2001 safety accreditation during the year.

Construction

Overall, activities from the Construction division resulted in a loss of $1.072 million. Revenues for this division were up 6% to $181.29 million for the year. The 2009 year was an extremely tough one for this division. Project profits on contracts ongoing at the start of the financial year were significantly reduced due to the increase in reinforcement steel prices. These profits were further eroded due to costs incurred as a result of inclement weather conditions significantly exceeding budget allowances in the second half of the financial year. In addition to these general effects on profit, the division had significant cost overruns in the completion of two major projects. Revenue of $68.8 million from the division's concrete supply and place activities was similar to last financial year.

Work in hand

Work in hand at the 30 June 2009 stood at $139 million. While this figure has reduced somewhat from the value at 30 June 2008 the order book is still very strong. The main run off of work on hand was in the Construction Division's formwork business in Victoria and this business has already implemented significant manpower and overhead reductions in response to the lower levels of activity expected this year.

Group Prospects

The Board is positive about the outlook for the 2010 year. With the completion of the loss making projects in Victoria that substantially affected the 2009 year result and the available opportunities that exist in our core market sectors, the Company is forecasting an improved result in the year ahead.

While there has been a reduction in overall activity in the construction sectors in Australia and overseas, there are a number of significant projects expected to be awarded during the 2010 year that the Company is well positioned for. Infrastructure investment is forecast to increase fuelled by major funding commitments from the Federal and State Governments. Projects related to transport and water infrastructure are expected to be key contributors to the Company's work levels in the coming year. Funding to the Health sector is forecast to increase considerably and the Company is well placed to secure work related to the expansion of existing or new hospital construction.

Internationally, work in hand from projects in the Middle East is at historically high levels. However, the Company is conscience of the market conditions in the Gulf region and is conservative in the selection of the projects and clients it trades with. The Company has operated in the Middle East for over 11 years and is confident of the future earning potential from operations in this region.

The resources market is expected to remain strong for ROCK Australia, driven by international demand for iron ore and gold in particular. Term contracts underpin the revenue streams for our drilling fleet which will ensure high utilisation levels. ROCK has seen an increase in demand for its services in the civil market and we would expect the level of enquiry to further increase in the 2010 year.

The strengthening of the balance sheet from the recently completed capital raising and retention of the 2009 year profits has positioned the Company well for the future. The balance sheet is now capable of servicing the activity levels being undertaken by the Group without the reliance on debt facilities. Being able to demonstrate financial viability and having low gearing levels has become an increasingly important consideration for our key trading partners. The recent initiatives undertaken and the hard decisions made in relation to dividend payments for the 2009 year will add to improving shareholder value in the short to medium term.

David Perry
Managing Director

Introduction

The Directors present their report on the consolidated entity consisting of Structural Systems Limited ABN 57 006 413 574 ("Structural" or "Company") and the entities it controlled ("consolidated entity" or "Group") for the year ended 30 June 2009 and the independent audit report thereon.

Review of operations

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

Results for the year	2009 $'000	2008 $'000
Revenue	319,210	282,573
Profit (Loss) before income tax	9,238	20,708
Income tax attributable to profit	(331)	(5,533)
Profit / (Loss) attributable to minority equity interests	(20)	7
Profit attributable to the members of Structural Systems Limited	8,887	15,182

Significant Changes in State of Affairs

During the financial year, other than noted above, there was no significant change in the Company's state of affairs.

Directors

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

Bruce A Crome
Ian L Fraser
Robert W Freedman
David R Perry

Company Secretary

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

Consolidated Income Statement

Revenue for the Group increased by 13% to $319.21 million for the year. This is an increase of $36.64 million on the prior year and a record level of activity for the Company. Revenue from Construction activities increased by 6% during the year with this division accounting for approximately 57% of the Group volumes.
Revenue from post-tensioning related activities increased from $79.3 million to $102.139 million. The Middle East operation accounted for the majority of the growth within the post-tensioning division with revenue from the Gulf Region rising from $9.028 million to $20.187 million. Revenue from ROCK Australia increased by 23% to $48.91 million.
NPBT decreased by 55% from $20.708 million to $9.238 million, a decrease of $11.47 million on the prior year. The main cause of this decrease was the decrease in profit from the Construction division from $7.251 million to a loss of $1.072 million. EBITDA decreased by 34% to $17.95 million, a reduction of $9.407 million on the prior year. Depreciation expense increased by $1.45 million to $7.147 million. Interest expense increased by $613K to $1.56 million.
The Tax expense for the year ended 30th June 2009 was $331K. This equates to a tax rate of 4% of net profit before tax due to a number of items.

* a comparatively high proportion of tax-exempt income derived from overseas operations.
* Structural Systems has determined to self-assess the effective lives for taxation purposes applied to its fleet of drill rigs. Depreciation tax calculation has been brought in line with the drill rigs effective life.
* the finalisation and lodgement of prior year R&D tax concession claims in the 2009 financial year has resulted in credits of $1.20 million being taken to account in the current year's expense.

Basic earnings per share decreased by 43% to 18.1 cents compared to 31.9 cents for the corresponding period. The total number of shares on issue at 30 June 2009 was 49.141 million. Diluted earnings per share decreased from 31.6 cents to 18.1 cents.

Financial Position

The Company's net debt increased by $10.75 million to $23.975 million. The main reason for the increase in the level of debt is the funding required to support the working capital requirements of the business. Working capital funding increased by $13.256 million during the year. The level of borrowings related to HP funding for capital expenditure decreased during the year by $110K to $8.99 million. The balance of debt related to the acquisition of Meridian Concrete was reduced by $2.4 million in the year to $2.8 million.

Total assets grew in the year to $139.48 million. The value of plant and equipment increased in the year by $4.86 million to $30.633 million. Debtors decreased by $5.25 million to $69.647 million as volumes decreased over the last two months of the financial year. Creditor liability also decreased in the period from $61.8 million to $47.617 million. Closing stock levels remained consistent with the balance at 30 June 2009 similar to the 2008 year at $9.99 million. Retained profits increased from $17.329 million to $23.022 million. Reserves grew by $2.982 million due to the revaluation of the property and land owned by the Company during the year.

Consolidated Cashflow Statement

Cashflow from operations was $6.987 million for the twelve months compared to $15.938 million for the corresponding period.

As a result of higher debt levels during the year interest paid increased from $1.007 million to $1.546 million.

Expenditure on plant & equipment reduced by $1.15 million to $3.648 million for the year. Lease purchase payments increased by $950K to $4.97 million for the year.

During the year the Company paid $1.553 million in earn out payments related to the acquisition of Meridian and Refobar.

Dividends of $3.194 million were paid to shareholders during the year.

Dividends Paid and Recommended

The Director's resolved not to declare a final dividend for the year. A final fully franked dividend of 6.5 cents per share for the 2008 year was paid on 31 October 2008 as recommended in last year's report

Principal activities

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

Matters subsequent to the end of the financial year

On August 12th 2009, The Company announced an Institutional Placement (IP) and Share Purchase Plan (SPP). At this time it was announced that the Company had raised $5.75 million by issuing 7.371 million fully paid ordinary shares at $0.78 per unit.

The SPP closed on September 4th 2009, and was oversubscribed. The Board determined to scale back subscriptions such that a further $5.75 million was raised by issuing 7.371 million fully paid ordinary shares at the same price of $0.78 per unit. Settlement on the SPP occurred on September 11th 2009.

Future developments, prospects and business strategies

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

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

Information on directors of Structural Systems Limited

Bruce A Crome

(Non-Executive Director), age 67.
Director since 1985, Chairman 1998 to 2008.
There are no other listed companies of which Bruce has served as a director during the past three years.
Interest in Shares > 718,950 - Held by Bruce Crome Nominees Pty Ltd

Ian L Fraser

(Non-executive Independent Director), age 64.
Director since 2004
FCPA, Fellow of the Australian Society of CPAs.
FAICD, Fellow of the Australian Institute of Company Directors.
Chairman of the Structural Systems Audit Committee.
During the last three years Ian has also served as a director of the following listed companies:

- Forest Place Group Limited since December 2001
- PMP Limited since April 2003
- Wattyl Limited since June 2009
- Legend Corporation Limited since January 2008
- Nylex Limited from December 2006 to November 2008
- Promentum Limited from January 2005 to May 2007
- Occupational & Medical Innovations Limited from November 2004 to January 2007
- B Digital Limited from May 2006 to December 2006
- Lighting Corporation Limited from June 2006 to January 2008

Interest in Shares > 190,000 - Held by The Fraser Superannuation Fund.

Robert W Freedman

(Chairman) age 64.
Director since 1985, Managing Director 1998 to 2008, Chairman since 2008.
Member of the Institution of Engineers', Australia, Post Graduate Diploma in Business Administration (W.A.I.T).
There are no other listed companies of which Robert has served as a director during the last three years.
Interest in Shares > 1,099,136 - Held by Freedman Superannuation Fund

David R Perry

(Managing Director), age 42.
Director since 2003, Managing Director since 2008.
Bachelor of Economics
There are no other listed companies of which David has served as a director during the last three years.
Interest in Shares > 222,500 - Held by David Perry Superannuation Fund
> 440,000 - Held personally

Directors attendance at meetings

Year ended 30 June 2009

	Structural Systems Board		Audit Committee	
	Held	Attended	Held	Attended
B A Crome	5	5	-	-
I L Fraser	5	5	2	2
R W Freedman	5	5	-	-
D R Perry	5	5	-	-

Remuneration Report

The directors submit the Remuneration Report (the Report) for the year ended 30 June 2009.
Remuneration policy in respect of Non-Executive Directors and senior executives is referred to in the Corporate Governance Section of the Annual Report.
The names and details of the directors and key management personnel of the Company and the Group in office during the financial year are listed below. Unless otherwise stated the personnel were in office for the entire period. This disclosure also includes the five executives who received the highest remuneration, whether or not they were key management personnel by any other definition. Remuneration includes cash, non monetary and other consideration received by any of the parties over the course of the financial year.

		Salary & Bonus	Superannuation	Other Benefits [1]	Options	Total
B A Crome	Director (Non Executive)	85,000	7,650	20,247	-	112,897
I L Fraser	Director (Non Executive)	60,000	5,400	-	-	65,400
R W Freedman	Chairman	128,200	100,000	51,188	-	279,388
D R Perry	Managing Director	300,000	50,000	12,762	-	362,762
Total remuneration Directors of the Company		573,200	163,050	84,197	-	820,447

		Salary & Bonus	Superannuation	Other Benefits [1]	Options	Total
S Crole	General Manager – Major Projects	205,000	18,450	21,996	-	245,446
R Coates	General Manager – Rock Australia	214,480	17,471	18,169	-	250,120
W Ironmonger	General Manager – UAE	285,202	-	55,708	-	340,912
V Sammartino	General Manager – Construction	275,000	24,750	35,000	-	334,750
M Schweiger	General Manager – Post-Tensioning	220,000	19,800	6,242	-	246,042
Total Remuneration Key Management Personnel		1,199,682	80,471	137,115	-	1,417,268

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

Options

The Executive Share Option Plan, which was approved by Shareholders in October 1994, provides eligible employees with the opportunity to acquire options for ordinary shares in Structural Systems Limited. Options carry no voting rights, are not transferable, nor are they listed and as such do not have a market value.

Month of Issue	Number of Options Issued	Number of Recipients	Number Exercised	Number Lapsed	Number Outstanding at 30 June 2009	Exercise Price	Exercise Period	Expiry Date
Nov 02	600,000	5	600,000	-	-	$0.45	Nov 02 to Sept 07	30 Sept 07
Oct 04	575,000	13	575,000	-	-	$0.45	Oct 04 to Jun 09	30 June 09
Oct 04	200,000	4	200,000	-	-	$0.45	Jul 05 to Jun 09	30 June 09
Oct 04	100,000	2	100,000	-	-	$0.45	Jul 06 to Jun 09	30 June 09
Nov 06	1,000,000	2	800,000	-	200,000	$0.80	Jun 07 to Jun 10	30 June 10
Sep 07	250,000	4	-	250,000	-	$1.80	Sep 07 to Jun 09	30 June 09
Sep 07	750,000	19	-	750,000	-	$2.40	Sep 07 to Jun 09	30 June 09

Directors	Instruments	Balance as at 1 July 2008	Granted during period	Exercised during period	Lapsed during period	Balance 30 June 2009	Vested but not exercised during the period
D Perry	Options	100,000	-	-	-	100,000	-
R W Freedman	Options	100,000	-	-	-	100,000	-
Executives							
M Schweiger	Options	125,000	-	-	125,000	-	-
M Pope	Options	125,000	-	-	125,000	-	-
R Coates	Options	100,000	-	-	100,000	-	-
W Ironmonger	Options	70,000	-	-	70,000	-	-

Non-audit services

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

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

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

	$
Taxation services	28,199
Assisting in the preparation of consolidated financial report	41,974
Assisting in the preparation of financial reports of controlled entities	26,150
Total	96,323

Directors' and auditor's indemnification

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

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

During or since the end of the financial year the Company has paid insurance premiums of $23,867 in respect of Directors and Officers Liability and Legal Expenses Insurance contracts, for current Directors and Officers, including Executive Officers of the Company and Directors, Executive Officers and Secretaries of its controlled entities. The insurance premiums relate to:

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

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

Environmental Regulation

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

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 9 of the report.

Rounding of Amounts

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

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

Dated 18 September 2009

R.W FREEDMAN - DIRECTOR

D.R.PERRY – DIRECTOR

anderson roscoe
CHARTERED ACCOUNTANTS

**STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES**

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.

Associates:
Russell W Drysdale C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF STRUCTURAL SYSTEMS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009, there have been:

(i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Anderson Roscoe

**ANDERSON ROSCOE
Chartered Accountants**

Robert Cincotta

**ROBERT F CINCOTTA
Partner**

Date: 18 September 2009

Melbourne

Principle 1: Lay solid foundations for management and oversight

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

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

Principle 2: Structure the board to add value

The current composition of the Board does not comply with recommendation 2.1 of the Australian Securities Exchange Corporate Governance Principles and Recommendations. Independent Directors do not make up the majority of the Board. Of the four directors there are only two independent directors. Mr Crome is viewed as being independent due to the length of time between serving as an executive and his role on the board. However, while the Board is of the view that the current composition has adequately represented the interests of shareholders to date the future of the company will be best served by increasing the number of independent directors. The previous annual report advised that the board intended to recruit a further two independent directors in the medium term. This action was not implemented during the financial year due to the current economic circumstances. However it is the intention of the board to increase the number of independent directors by one during the 2010 year.

Mr Freedman became chairman of the Group on 1 January 2009. Presently his role is an executive one however the intention is to move to a non-executive role by the end of the 2010 financial year. The chairman is independent of the role of the Managing Director. The Chairman does not qualify as being independent due to his pervious service as an executive of the Company and as a consequence recommendation 2.2 is not complied with.

Currently the Company does not have a nominations committee. As such recommendation 2.4 has not been complied with. The existing number of directors makes such a committee no more efficient mechanism than the full Board for detailed selection and appointment practices. It is however still the intention of the Board that as the number of independent directors is increased and the overall number of directors on the board grows such a committee would add value. The Board does not have in place a formal board evaluation process and as such does not comply with recommendation 2.5. It is expected that on establishment of the nominations committee a process will be developed such that the performance of the Board, its committees and individual directors can be formally evaluated.

Principle 3: Promote ethical and responsible decision-making

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

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

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

The Company has a policy concerning trading in company securities by directors and senior executives. This policy restricts the times and circumstances in which Directors, senior executives and certain employees may buy of sell shares in the Company. Directors must advise the Company, which in turn advises the ASX, of any transactions conducted by them in the Company's securities within five business days after the transaction occurring. The Company's policy prohibits margin lending arrangements by Directors. The policy is available on the Company's website.

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

Principle 4: Safeguard integrity in financial reporting

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

Principle 5: Make timely and balanced disclosure

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

Principle 6: Respect the rights of shareholders

The Company does have a communications policy for promoting effective communication with its shareholders. This policy is available on the Company's website.
The Company's policy is to communicate with its shareholders and other interested parties in a regular, open and timely manner.
The key mechanisms used by the Company are regular shareholder communications such as the half yearly reports, the Annual Report and the Financial Report.
The Company's website contains a range of information on the Company and its activities. This website is regularly reviewed and updated. The website provides information on any significant development occurring within the Group. Key projects that the Company undertakes are featured on the website. The Company continued to do boardroom radio interviews during the year with the both directors and senior executives participating. The listening numbers reported for these interviews confirm that investors and shareholders find them a valuable source of information about the company.
These interviews are a way of providing timely information to shareholders and interested parties in a format that is easily accessible and understood.
The Company encourages the participation of shareholders at the AGM. The attendance at the Company's AGM assists shareholders in gaining a greater understanding of the Group's strategy and goals.

Principle 7: Recognise and manage risk

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

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

The senior executives of all the operating units within the Group and executive directors meet annually as a team to review the performance of the Group and develop future operational strategies. Further, an executive committee made up of representatives from the senior executive personnel of the Company provides additional resources in order to ensure that the risks associated with its operational sites and domestic and international locations are effectively managed. The committee focuses on key operational issues faced by the Company and where required oversees work groups that have been established to manage particular risks areas within the Company.
The Company's Chairman and Managing Director are each required to report in writing to the board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
Structural Systems has reinforced it's commitment to a safe workplace by undertaking a revision of its safety and quality procedures and safety management structure. During the past six months the safety and quality management structure has been increased by the addition of two more managers. These managers will be responsible for the maintenance of the company's Integrated Management System and be involved in training and auditing initiatives.
Structural Systems recognises that safety and quality are an integral part of successful operations. In February of this year, in conjunction with the Master Builders of Victoria, Structural Systems implemented a minimum safety qualification standard for our site supervision which includes a Certificate III in OH&S, competency in company safety & quality procedures and first aid training. This course is tailored and relevant to what our supervisors require to complete their work effectively and is a good foundation to build on. This initiative runs in conjunction with our In-house training schedule and Training Procedures that identifies the knowledge requirements for individual employees.

Principle 8: Remunerate fairly and responsibly

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

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

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

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

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

The Board believes that it is important for the senior executives to have ongoing share ownership in the Company. The Structural Systems Executive Share Option Plan which was approved by shareholders at the 1993 AGM is a reflection of this view.

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS GROUP 2008 $'000	STRUCTURAL SYSTEMS LIMITED 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000
Revenue		319,210	280,740	9,301	8,409
Other Income		-	1,833	-	1,860
Total Revenue	2	319,210	282,573	9,301	10,269
Raw materials and consumables used for sale of goods		(3,093)	(5,142)	-	-
Construction and servicing costs		(290,773)	(244,911)	-	-
Changes in inventories and raw materials		3,413	5,142	-	-
Depreciation and amortisation expense	3 (a)	(7,148)	(5,699)	(5,213)	(4,246)
Finance costs	3 (a)	(1,564)	(951)	(1,529)	(919)
Other expenses		(10,807)	(10,777)	(2,477)	(2,977)
Share of net profits of associates and joint ventures accounted for using the equity method		-	473	-	-
Profit before Income tax expense		9,238	20,708	82	2,127
Income tax expense	4	(331)	(5,533)	(342)	(5,495)
Profit (Loss) after Income tax		8,907	15,175	(260)	(3,368)
(Profit) loss attributable to minority equity interests		(20)	7	-	-
Profit (loss) attributable to members of the parent entity		8,887	15,182	(260)	(3,368)
Basic earnings per share (cents)		18.1¢	31.9¢		
Diluted earnings per share (cents)		18.1¢	31.6¢		
Dividends paid per share (cents)		6.5¢	11.0¢		

The accompanying notes form part of these financial statements.

Structural Systems

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS GROUP 2008 $'000	STRUCTURAL SYSTEMS LIMITED 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	25 (a)	1,364	2,571	7	2,118
Trade and other receivables	9	65,941	74,900	178	3,375
Inventories	10	18,433	15,020	-	-
Other current assets	11	291	287	16	35
Current tax assets	18 (b)	3,706	-	3,706	-
TOTAL CURRENT ASSETS		89,735	92,778	3,907	5,528
NON CURRENT ASSETS					
Receivables	12	-	2	37,926	30,829
Financial assets	13	-	-	19,086	19,057
Property, plant and equipment	14	30,633	25,769	23,536	19,485
Intangible assets	15	16,185	16,189	-	-
Deferred tax assets	18 (b)	2,927	3,499	2,927	3,499
TOTAL NON-CURRENT ASSETS		49,745	45,459	83,475	72,870
TOTAL ASSETS		139,480	138,237	87,382	78,397
CURRENT LIABILITIES					
Trade and other payables	16	47,617	61,800	3,665	3,711
Financial liabilities	17	21,253	8,231	21,074	8,064
Current tax liabilities	18 (a)	-	4,053	-	4,053
Short-term provisions	19	6,500	7,116	157	97
TOTAL CURRENT LIABILITIES		75,369	81,200	24,896	15,925
NON-CURRENT LIABILITIES					
Trade and other payables	16	51	250	32,838	30,490
Financial liabilities	17	4,087	7,573	3,975	7,284
Deferred tax liabilities	18 (a)	2,262	414	2,262	414
Long-term provisions	19	1,045	590	64	45
TOTAL NON-CURRENT LIABILITIES		7,445	8,827	39,139	38,233
TOTAL LIABILITIES		82,814	90,027	64,035	54,158
NET ASSETS		56,667	48,210	23,347	24,239
EQUITY					
Issued capital		30,010	29,219	30,010	29,219
Share option equity		-	1,062	-	1,062
Reserves		3,634	652	6,416	3,583
Retained earnings (Accumulated Losses)		23,023	17,329	(13,080)	(9,625)
TOTAL PARENT ENTITY INTEREST		56,667	48,262	23,347	24,239
Minority equity interests		-	(52)	-	-
TOTAL EQUITY		56,667	48,210	23,347	24,239

The accompanying notes form part of these financial statements.

CONSOLIDATED GROUP	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 2007		24,460	500	7,462	918	265	(364)	(62)	33,179
Shares issued during the period		4,759							4,759
Share options issued during the period			562						562
Profit attributable to members of parent entity				15,182					15,182
Translation adjustment on controlled foreign entities' financial statements							(167)		(167)
Loss attributable to minority shareholders								10	10
Sub-total		29,219	1,062	22,644	918	265	(531)	(52)	53,525
Dividends paid or provided for	7			(5,315)					(5,315)
Balance at 30 June 2008		29,219	1,062	17,329	918	265	(531)	(52)	48,210
Balance at 1 July 2008									
Share options issued / (cancelled) during the period			(270)						(270)
Transfer options equity to paid up capital		791	(791)						-
Profit attributable to members of parent entity				8,887					8,887
Translation adjustment on controlled foreign entities' financial statements							155		155
Revaluation increment					2,833				2,833
Acquisition of minority share								62	62
Disposal of controlled entity							(6)	(30)	(36)
Profit attributable to minority shareholders								20	20
Sub-total		30,010	-	26,216	3,751	265	(382)	-	59,860
Dividends paid or provided for	7			(3,193)					(3,193)
Balance at 30 June 2009		30,010	-	23,023	3,751	265	(382)	-	56,667

PARENT ENTITY	Note	Share Capital Ordinary	Share Options Equity	Retained Profits (Accumulated Losses)	Asset Revaluation Reserve	Capital Profits Reserve	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2007		24,460	500	(942)	918	2,665	27,601
Shares issued during the period		4,759					4,759
Share options issued during the period			562				562
Profit attributable to members of parent entity				(3,368)			(3,368)
Sub-total		29,219	1,062	(4,310)	918	2,665	29,553
Dividends paid or provided for	7			(5,315)			(5,315)
Balance at 30 June 2008		29,219	1,062	(9,625)	918	2,665	24,239
Balance at 1 July 2008							
Transfer options equity to paid up capital		791	(791)				-
Share options issued / (cancelled) during the period			(270)				(270)
Revaluation increment					2,833		2,833
Profit attributable to members of parent entity				(260)			(260)
Sub-total		30,010	-	(9,886)	3,751	2,665	26,541
Dividends paid or provided for	7			(3,194)			(3,194)
Balance at 30 June 2009		30,010	-	(13,080)	3,751	2,665	23,347

The accompanying notes form part of these financial statements.

	Note	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS GROUP 2008 $'000	STRUCTURAL SYSTEMS LIMITED 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		355,478	266,019	227	444
Cash receipts as treasury function for controlled entities		-	-	333,624	250,422
Cash payments in the course of operations		(348,491)	(250,081)	(2,119)	(12,350)
Cash payments as treasury function for controlled entities		-	-	(328,382)	(225,149)
		6,987	15,938	3,350	13,369
Dividend received from SS UK		1,240	-	1,240	-
Interest received		87	410	82	397
Finance costs		(1,546)	(1,007)	(1,511)	(976)
Income tax (paid) refunded		(6,883)	(6,728)	(6,894)	(6,707)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	25 (b)	(115)	8,613	(3,733)	6,081
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of associated company		1,860	-	1,860	-
Payments for property, plant and equipment		(3,646)	(4,857)	(615)	(2,235)
Proceeds from sale of property, plant and equipment		497	485	247	197
Loan from (to) related entities (net)		117	123	37	196
Payment for controlled entities	25 (e)	(1,553)	(6,592)	(1,553)	(6,617)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(2,725)	(10,841)	(24)	(8,459)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		8,500	6,701	8,500	6,701
Lease and lease purchase payments		(4,971)	(4,021)	(4,808)	(3,785)
Repayment of borrowings		(2,400)	-	(2,400)	-
Proceeds from issue of shares		-	475	-	459
Dividends paid		(3,194)	(5,315)	(3,194)	(5,315)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(2,065)	(2,160)	(1,902)	(1,940)
NET INCREASE (DECREASE) IN CASH HELD		(4,905)	(4,388)	(5,660)	(4,318)
Effect of exchange rates on cash holdings		149	(167)	-	-
Cash at beginning of financial year		2,572	7,126	2,118	6,436
CASH AT END OF FINANCIAL YEAR	25 (a)	(2,184)	2,571	(3,542)	2,118

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Structural Systems Limited and controlled entities ('Consolidated Group', or 'Group'), and the separate financial statements and notes of Structural Systems Limited as an individual parent entity ('Parent Entity')

Basis of preparation

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

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

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

Accounting policies

a) Principles of Consolidation

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

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

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

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair value of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

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

b) Income Tax

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

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

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

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

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

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

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

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

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

Tax Consolidation

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

c) Inventories

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

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

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

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

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

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

e) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance 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 re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the capital profits reserve.

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

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

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or over the term of the lease.

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

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

g) Financial Instruments

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

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

Classification and subsequent Measurement

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

Amortised cost is calculated as:

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

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

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

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

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

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

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

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

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

(v) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments
Structural Systems Limited and controlled entities designate certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedges)

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the group's risk management objective and strategy for undertaking various hedge transactions is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk

(ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect the profit or loss.

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 assesses 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.

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

h) Impairment of Assets
At 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. The equity method of accounting recognises the group's share of post acquisition reserves of its associates.

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

j) Interests in Joint Ventures

The consolidated group's share of assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements.

The consolidated group'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 combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment 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, and
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation

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

n) Provisions

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

o) Cash and Cash Equivalents

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

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

p) Revenue and Other Income

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

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

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

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

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

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

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

q) Borrowing Costs

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

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

r) Goods and Service Tax (GST)

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

s) Comparative Figures

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

t) Rounding of Amounts

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

u) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group.

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.

2. Revenue

	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS GROUP 2008 $'000	STRUCTURAL SYSTEMS LIMITED 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000
Operating Activities				
▪ Sale of goods	7,062	9,083	-	-
▪ Rendering of services	310,792	270,493	26	-
▪ Management fee from controlled entities	-	-	2,920	6,330
▪ Interest received from other parties	87	410	81	397
▪ Dividends received from wholly-owned subsidiary	-	-	5,899	1,239
▪ Other revenue	1,269	754	375	443
	319,210	280,740	9,301	8,409
Non-Operating Activities				
▪ Gain on disposal of non-current investments	-	1,787	-	1,860
▪ Gain on disposal of property, plant and equipment	-	46	-	-
Total revenue	319,210	282,573	9,301	10,269

3. Profit for the year

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

	Group 2009	Group 2008	Limited 2009	Limited 2008
Amortisation and depreciation of:				
• Buildings	77	50	77	50
• Plant and equipment	7,040	5,643	5,129	4,190
• Capitalised computer software	25	-	-	-
• Leasehold improvements	6	6	6	6
	7,148	5,699	5,212	4,246
Bad and doubtful debts expense including movements in provision for doubtful debts	120	2	-	-
Finance Costs:				
• Other persons	728	301	728	300
• Directors' loans to Company	-	-	-	-
• Finance charges on capitalised assets	836	650	802	619
	1,564	951	1,530	919
Rental – operating leases	892	777	-	-
Provision for:				
• Increase / (reduction) in employee benefits	(161)	2,986	78	55
• Net foreign exchange loss (gain)	(81)	111	-	46
Research & Development expense	10	-	-	-
Loss on sale of property, plant & equipment	22	-	11	-
Loss on sale of investments	101	-	80	-

(b) Other expenses – parent entity

Other expenses of $2,477,000 (2008: $2,977,000) comprises administrative costs incurred in the operations of the holding company such as salaries and wages $1,263,878 (2008: $2,036,033), bank fees and charges $191,170 (2008: $180,210), travel expenses of $202,836 (2008: $285,904) and professional and consultant fees $525,064 (2008: $149,234).

(c) Significant revenue & expenses

The following significant revenue & expense items are relevant in explaining the financial performance of the consolidated entity	Group 2009	Group 2008	Limited 2009	Limited 2008
• Consideration on disposal of interest in associate – SS (UK)	-	1,860	-	1,860
• Carrying amount of investment on disposal (After adjusting for dividends received)	-	(73)	-	-
Net gain / proceeds on sale of interest in SS (UK)	-	1,787	-	1,860

4. Income Tax Expense

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
The components of Income Tax expense are as follows:				
Current tax	1,543	7,182	1,543	7,160
Deferred tax	1,195	(1,719)	1,206	(1,735)
Under (over) provision in respect of prior years	(2,407)	70	(2,407)	70
	331	5,533	342	5,495
The prima facie tax on operating profit is reconciled to the Income tax provided in the accounts as follows:				
Prima facie tax payable on operating profit at 30% (2008 – 30%)				
• Consolidated group	2,760	6,233	-	-
• Parent equity	-	-	24	638
• Other members of the income tax consolidated group	-	-	2,746	5,604
Add (deduct) tax effect of:				
• Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	38	(343)	38	(343)
• Movement in deferred tax assets & liabilities during year	544	(130)	544	(130)
• Non (assessable profit) deductible loss on overseas entity	(523)	(202)	(523)	(202)
Share of net profits of associates and joint ventures entities	-	(142)	-	(142)
Current year losses not taken up as a deferred tax asset	-	28	-	-
Allocation of deferred tax asset and deferred tax liability to parent entity under tax consolidation				
Deferred tax asset and liability no longer required	-	19	-	-
Share options expensed during year	(81)	-	(81)	-
Amount under (over) provided prior year	(541)	70	(541)	70
Amount under (over) provided prior year – R&D Rebates	(1,701)	-	(1,701)	-
Recoupment of prior year tax losses not previously brought to account	(166)	-	(166)	-
Income tax expense (benefit) attributable to entity	331	5,533	342	5,495
Applicable weighted average effective tax rates	4%	27%	419%	258%
The decrease in the weighted average effective tax rate for 2009 is primarily due to the bringing to account of R&D rebates from prior years.				
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1 (b) occur:				
Tax losses	-	166	-	-
Capital losses	442	442	442	442
	442	608	442	442

5 Key Management Personnel Compensation

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

			Salary & Bonus	Superannuation	Other Benefits [1]	Options	Total
Directors			$	$	$	$	$
B A Crome	Chairman (Non Executive)	2009	85,000	7,650	20,247	-	112,897
		2008	85,000	7,650	12,887	-	105,537
I L Fraser	Director (Non Executive)	2009	60,000	5,400	-	-	65,400
		2008	56,250	5,062	-	-	61,312
R W Freedman	Managing Director	2009	128,200	100,000	51,188	-	279,388
		2008	121,250	93,750	48,734	145,800	409,534
D R Perry	Director and Chief Financial Officer	2009	300,000	50,000	12,762	-	362,762
		2008	250,833	50,524	22,369	145,800	469,526
Total Remuneration Directors		2009	573,200	163,050	84,197	-	820,447
		2008	513,333	156,986	83,990	291,600	1,045,909
Executives							
R Coates	General Manager – Rock Australia Pty Ltd	2009	214,480	17,471	18,169	-	250,120
		2008	170,000	13,129	18,169	27,000	228,298
V Sammartino	General Manager – Meridian	2009	275,000	24,750	35,000	-	334,750
		2008	136,000	-	-	-	136,000
W Ironmonger	General Manager – UAE	2009	285,202	-	55,708	-	340,910
		2008	213,950	-	21,262	8,400	243,612
M Schweiger	General Manager – Northern Division	2009	220,000	19,800	6,242	-	246,042
		2008	240,000	18,000	19,590	75,000	352,590
S Crole	General Manager – Major Projects	2009	205,000	18,450	21,996	-	245,446
		2008	n/a	n/a	n/a	n/a	n/a
Total Remuneration Executives		2009	1,199,682	80,471	137,115	0	1,417,268
		2008	759,950	31,129	59,021	110,400	960,500

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

5 Key Management Personnel Compensation (continued)

(b) Options and Rights Holdings

Number of Options held by key management personnel

	Balance 01/07/2008	Equity-settled Compensation	Options Exercised	Net Change Other	Balance 30/06/2009	Total Vested 30/06/09	Total Unvested 30/06/09
Directors							
D R Perry	100,000	-	-	-	100,000	100,000	-
R W Freedman	100,000	-	-	-	100,000	100,000	-
Executives							
V Sammartino	-	-	-	-	-	-	-
R Coates	100,000	-	-	(100,000)	-	-	-
W Ironmonger	70,000	-	-	(70,000)	-	-	-
S Crole	-	-	-	-	-	-	-
M Schweiger	125,000	-	-	(125,000)	-	-	-
	495,000	-	-	(295,000)	200,000	200,000	-

The Net Change Other reflected above includes options that have lapsed, been granted on conversion of notes, or forfeited by holders.

(c) Shareholdings

Number of shares held by key management personnel

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

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

The other key management personnel did not have any interests in the Company's shareholdings at the beginning and during the year.

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

(d) Remuneration Practices

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

The fees payable to non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. Shareholder approval was given at the 2007 Annual General Meeting, for the maximum aggregate remuneration of $350,000 per year. The level of base salary paid to the non-executive directors increased by a total of 6.86% in the 2009 year.

5 Key Management Personnel Compensation (continued)

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

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

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

6 Auditors' Remuneration

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
Remuneration of the auditor of the parent entity				
• Auditing or reviewing the financial report	$168,215	$160,900	$48,000	$45,500
• Taxation services	$28,199	$6,998	$28,199	$6,998
• Assisting in the preparation of a consolidated financial report	$41,974	$38,771	$41,974	$38,771
• Assisting in the preparation of financial reports of controlled entities	$26,150	$22,476	$26,150	$22,476
Remuneration of other auditors of subsidiaries for:				
• Auditing or reviewing the financial report of subsidiaries	$12,353	$10,322	-	-

7 Dividends

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Distributions paid The amounts paid, provided or recommended by way of dividend by the parent entity are:				
• Final fully franked ordinary dividend of 6.5 (2008: 6c) cents per share paid on 31 October 2008 franked at the tax rate of 30% (2008: 30%)	(3,194)	(2,858)	(3,194)	(2,858)
• There was no interim fully franked ordinary dividend (2008: 5c) paid in the 2009 financial year, franked at a tax rate of 30% (2008: 30%).	-	(2,457)	-	(2,457)
	(3,194)	(5,315)	(3,194)	(5,315)
a) The Board has resolved not to pay a final fully franked ordinary dividend (2008: 6.5 cents per share), franked at a tax rate of 30% (2008: 30%).	-	(3,194)	-	(3,194)
b) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax; dividends recognised as receivables and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	4,698	10,699	4,698	10,699
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	-	(1,369)	-	(1,369)
	4,698	9,330	4,698	9,330

8 Earnings per share

(a) Reconciliations of earnings to profit (loss)				
Profit (loss)	8,907	15,175	-	-
Profit attributable to minority equity interest	(20)	7	-	-
Earnings used in the calculation of earnings per share	8,887	15,182	-	-
Interest on convertible notes	-	-	-	-
Earnings used in the calculation of dilutive EPS	8,887	15,182	-	-

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
8 Earnings per share (Continued)	2009 Number	2008 Number		
(b) Weighted average number or ordinary shares on issue used in the calculation of basic earnings per share	49,141,824	47,609,035	-	-
Weighted average number of options/convertible notes outstanding	-	403,306	-	-
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	49,141,824	48,012,341	-	-

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
9 Trade and other receivables (Current)				
Trade receivables	65,579	71,506	-	-
Provision for impairment of receivables	(417)	(541)	-	-
	65,162	70,965	-	-
Amounts receivable from associated entities	-	3,244	-	3,244
Amounts receivable from wholly owned subsidiaries	-	-	-	130
Loans and advances to staff	18	38	-	-
Other debtors and deposits	761	653	178	-
	65,941	74,900	178	3,374
Ageing of past due but not impaired receivables:				
60 – 90 Days	622	458		
90+ Days	4,374	3,080		
	4,996	3,538		
Movement in the provision for the impairment of receivables is as follows:				
Opening Balance	(541)	(547)		
Charge for the year	-	-		
Amounts written off	124	6		
Closing Balance	(417)	(541)		
10 Inventories				
Raw materials and stores at cost	7,775	8,669	-	-
Finished Goods	302	221	-	-
Work in progress – materials on site	1,920	1,125	-	-
Construction work in progress	8,436	5,005	-	-
	18,433	15,020	-	-
Construction work in progress comprises:				
Contract costs incurred to date	384,412	275,926	-	-
Profit recognised to date	56,614	41,407	-	-
	441,026	317,333	-	-
Less: Provision for losses	(8,635)	(2,326)	-	-
	432,391	315,007	-	-
Less: Progress billings	(441,804)	(324,682)	-	-
Net construction work in progress	(9,413)	(9,675)	-	-
Net construction work in progress comprises:				
Amounts due from customers – inventories	8,499	5,005	-	-
Amounts due to customers – payables (note 16)	(17,912)	(14,680)	-	-
	(9,413)	(9,675)	-	-
Retentions on construction contracts in progress	925	409	-	-
Progress billings and advances received and receivable on construction contracts in progress	441,804	324,682	-	-

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000

11 Other current assets

Prepayments	292	287	16	35

12 Trade and other receivables (Non-current)

Loans to associated entities	-	2	-	-
Loans to controlled entities	-	-	37,926	30,829
	-	2	37,926	30,829

13 Financial assets

Available-for-sale financial assets				
Shares in controlled entities at Directors valuation	-	-	19,086	19,057
	-	-	19,086	19,057

The Directors' valuation of shares in controlled entities was based on net fair value, being the relevant share of underlying net assets.

14 Property, plant and equipment

Freehold Land				
At independent valuation 2008 (a) (b)	6,874	3,583	6,874	3,583
Buildings				
At independent valuation 2008 (a) (b)	1,685	1,466	1,685	1,466
At cost – subsequent additions	89	133	89	133
Accumulated amortisation	(76)	(670)	(76)	(670)
	1,698	929	1,698	929
Leasehold improvements				
At cost	80	80	57	57
Accumulated amortisation	(70)	(64)	(47)	(41)
	10	16	10	16
Plant, Equipment and Motor Vehicles				
At cost	52,606	45,110	35,673	30,795
Accumulated depreciation	(30,555)	(23,868)	(20,719)	(15,838)
	22,051	21,242	14,954	14,957
Leased assets at assessed value	-	-	-	-
Accumulated amortisation	-	-	-	-
	-	-	-	-
Total plant, equipment and motor vehicles	22,051	21,242	14,954	14,957
Total	30,633	25,769	23,536	19,485

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

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

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

	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS GROUP 2008 $'000	STRUCTURAL SYSTEMS LIMITED 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000

14 Property, plant and equipment (continued)

Movements in carrying amounts

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

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Freehold land				
Carrying amount at beginning of year	3,583	3,583	3,583	3,583
Increase through independent valuation – September 2008	3,291	-	3,291	-
Additions	-	-	-	-
Disposals	-	-	-	-
Carrying amount at end of year	6,874	3,583	6,874	3,583
Buildings				
Carrying amount at beginning of year	929	965	929	965
Increase through independent valuation – September 2008	756	-	756	-
Additions	89	14	89	14
Disposals	-	-	-	-
Depreciation	(76)	(50)	(76)	(50)
Carrying amount at end of year	1,698	929	1,698	929
Leasehold Improvements				
Carrying amount at beginning of year	16	-	16	-
Additions	-	22	-	22
Disposals	-	-	-	-
Amortisation	(6)	(6)	(6)	(6)
Carrying amount at end of year	10	16	10	16
Plant and equipment				
Carrying amount at beginning of year	21,242	16,327	14,957	12,291
Additions	8,411	11,087	5,387	7,053
Disposals	(568)	(522)	(258)	(197)
Transfer of assets within group	-	-	-	-
Movements due to foreign exchange rate differences	10	(6)		-
Depreciation	(7,043)	(5,644)	(5,131)	(4,191)
Carrying amount at end of year	22,052	21,242	14,955	14,957

15 Intangibles

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Goodwill – at cost	16,193	16,197	-	-
Accumulated impairment losses	(8)	(8)	-	-
	16,185	16,189	-	-
Movements during the year:				
Balance at beginning of Year	16,189	5,244	-	-
Additions	54	10,945	-	-
Disposals	(58)	-	-	-
Impairment losses	-	-	-	-
	16,185	16,189	-	-

Impairment disclosures	2009 $'000	2008 $'000
Goodwill is allocated to cash-generating units which are based on the group's reporting segments		
Construction segment	15,007	15,011
Mining segment	1,178	1,178
Total	16,185	16,189

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

Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the following growth and discount rates. The cash flows are discounted using the yield of 10 year government bonds at the beginning of the budget period.

15 Intangibles (Continued)

	Growth Rate	Discount Rate
Construction segment	2.5%	5.45 %
Mining Segment	7.0%	5.45 %

Management has based the value-in-use calculations on budgets for each reporting segment and taking into account the industry's growth rate. These budgets use historical weighted average growth rates to project revenue.

16 Trade and other payables

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
CURRENT				
Unsecured liabilities:				
Trade payables	15,316	24,146	110	94
Sundry payables and accrued expenses	13,950	21,206	3,116	1,849
Contract billings in advance (note 10)	17,912	14,680	-	-
Amount due under contract of sale	439	1,768	439	1,768
	47,617	61,800	3,665	3,711
NON CURRENT				
Unsecured liabilities:				
Amounts owing to related entities	50	80	32,838	30,320
Amount due under contract of sale	-	170	-	170
	50	250	32,838	30,490

17 Financial liabilities

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
CURRENT				
Unsecured liabilities				
Other loans	-	5	-	-
Secured liabilities				
Bank overdraft	3,548	-	3,548	-
Lease liability	-	-	-	-
Commercial bills	12,400	3,900	12,400	3,900
Hire purchase liability	5,304	4,326	5,126	4,164
	21,252	8,226	21,074	8,064
	21,252	8,231	21,074	8,064
NON-CURRENT				
Secured liabilities				
Commercial bills	400	2,800	400	2,800
Hire purchase liability	3,687	4,773	3,575	4,484
	4,087	7,573	3,975	7,284
a) Total current and non-current secured loans				
Bank Overdraft	3,548	-	3,548	-
Commercial bills	12,800	6,700	12,800	6,700
Hire purchase liabilities	8,991	9,100	8,701	8,648
	25,339	15,800	25,049	15,348
b) The carrying amounts of non-current assets pledged as first security are:				
Assets over which lease and hire purchase contracts apply	10,675	10,755	9,239	9,847

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
18 Tax				
(a) Liabilities				
CURRENT				
Income tax	-	4,053	-	4,053
NON – CURRENT				
Deferred tax liability comprises:				
Tax allowances relating to property, plant and equipment	-	-	-	-
Revaluation adjustments taken directly to equity	1,608	393	1,608	393
Other	654	21	654	21
	2,262	414	2,262	414
(b) Assets				
CURRENT				
Tax refundable	3,706	-	3,706	-
NON – CURRENT				
Deferred tax assets comprise:				
Accounting depreciation relating to plant & equipment	592	921	592	921
Provisions	2,199	2,332	2,199	2,332
Other	136	246	136	246
	2,927	3,499	2,927	3,499
(c) Reconciliations				
i. Gross Movements				
The overall movement in the deferred tax account is as follows:				
Opening balance	3,085	1,367	3,085	1,351
(Charge) / credit to income statement	(1,207)	1,718	(1,207)	1,734
(Charge) / credit to equity	(1,214)	-	(1,214)	-
Allocation of deferred tax asset to parent entity under tax consolidation	-	-	-	-
Closing balance	664	3,085	664	3,085
ii. Deferred Tax Liability				
The movement in deferred tax liability for each temporary difference during the year is as follows:				
Tax allowances relating to property, plant and equipment:				
Opening balance	-	3	-	-
Charge / (credit) to income statement	-	(3)	-	-
Allocation of deferred tax liability to parent entity under tax consolidation	-	-	-	-
	-	-	-	-
Revaluation adjustments taken directly to equity				
Opening balance	393	393	393	393
Charge / (credit) directly to equity	1,214	-	1,214	-
	1,607	393	1,607	393
Tax allowances relating to Other Temporary differences				
Opening balance	21	-	21	-
Charge / (credit) to income statement	633	21	633	21
	654	21	654	21
iii. Deferred Tax Assets				
The movement in deferred tax assets for each temporary difference during the year is as follows:				
Provisions:				
Opening balance	2,332	1,487	2,332	1,468
(Charge) / credit to income statement	(133)	845	(133)	864
Allocation of deferred tax asset to parent entity under tax consolidation	-	-	-	-
	2,199	2,332	2,199	2,332
Tax Losses:				
Opening balance	-	-	-	-
(Charge) / credit to income statement	-	-	-	-
	-	-	-	-
Accounting depreciation relating to plant & equipment:				
Opening balance	921	276	921	276
(Charge) / credit to income statement	(329)	645	(329)	645
	592	921	592	921

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000

18 Tax (Continued)

Tax allowances relating to Other Temporary Differences				
Opening Balance	246	-	246	-
(Charge) / credit to income statement	(110)	246	(110)	246
	136	246	136	246

19 Provisions

CURRENT				
Employee benefits	6,500	7,116	157	97
NON-CURRENT				
Employee benefits	1,045	590	64	45

Consolidated Group	Employee Benefits
Opening balance at 1 July 2008	7,706
Additional provisions	4,612
Amounts used	(4,773)
Balance at 30 June 2009	7,545

Parent Entity	Employee Benefits
Opening balance at 1 July 2008	142
Additional provisions	261
Amounts used	(182)
Balance at 30 June 2009	221

Provision for Long-term Employee Benefits

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

20 Issued Capital

Issued and paid up capital 49,141,824 (2008 - 49,141,824) fully paid ordinary shares	30,011	29,219	30,011	29,219
Ordinary shares:	No.	No.	No.	No.
Movements in ordinary share capital				
Balance at the beginning of the financial year	49,141,824	46,437,866	49,141,824	46,437,866
Shares issued during the year:				
- Convertible note attaching options converted	-	19,504	-	19,504
- Executive share option plan	-	675,000	-	675,000
- Issued as part consideration for Meridian Concrete Australia Pty Ltd	-	1,509,434	-	1,509,434
- Issued as part consideration for Rock Australia Pty Ltd	-	500,000	-	500,000
	49,141,824	49,141,824	49,141,824	49,141,824

(a) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
(b) At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.
(c) Executive share option plan - for information relating to the Executive Share Option Plan, refer to Note 26 (a).
(d) Convertible notes had a face value of 45c, and were convertible to ordinary shares on a 1:1 basis.
(e) Convertible notes converted by 31 December 2005 included a free attaching option, exercisable at 45c.
(f) Shares issued as part consideration for Rock Australia Pty Ltd were issued at a cost value of 60c per share.
(g) Shares issued as part consideration for Meridian Concrete (Australia) Pty Ltd were issued at a cost value of $2.65 per share.
(h) Convertible notes matured on 30 June 2007.

21 Reserves

Nature and Purpose of Reserves

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

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

Foreign Currency Reserve
The foreign currency translation reserve records exchange differences arising on the translation of internationally-based controlled subsidiaries. Refer to accounting policy Note 1(l)

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000

22 Capital and Leasing commitments

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Lease Purchase				
• not later than 1 year	5,851	4,923	5,654	4,726
• later than 1 year, but not later than 5 years	3,904	5,069	3,790	4,758
Total maximum lease commitment	9,755	9,992	9,444	9,484
Future finance charges	(764)	(892)	(743)	(836)
	8,991	9,100	8,701	8,648
Non-cancellable Operating Leases				
Contracted for but not capitalised in accounts				
• not later than 1 year	904	1,069	-	3
• later than 1 year, but not later than 5 years	1,946	2,850	-	3
• later than 5 years	-	-	-	-
	1,850	3,919	-	6

Various non-cancellable leases are taken by the company relating to property it occupies for various income-generating activities. All leases are taken under normal commercial terms.

23 Contingent liabilities

	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Contract cash retentions	4	15	-	-
Contract performance guarantees	19,326	14,985	19,308	12,662
Guarantee by the Company in respect of bank facilities of controlled entities	312	257	312	257
Cross guarantees by the Company and controlled entities in respect of bank facilities	40,264	24,044	-	-
	59,906	39,301	19,620	12,919

24 Economic dependency

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

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
25 Cash Flow information				
(a) Reconciliation of cash				
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the items in the Balance Sheet as follows:				
Cash on hand	23	18	2	2
Cash at bank	1,341	2,553	5	2,116
Bank overdraft	(3,548)	-	(3,548)	-
	(2,184)	2,571	(3,541)	2,118
(b) Reconciliation of Cash Flow from Operations with profit (loss) after Income Tax				
Profit (loss) after income tax	8,907	15,175	(260)	(3,368)
Non-Cash flows in profit:				
Amortisation	25	-		
Depreciation	7,123	5,699	5,212	4,246
Bad debts written off	191	-	-	-
Bad and doubtful debts	(71)	(2)	-	-
(Profit) loss on sale of non-current assets	22	38	10	-
(Profit) loss on sale of non-current investment	101	(1,787)	80	(1,860)
Loan forgiven	(5)	-	-	-
Remunerations expense – share-based payments	(270)	562	(270)	562
Share of net profit of associates and joint venture using the equity method	-	(473)	-	-
Change in assets and liabilities				
▪ (Increase) decrease in trade and other receivables	3,129	(37,848)	(2,515)	(1,369)
▪ (Increase) decrease in inventories	(3,413)	(5,142)	-	-
▪ (Increase) decrease in loans to related entities	-	-	(4,528)	8,378
▪ (Increase) decrease in prepayments	(5)	(245)	19	(35)
▪ (Decrease) increase in trade, other payables and accruals	(12,841)	30,844	1,283	684
▪ (Decrease) increase provisions	(161)	2,987	79	55
▪ (Decrease) increase in income taxes payable	(4,053)	524	(4,053)	524
▪ (Decrease) increase in deferred tax liabilities	634	18	634	20
▪ Decrease (increase) in deferred tax assets	572	(1,737)	572	(1,756)
Net cash provided by (used in) operating activities	(115)	8,613	(3,733)	6,081

(c) Treasury Function
Structural Systems Limited maintains and operates the main bank account For the group, with the exception of the overseas entities.

Therefore one of its main operating activities is performing a treasury function for the consolidated group. This has been reflected separately in the cash inflows and outflows under cash flow from operating activities.

(d) Non-cash financing and investing activities				
I. Shares used as consideration for the purchase of additional shareholding in controlled entities	-	4,300	-	4,300
ii. Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	4,861	5,325	4,861	4,853

	STRUCTURAL SYSTEMS GROUP 2009 $'000	STRUCTURAL SYSTEMS LIMITED 2008 $'000

25 Cash Flow information (continued)

(e) Acquisition of entities

During the year the company made the following deferred payments under contract of sale		
Meridian Concrete Australia Pty Ltd	1,334	1,334
Refobar Australia Pty Ltd	219	219
Total Cash Outflow	1,553	1,553

(f) Disposal of entities

On 30 June 2008, the company disposed of its 40% share in Structural Systems (UK) Limited for a consideration of AUD $1,859, 504. The amount due was received during the year ended 30 June 2009.

During the second-half of the financial year the company disposed of its 60% share in SDS Poland

Disposal price & Cash consideration

Disposal price & Cash consideration	1
Assets & liabilities held at disposal date:	
Investment in controlled entity	25,000
Loan account – receivable	55,440
	80,440
Net loss on disposal	(80,439)
	1

26 Employee benefits

(a) Executive Share Option Plan

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

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

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

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

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

	2009	2008
Share Capital (Number of ordinary shares)	-	400,000

Un-issued ordinary shares of the Company under option are

Issue Date	Expiry Date	Exercise Price	Number of Options 2009	Number of Options 2008
14 October 2004	30 June 2009	$0.45	-	-
8 November 2006	30 June 2010	$0.80	200,000	200,000
7 November 2008	30 June 2009	$1.80	-	250,000
7 November 2008	30 June 2009	$2.40	-	750,000

26 Employee benefits (continued)

The following share-based payment arrangements existed at 30 June 2009:

At the 2006 AGM 1,000,000 options were approved to be issued to Directors at an exercise price of $0.80. These options were subject to performance hurdles dependant of certain profit targets being meet for the 2006, 2007 and 2008 financial years, all of which have now been met. At balance date 200,000 of these options remain outstanding.

In September 2007, 1,000,000 options were approved to be issued under the Structural Systems Limited employee option plan. 250,000 of these options have an exercise price of $1.80, and the remainder have an exercise price of $2.40. All expired on 30 June 2009.

	Consolidated Entity				Parent Entity			
	2009		2008		2009		2008	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	1,200,000	$1.92	875,000	$0.69	1,200,000	$1.92	875,000	$0.69
Granted	-	-	1,000,000	$2.25	-	-	1,000,000	$2.25
Forfeited	-	-	-	-	-	-	-	-
Exercised	-	-	(675,000)	$0.66	-	-	(675,000)	$0.66
Expired	1,000,000	$2.25	-	-	1,000,000	$2.25	-	-
Outstanding at year-end	200,000	$0.80	1,200,000	$2.01	200,000	$0.80	1,200,000	$2.01
Exercisable at year-end	200,000	$0.80	1,200,000	$1.92	200,000	$0.80	1,200,000	$1.92

(b) Superannuation Commitments

The economic entity contributes to a number of superannuation funds which exist to provide benefits for employees and their dependants on retirement, disability or death. The funds include self managed super funds, multi-employer industry funds and other complying superannuation funds. The economic entity and employee members made contributions as specified by legislation or the relevant trust deed. Legal enforceability is dependent on the terms of the legislation and relevant trust deeds.
All funds provide an accumulation benefit and the economic entity is under no obligation to make up any shortfall in fund assets to meet payments due to employees.

27 Particulars relating to controlled entities

a. Group accounts include a consolidation of the following:

	Place of Incorporation	Principal Activity	Ownership Interest 2009	2008
Refobar Australia Pty Ltd	Queensland	Manufacturing	100%	100%
Rock Australia Civil and Mining Pty Ltd (formerly Rock Engineering (Aust) Pty Ltd)	Victoria	Mining Services	100%	100%
Meridian Concrete Australia Pty Ltd	Victoria	Construction	100%	100%
NASA Structural Systems L.L.C	U.A.E	Construction	100%	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	100%	100%
Total Fire Protection Pty Ltd	Victoria	Fire Systems	100%	100%
Structural Systems (Civil) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Construction) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Southern) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Western) Pty Ltd	Victoria	Construction	100%	100%
Emirates & Australia Construction Systems L.L.C (formerly Emirates & Australia Post Tensioning L.L.C)	U.A.E	Construction	100%	100%
Structural Systems (Bridge Maintenance) Pty Ltd (formerly Tiltform Structural Systems Pty Ltd)	Victoria	Construction	100%	85%
Structural Systems (Remedial) Pty Ltd	Victoria	Construction	100%	100%
Structural Design Services SP	Poland	Engineering Design	-	60%
BBR Structural Systems	U.A.E	Construction	100%	100%

27 Particulars relating to controlled entities (continued)

b. Acquisition of controlled entities:

On 8 November 2007 the parent entity acquired 100% of Meridian Concrete Australia Pty Ltd. As of this date, the consolidated group became entitled to all profits earned, for an initial consideration of $10,000,000 settled with cash and equity in Structural Systems Limited with the potential of earn-outs to a maximum of a further $5,334,000. The previous owners achieved their first hurdle and have been paid the $1,334,000 thus far. As at balance date, the conditions to the second payment have also been satisfied, entitling the owners to a further $2,000,000 that will be paid this financial year.

On 1st July 2008 the parent entity acquired the remaining 15% of Tiltform Structural Systems Pty Ltd it did not already own for $1.

28 Events after the Balance Sheet date

On August 12th 2009, The Company announced an Institutional Placement (IP) and Share Purchase Plan (SPP). At this time it was announced that the Company had raised $5.75 million by issuing 7.371 million fully paid ordinary shares at $0.78 per unit.

The SPP closed on September 4th 2009, and was oversubscribed. The Board determined to scale back subscriptions such that a further $5.75 million was raised by issuing 7.371 million fully paid ordinary shares at the same price of $0.78 per unit. Settlement on the SPP occurred on September 11th 2009.

Directors who held office during the year are:
- Bruce A Crome
- Ian L Fraser
- Robert W Freedman
- David R Perry

Directors' remuneration is disclosed in Note 5.

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

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

Directors Holding of Shares and Share Options

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

	STRUCTURAL SYSTEMS LIMITED	
	2009 No.	2008 No.
Structural Systems Limited – ordinary shares	2,670,586	2,626,586
Structural Systems Limited – options	200,000	200,000

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

	2009 $'000	2008 $'000
• Management fees received	8,819	5,880
• Loans to controlled entities	10,626	30,829
• Loans from controlled entities	25,713	30,490
• Dividends from controlled entities	-	-
• Dividends from associated entities	-	1,240

29 Segments results

Primary reporting – Business segments

	Construction		Mining		Corporate		Eliminations		Consolidated Group (Continuing Operations)		Discontinuing Operations Fire Systems	
	30/06/09 $'000	30/06/08 $'000	30/06/09 $'000	30/06/08 $'000	30/06/09 $'000	30/06/08 $'000	30/06/09 $'000	30/06/08 $'000	30/06/09 $'000	30/06/08 $'000	30/06/09 $'000	30/06/08 $'000
REVENUE												
External sales	**269,764**	240,465	**48,091**	39,111	**-**	-	**-**	-	**317,854**	279,576	**-**	-
Other segments	**895**	458	**-**	-	**9,194**	9,872	**(8,819)**	(7,789)	**1,269**	2,541	**-**	-
Total sales revenue	**270,658**	240,923	**48,091**	39,111	**9,194**	9,872	**(8,189)**	(7,789)	**319,123**	282,117	**-**	-
Unallocated revenue									**87**	456		
Total revenue									**319,210**	282,573		
RESULTS												
Segment result	**4,618**	16,204	**4,620**	3,216	**82**	2,127	**(82)**	(1,312)	**9,238**	20,235	**-**	-
Share of net profits of equity accounted associates and joint venture entities	**-**	473	**-**	-	**-**	-	**-**	-	**-**	473	**-**	-
									9,238	20,708	**-**	-
Income tax expense									**(331)**	(5,533)	**-**	-
Profit after income tax									**8,907**	15,175	**-**	-
ASSETS												
Segment assets	**115,339**	114,601	**24,141**	23,636	**-**	-	**-**	-	**139,480**	138,237	**-**	-
Discontinued operations assets									**-**	-		
Total assets									**139,480**	138,237		
LIABILITIES												
Segment liabilities	**78,735**	82,281	**4,077**	7,745	**-**	-	**-**	-	**82,812**	90,026	**1**	1
Discontinued operations liabilities									**1**	1	**1**	1
Total liabilities									**82,813**	90,027		
OTHER												
Acquisitions of non-current segment assets (incl. HP & Leases)	**1,535**	4,482	**6,966**	6,640	**-**	-	**-**	-	**8,501**	11,122	**-**	-
Depreciation & amortisation of segment assets	**3,187**	1,966	**3,961**	3,733	**-**	-	**-**	-	**7,148**	5,699	**-**	-
Other non-cash segment expenses	**191**	562	**-**	-	**-**	-	**-**	-	**191**	562	**-**	-

29 Segments results (continued)

Secondary Reporting - Geographical Segments

	Australia		United Arab Emirates		Poland		Consolidated Group	
	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenues for external customers	299,023	273,079	19,970	9,021	329	472	319,210	282,573
Carrying amount of segment assets	128,593	132,168	10,495	5,769	-	300	139,088	138,237
Acquisition of non-current segment assets	8,499	11,016	-	17	2	88	8,501	11,122

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortization. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Business Segments

The consolidated group has the following two main business segments:

Construction division – provides innovative skills and techniques to the Construction Industry which includes the following activities:

- Post-tensioning systems
- Slipforming and formwork systems
- Remedial engineering technology
- Controlled lifting of massive loads
- Cable stayed structures
- Erosion control systems
- Incremental launching of structures
- Manufacturing of post-tensioning supplies
- Supply & place of concrete

Mining division – provides a combination of drilling and ground support services to the mining industry which include the iron ore, nickel, gold, uranium and base metal resource sectors.

Geographical Segments

The consolidated group's business segments are mainly located in Australia with the construction division also having operations in the UAE.

30 Financing arrangements

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

	Structural Systems Group		Structural Systems Limited	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Total facilities available:				
Bank overdrafts	3,000	2,000	3,000	2,000
Commercial Bill facility	13,000	9,000	13,000	6,000
Hire purchase facility	8,216	10,500	8,216	10,048
Other facilities	2,891	1,750	2,891	1,750
Bank guarantee facility	23,036	16,036	23,000	13,000
	50,143	39,286	50,107	32,798
Facilities used at balance date:				
Bank overdrafts	1,000	-	1,000	-
Commercial Bill facility	12,800	6,700	12,800	5,200
Hire purchase facility	7,104	9,100	7,104	8,648
Other facilities	2,840	1,000	2,840	1,000
Bank guarantee facility	19,344	13,818	19,308	12,169
	43,088	30,618	43,052	27,017
Facilities not used at balance date:				
Bank overdrafts	2,000	2,000	2,000	2,000
Commercial Bill facility	200	2,300	200	800
Hire purchase facility	1,112	1,400	1,112	1,400
Other facilities	51	750	51	750
Bank guarantee facility	3,692	2,218	3,692	831
	7,055	8,668	7,055	5,781

30 Financing arrangements (Continued)

Finance facilities of the Company are secured by a registered first mortgage over the Company's land and buildings and registered mortgage debenture over all assets of the Company and an interlocking guarantee and indemnity between the Company and all controlled entities. Overdraft facilities are a set-off arrangement, off-setting balances of all bank accounts. Interest on bank overdrafts is charged at prevailing market rates, currently 11.48% (2008 –13.28%). The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees charged are 1.5 % per annum of facility utilised, subject to a minimum charge per individual guarantee (2008 – 1.0%). The commercial bills are exercisable for a period of up to three months at the discretion of the Company, and the facility has been granted for a period of up to three years subject to Structural Systems Limited satisfying standard commercial terms. 'Other facility' includes a letter of credit to the value of AUD $2.69 million (2008: $1 million), and a corporate credit card facility of $200,000 (2008: nil).

31 Financial Instruments

Significant accounting and risk management policies

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

Treasury Risk Management

Management, consisting of senior executives of the group meet on a regular basis to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Interest Rate Risk

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

Liquidity risk

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

Credit risk

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

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

Price Risk

The group is exposed to commodity price risk through its consumption of stainless steel in the post-tensioning businesses, and to a lesser degree in the mining services business. Stainless steel prices have seen a large spike in the last twelve months, but the group has managed to reduce the impact of this spike through larger volume direct purchases from steel mills.

Foreign Exchange Risk

The consolidated group has not entered into any forward foreign exchange contracts to hedge any anticipated purchase and sale commitments denominated in foreign currencies.

Financial Instrument composition and maturity analysis

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

31 Financial Instruments (Continued)

Structural Systems Group

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

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed interest rate maturing within: 1 Year or less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000	Non-interest Bearing $'000	Total $'000
2008							
Financial Assets							
Cash & cash equivalents	6.25%	2,553	-	-	-	18	2,571
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	74,901	74,902
		2,553	-	-	-	74,920	77,473
2008							
Financial Liabilities							
Payables	-	-	-	-	-	62,050	62,050
Commercial Bill Facility	7.78%	-	3,900	2,800	-	-	6,700
Other loans	-	-	-	-	-	5	5
Lease and lease purchase liabilities	9.2%	-	4,327	4,773	-	-	9,099
		-	8,226	7,573	-	62,055	77,854

Structural Systems Limited

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed interest rate maturing within: 1 Year or less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000	Non-interest Bearing $'000	Total $'000
2009							
Financial Assets							
Cash & cash equivalents	1.0%	5	-	-	-	2	7
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	178	178
		-	-	-	-	180	185
2009							
Financial Liabilities							
Payables	-	-	-	-	-	3,665	3,665
Commercial Bill Facility	6.5%	-	12,400	400	-	-	12,800
Other loans	-	-	-	-	-	-	-
Lease and lease purchase liabilities	8.1%	-	5,126	3,575	-	-	8,701
		-	17,526	3,975	-	3,665	25,166

31 Financial Instruments (Continued)

	Weighted Average Interest Rate	Floating Interest Rate $'000	Fixed interest rate maturing within			Non-interest Bearing $'000	Total $'000
			1 Year or less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000		
2008							
Financial Assets							
Cash & cash equivalents	6.25%	2,116	-	-	-	2	2,118
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	3,374	3,374
		2,116	-	-	-	3,376	5,492
2008							
Financial Liabilities							
Payables	-	-	-	-	-	3,711	3,711
Commercial Bill Facility	7.78%	-	3,900	2,800	-	-	6,700
Other loans	-	-	-	-	-	-	-
Lease and lease purchase liabilities	9.2%	-	4,164	4,484	-	-	8,648
		-	8,064	7,284	-	3,711	19,059

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
Trade and sundry payables are expected to be paid as follows:	$'000	$'000	$'000	$'000
Less than 6 months	41,617	61,000	3,665	3,711
6 months to 1 year	-	-	-	-
1 to 5 years	-	170	-	170
Later than 5 years from balance date	-	-	-	-
	41,617	61,170	3,665	3,881

Net Fair Values of Financial Assets and Liabilities Valuation Approach

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

Monetary financial assets and financial liabilities not readily traded in an organized financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, accounts receivable, accounts payable, bank loans and dividends payable approximate net fair value.

	STRUCTURAL SYSTEMS GROUP			
	Carrying Amount		Net Fair Value	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Financial Assets				
Cash & cash equivalents	1,364	2,571	1,364	2,571
Receivables	69,647	74,902	69,647	74,902
Investments - Unlisted	-	-	-	-
Financial Liabilities				
Payables	47,667	62,050	47,667	62,050
Commercial Bill	12,800	6,700	12,800	6,700
Convertible notes	-	-	-	-
Other loans	-	5	-	5
Lease and lease purchase liabilities	8,991	9,099	8,991	9,099

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

31 Financial Instruments (continued)

Interest Rate Risk - Sensitivity Analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign exchange risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which would result from a change in these risks

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Change in Profit				
- Increase in interest rate by 2%	(256)	(83)	(256)	(92)
- Decrease in interest rate by 2%	256	83	256	92
Change in Equity				
- Increase in interest rate by 2%	(256)	(83)	(256)	(92)
- Decrease in interest rate by 2%	256	83	256	92

Price Risk – Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the price of steel, with all other variables remaining constant would be as follows:

	STRUCTURAL SYSTEMS GROUP		STRUCTURAL SYSTEMS LIMITED	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Change in Profit				
- Increase in steel price by $100 per tonne	(1,174)	(1,391)	-	-
- Decrease in steel price by $100 per tonne	1,174	1,391	-	-
Change in Equity				
- Increase in steel price by $100 per tonne	(1,174)	(1,391)	-	-
- Decrease in steel price by $100 per tonne	1,174	1,391	-	-

34 Change in Accounting policy

New Australian Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment		Standards Affected	Outline of amendment	Application date of Standard	Application date for Group
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5 AASB 6 AASB 102 AASB 107 AASB 119 AASB 127 AASB 134 AASB 136 AASB 1023 AASB 1038	Non-current assets held for sale and discontinued Operations Exploration for and Evaluation of mineral resources Inventories Cash Flow Statements Employee Benefits Consolidated and Separate Financial Statements Interim Financial Reporting Impairment of Assets General Insurance Contracts Life Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1st January 2009	1st July 2009
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above	1st January 2009	1st July 2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1 AASB 101 AASB 107 AASB 111 AASB 116 AASB 138	First time adoption of AIFRS Presentation of Financial Statements Cash Flow Statements Construction Contracts Property, Plant & Equipment Intangible Assets	The revised AASB 123: Borrowing costs issued in June 2007 has removed the option to expense all borrowing costs. The amendment will require the capitalization of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalize borrowing costs relating to qualifying assets.	1st January 2009	1st July 2009
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As Above	1st January 2009	1st July 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity	1st January 2009	1st July 2009
AASB 101	AASB 101	Presentation of Financial Statements	As Above	1st January 2009	1st July 2009

STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 to 47 , are in accordance with the Corporations Act 2001 and:

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

   (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company and consolidated group;

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

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

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

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

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

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

R W FREEDMAN - DIRECTOR

D R PERRY - DIRECTOR
Dated: 18 September 2009

anderson roscoe
CHARTERED ACCOUNTANTS

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.

Associates:
Russell W Drysdale C.A.
Tina Fiore-Scott C.A.

Anderson Roscoe
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Structural Systems Limited ABN 57 006 413 574 and Controlled Entities

Independent Audit Report
To the Members of Structural Systems Limited

Report on the Financial Report

We have audited the accompanying financial report of Structural Systems Limited (the company) and Structural Systems Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

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

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

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

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion
In our opinion:

a. the financial report of Structural Systems Limited and Structural Systems Limited and Controlled Entities is in accordance with 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 2009 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

Anderson Roscoe

Anderson Roscoe
Chartered Accountants

Robert Cincotta

Robert F Cincotta
Partner

Date: 18 September 2009

Distribution of shareholders and shareholdings at close of business 31 August 2009

Size of holding	Number of Shareholders	Number of Shares
1 - 1,000	285	180,253
1,001 - 5,000	755	2,184,361
5,001 - 10,000	312	2,425,871
10,001 - 100,000	437	12,776,747
100,001 - (MAX)	61	38,945,592
TOTAL	1,850	56,512,824

The number of Shareholders holding less than a marketable parcel ($500.00) at 31 August 2009 is 569 holding in total 73,665 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	5,703,394	10.09%
J P Morgan Nominees Australia	4,171,680	7.38%
Sandhurst Trustees Ltd	2,809,076	4.97%
National Nominees Limited	2,377,698	4.21%
Argo Investments Limited	1,669,916	2.95%
Meridian Concrete Pty Ltd	1,509,434	2.67%
Kingemel Pty Ltd	1,400,000	2.48%
Tintagel Nominees Pty Ltd	1,099,136	1.94%
Citicorp Nominees Pty Limited	708,643	1.25%
Bruce Crome Nominees Pty Ltd	705,600	1.25%
Escor Investments Pty Ltd	700,000	1.24%
Mr Philip Henry Hall	700,000	1.24%
Harg Pty Limited	489,030	0.87%
Mr David Perry	440,000	0.78%
Temasek Holdings Pty Ltd	370,000	0.65%
Akir Pty Ltd	350,000	0.62%
Mr Peter Begg Lawrence & Mrs Claire Lorraine Lawrence	325,019	0.58%
Mrs Hilary Jean Hall	300,000	0.53%
Temasek Holdings Pty Ltd	300,000	0.53%
Southgate Constructions Pty Ltd	290,000	0.51%
Top 20 holders of Ordinary Fully Paid Shares as at 31 August 2009	26,418,626	46.75 %

Substantials shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	5,703,394	10.09%
J P Morgan Nominees Australia	4,171,680	7.38%

Voting rights

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

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

Dividend reinvestment plan

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

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

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

Company Secretary

The Company Secretary is Stuart Gray.

Registered Office
The registered office of the Company is:
112 Munro Street, South Melbourne Victoria 3205
Telephone: (03) 9296 8100 Facsimile: (03) 9646 7133 Email: ssl@structural.com.au Website: www.structuralsystems.com.au

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

Share Register
If you have any questions in relation to your shareholding, please contact our Share Registry:
Computershare Registry Services Pty Ltd
452 Johnston Street
Abbotsford Victoria 3067
Telephone: 1300 137 328 Facsimile: 1300 137 341 Website: www.computershare.com

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

Incorporation
Structural Systems Limited is incorporated in the State of Victoria.

Auditors
Anderson Roscoe.

Bankers
National Australia Bank.