



10 Year Financial Summary	2
About Us	3
Chairman's Review	5
Managing Director's Review	6
Directors' Report	8
Auditor's Independence Declaration	13
Corporate Governance Statement	14
Income Statement	17
Statement of Comprehensive Income	18
Statement of Financial Position	19
Consolidated Statement of Changes in Equity	20
Consolidated Cashflow Statement	21
Notes to the Concise Financial Report	22
Directors' Declaration	25
Auditor's Report	26
Shareholder Information	27

**AGM to be held:**

Thursday 28<sup>th</sup> October 2010  
11.00am Start  
Bayview Eden Hotel  
6 Queens Road  
Melbourne VIC 3000

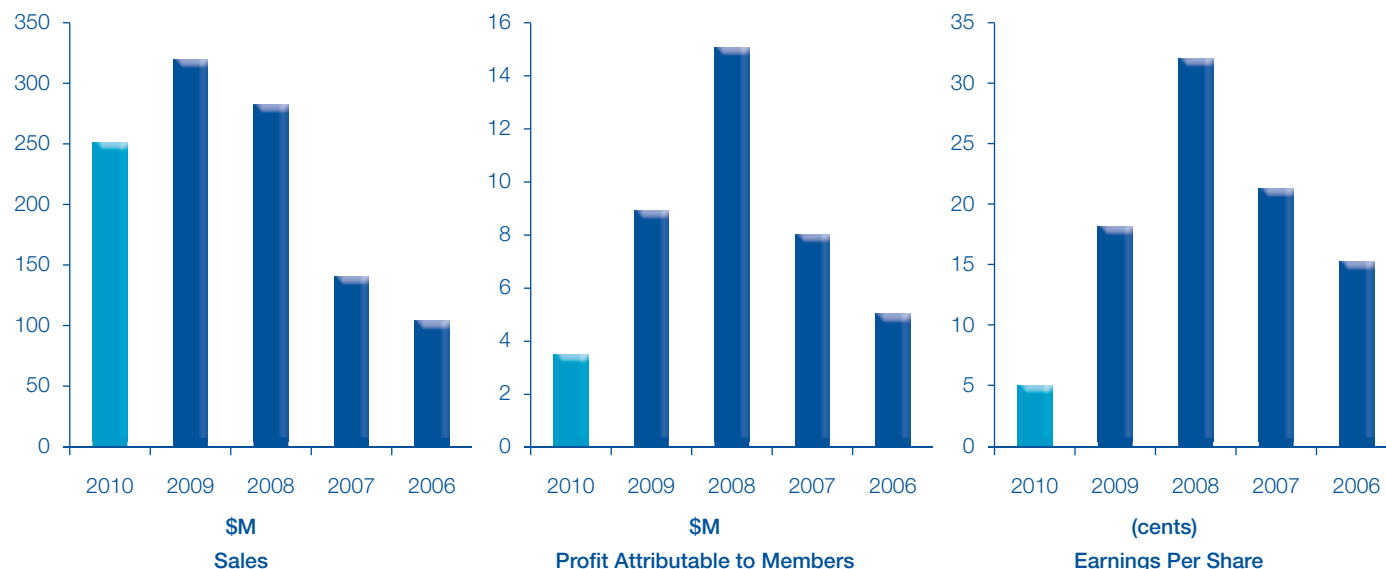
## 10-Year Financial Summary

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
External sales of goods and rendering of services (\$'000)	<b>253,585</b>	319,210	282,573	141,239	104,405	106,948	78,453	102,336	117,229	94,981
Profit (Loss) before tax from continuing operations (\$'000)	<b>9,130</b>	9,237	20,708	12,316	7,165	3,444	(8,231)	580	(4,493)	386
Profit (Loss) after tax (\$'000)	<b>3,270</b>	8,887	15,182	8,824	5,345	2,142	(8,589)	450	(4,716)	341
Shareholders funds at end of year (\$'000)	<b>70,906</b>	56,667	48,261	33,179	24,750	14,886	9,303	17,776	15,426	19,953
Net tangible assets (\$'000) <sup>(1)</sup>	<b>50,467</b>	40,482	32,021	27,936	21,258	12,881	7,298	14,644	12,071	16,330
Return on shareholder's funds <sup>(1)</sup>	<b>4.6%</b>	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%	(30.6%)	1.7%
Return on sales	<b>1.3%</b>	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%	(4.0%)	0.4%
Basic earnings per share (cents)	<b>5.3</b>	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9	(22.0)	1.6
Net tangible asset backing per share (cents)	<b>79.0</b>	82.4	65.3	60.3	54.6	50.3	28.5	57.4	56.3	76.2
Dividends declared for the year (cents)	<b>2.5</b>	-	11.5	10.0	7.5	1.5	-	-	-	2.0
Dividends times covered	<b>2.1</b>	N/A	2.8	2.1	2.0	5.6	N/A	N/A	N/A	0.8
Depreciation and amortisation (\$'000)	<b>7,717</b>	7,148	5,699	4,102	2,946	2,418	2,408	2,595	2,432	2,032
Interest paid (\$'000)	<b>1,067</b>	1,564	951	381	541	1,023	1,136	663	911	556
Interest received (\$'000)	<b>39</b>	87	410	173	302	176	8	-	-	7
Share price at 30 June	<b>\$0.48</b>	\$0.79	\$2.55	\$2.82	\$1.04	\$0.61	\$0.48	\$0.40	\$0.60	\$0.76
Shares on issue at 30 June (\$'000)	<b>63,884</b>	49,142	49,142	46,438	38,950	25,631	25,624	25,499	21,428	21,428
Market Capitalisation at 30 June (\$'000)	<b>30,664</b>	38,822	125,312	130,955	40,508	15,635	12,300	10,200	12,857	16,285

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

2010 and 2009 adjusted for discontinued operations

## Key Performance Indicators for the 12 month periods to 30 June



## 2010 Financial Statements

The concise financial report has been derived from the full financial report for the year ended 30 June 2010. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

A copy of the full financial report and auditors' report will be sent to shareholders without charge upon request. Please call (03) 9296 8100, fax (03) 9646 7133 or email [ssl@structural.com.au](mailto:ssl@structural.com.au) and a copy will be forwarded to you. Alternatively, you can access both the full financial report and the concise report on the Structural Systems website at [www.structuralsystems.com.au](http://www.structuralsystems.com.au)



## History

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd. The first project the Company undertook was the supply and installation of ROCK anchors for the Snowy Mountains scheme. Listed on the Australian Stock Exchange as Structural Systems Limited in 1987 and almost fifty years on from the first project, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor.

## Operations

The Company's head office is located in South Melbourne, Victoria, and manages its operations from offices in Melbourne, Sydney, Brisbane, Perth, Adelaide, Kalgoorlie and Townsville within Australia. Internationally the Company has offices in Dubai, Qatar, Bahrain and Johannesburg, South Africa.

Companies within the Structural Systems Group are Structural Systems (Northern), Structural Systems (Southern), Structural Systems (Construction), Structural Systems (Western), Structural Systems (Civil), Structural Systems (Bridge Maintenance), Refobar Australia, Meridian Concrete Australia, ROCK Australia, NASA Structural Systems and SSL Structural Systems (Africa).

Structural Systems have been involved in the design and construction of many iconic projects over the years. Some of the projects undertaken during the previous twelve months include Top Ryde Shopping Centre in Sydney, Catagunya Dam in Tasmania, rehabilitation works at Koolan Island in WA, an Egg Shaped Sludge Digester in Perth, the Blackburn Pedestrian Bridge in Durban South Africa and also a number of hospitals throughout Australia including Fiona Stanley, Royal North Shore, Liverpool, Gold Coast University, Melbourne's Royal Children's and Warrnambool.

The Company's operations are comprised of five operating divisions: Post-Tensioning, Construction, Civil, Remedial and Mining Services. Additionally, the Company also has a Major Projects department that provides support to these divisions for large scale or technically complex projects.

## Post-Tensioning

Structural Systems are one of the market leaders in post-tensioning technology. Post-Tensioning is a method of reinforcing (strengthening) concrete or other materials with high-strength steel strands. The benefits post-tensioning brings to a structure include large open plan, column free floor spaces. The technology reduces the amount of conventional reinforcement and concrete required thus delivering a more economical and environmentally friendly solution. The division's manufacturing arm, Refobar Australia, makes componentry for the post-tensioning industry including bar chairs, oval and flat duct and barrels and wedges. The Company is committed to improving the standard of design and construction in the post-tensioning industry and is a founding corporate member of the Post-Tensioning Institute of Australia Limited.

## Civil

The Civil division provides construction techniques and services to a wide range of Clients and projects including;

- Incremental launching of bridges across rivers, railways and motorways
- Ground anchors to strengthen dam walls and anchor down windfarm towers
- Heavy lifting of stadium roofs, control towers and water bowls up to 2,200T
- Slipforming and post-tensioning of LNG and LPG storage tanks
- Slipforming and post-tensioning of offshore concrete gravity structures
- Slipforming and post-tensioning of water, cement, alumina and clinker storage silos
- Cable stays for bridges and stadiums
- Strengthening of existing bridge structures to meet increased design loading requirements including bearing replacement work
- Construction engineering services for balanced cantilever, segmental and span by span bridge construction

## Mining Services

The Company's Mining Services division, ROCK Australia, is a specialist provider of supply and contracting services to mining & civil projects throughout Australasia. ROCK's current client list includes BHP Billiton, Rio Tinto, Newcrest Mining, Barrick Gold, Mt Gibson Iron, QLD Rail, QLD Road and Bovis Lend Lease. Committed to operational excellence through safety, quality, innovation and efficiency, ROCK's services include:

- Drilling
- Blasting
- Geotechnical
- Environmental
- Technical Access
- Manufacture & Supply
- Movement and Survey Radar



## Construction

The Company's Construction division provides its services as a package, or as individual elements depending on the requirements of its Clients. With the acquisition of Meridian Concrete in November 2007 the division is able to deliver a full design and construct structure package service in-house. Meridian Concrete is the largest provider of concrete services in Victoria. The range of activities provided by this division include;

- Concrete supply and placement
- Excavation
- Reinforcement supply and placement

## Remedial

The Remedial division offers a range of specialist construction services to property owners and managers, local authorities, designers, contractors and mining companies. Offering technology such as remedial diagnosis, strengthening, waterproofing, repair, rehabilitation and protection for a variety of structures including:

- High-rise buildings (facade and structural elements)
- Buildings and monuments (heritage-listed)
- Marine structures, including offshore facilities
- Civil engineering structures including bridges and concrete pavements
- Industrial and manufacturing plants
- Airport structures

## Technology & Partnerships

Structural Systems is the sole franchisee of the BBR licensed system in the countries in which it operates. BBR is recognized as the leading group of specialist engineering contractors in the field of post-tensioning, stay cable and related construction engineering. BBR technologies have been applied to a vast array of structures – such as bridges, buildings, cryogenic LNG tanks, dams, marine structures, nuclear power stations, retaining walls, tanks/silos, towers, tunnels, wastewater-treatment plants, water reservoirs and wind farms. The BBR specialist equipment range includes Pot bearings, Cona, HiAm and Dina systems which are recognised worldwide.

ROCK Australia is the appointed partner of the Reutech Radar system for the supply, hire and support of the MSR 300 (Movement & Surveying Radar) for Australasia. ROCK works in partnership with Geobrugg as the preferred installer of rockfall protection and slope stabilisation systems and they are also the exclusive distributor of the Menzi Muck all terrain walking excavators. ROCK has developed and patented the ROCK MESH<sup>TM</sup> system which is a fully mechanised roll mesh handler unit for use in underground surface supports. The system is compatible and can be retro fitted to all standard multiboom underground drilling equipment and offers significant cost and safety benefits over current practices.

ROCK has also developed a high reach drill rig which is the only one of its kind in Australia. This unique drilling rig is used at the KCGM Superpit in Kalgoorlie and has been designed to drill holes to the height of 21 metres with a hole depth of 25 metres.

Structural Systems is also the exclusive representative for Macalloy 1030 bar in Australia, UAE, Qatar, Bahrain and Oman.



The Structural Systems Group has undertaken a significant change in direction over the last twelve months. The completion of the remaining formwork projects, which were ongoing at the time of the sale of this division, has resulted in significant losses. However, I am very pleased with the performance of our ongoing businesses. Strong second half performance from these ongoing divisions has allowed the Company to return to profitability and the directors reported a profit after tax and minority interests of \$3.27 million.

The decisions made in relation to retention of profit from the prior year, the capital raising and share purchase plan in late 2009, and the strong cashflows from operations have significantly improved the Company's balance sheet. Gearing levels have been reduced, and at balance date, net debt to equity was 8%. This is a significant reduction on the ratio of 42% at the 30 June 2009.

Restoring the payment of dividends was a key goal for the Group for the year and the directors have declared a fully franked final dividend of 2.5 cents per share.

At 30 June 2010 the Group's work in hand was \$202 million. This compares to \$139 million at 30 June 2009.

The year saw an increase in resources devoted to ensuring safety standards across the Group can be continually improved. Amongst other OH&S targets set for the year we have planned for all Australian divisions to be certified to AS4801 by the end of the 2011 financial year.

As previously advised to shareholders, the Board has for some time been engaged in a recruitment process for additional directors to join our Board. We believe that the development of our Board is critical to our success and have been committed to finding the right candidate with the necessary skill set and experience. As a result this process has been more prolonged than originally intended. However, I am delighted that we have been able to reach agreement with Peter McMorow to join our board as an independent non-executive director. Peter has recently retired from the position of Managing Director of Leighton Contractors. Peter is very familiar with the key markets that we operate in and I believe the Group is fortunate to have someone with his experience join our Board.

I thank my fellow Directors and our staff for their continuing efforts during the period.

**Robert W Freedman**  
Chairman



The Group reported an after tax profit from continuing and discontinued operations of \$3.27 million. This result was down 63% on the \$8.91 million reported for the prior year. A fully franked dividend of 2.5 cents per share has been declared. Total revenue from continuing operations increased by \$14.96 million (6%) to \$253.59 million. Profit before income tax expense from continuing operations decreased by 34% to \$9.13 million. Earnings were significantly affected by losses from discontinued operations. Losses from discontinued operations were \$5.99 million compared to losses of \$4.58 million in 2009. Outside of the losses from discontinued operations and construction activities in Victoria all other divisions within the Group traded profitably and reported solid results for the period under review.

### Mining & Civil Services

Revenue from activities undertaken by ROCK Australia ("ROCK") during the year increased by 46% to \$70.365 million. Production drilling was the dominant single activity undertaken during the year and accounts for 36% of total revenue. The major clients that ROCK provided drilling services to under term contracts include Newcrest Mining, Rio Tinto, BHP, Barrick Gold and Consolidated Minerals. ROCK continues to expand its presence into the eastern states of Australia and during the year secured its first major drilling contract in QLD at Mt Rawdon. This success was followed shortly after with the securing of another major drilling contract at the Lady Annie site near Mt Isa. Presently, ROCK has 8 term drilling contracts underway with 6 extending past the end of the 2011 financial year.

During the year, ROCK saw an increasing demand for its Package Service works which accounted for 39% of their revenue.

In the mining sector, some of the major projects undertaken which utilised the combined package service include the construction of the primary crusher pockets at the Sino Iron project in Western Australia, pit rehabilitation works at Mount Gibson's Koolan Island project and retaining wall support works for Xstrata at the Cosmos mine site.

Package services were also in demand in the civil sector, major works completed during the year include ROCK fall protection works at Kepperra and Kuranda in QLD.

Revenue from the sale and hire of radar units increased during the year and accounted for 7% of ROCK's total revenue. ROCK has ongoing radar service support contracts throughout Australia and Asia.

Geotechnical services provided to the mining sector accounted for 14% of ROCK's revenue. Some of the geotechnical projects undertaken during the year include KCGM Super Pit ground support works and BHP Mount Keith ground support works.

Open pit mining continues to be the largest source of revenue for ROCK with 63% of ROCK's revenue coming from activities provided for open pit mines. Civil and infrastructure activity undertaken continues to increase and accounted for 31% of revenue for the division.

### Post-Tensioning

Revenue from post-tensioning and related activities decreased by \$12.20 million to \$89.93 million for the 2010 year. The reduction in volumes were due to a softening in general construction activity in the private sector throughout Australia and the Middle East. The post-tensioning divisions were able to maintain market share during this period and profitability in overall terms from this activity was up on the prior year.

Post-tensioning activities in the general construction market were heavily underpinned by Government funded works. Throughout Australia, Structural Systems has established a position as the contractor of choice in delivering design and construct solutions to major hospital upgrades and new works undertaken by Government. Significant hospital works during the period include Fiona Stanley Perth, Royal North Shore Sydney, Liverpool, Gold Coast University, Melbourne's Royal Children's and Warrnambool Hospitals.

The Company continued its dominance in dam upgrade works and during the year had three major dam upgrades ongoing concurrently. Due to the Company's strong track record in successfully delivering these upgrade works, the Company, at the client's request, has now taken a broader role in dam works including temporary access works, concrete excavation and construction, drilling and permanent anchoring.

Infrastructure works featured prominently in the work undertaken during the year. Noteworthy projects include:

- The supply of post-tensioning and formwork traveller to the bridge over Belconnen Way in Canberra. This project was secured through an alternative construction method proposed by Structural Systems.
- Completion of the installation of the world's largest capacity anchors at the Catagunya Dam project in Tasmania.
- Securing the Tinaroo Dam upgrade works which include the installation of the largest permanent anchors installed in Queensland.
- Securing and successfully completing the Company's first slipform project in Sydney NSW.

Concerns regarding security of payment and general payment terms resulted in the Company taking a conservative approach to the securing of new work in the Middle East during the 2010 year. This approach, combined with a reduction in opportunities due to a significant slow down in overall construction activity in the Gulf region, resulted in revenue reducing by 27% to \$14.66 million. Despite the lower work volumes the Middle East division was able to achieve a record profit for the 2010 year. The division was well placed coming into the 2010 year with a high level of work in hand and this protected the division from the surrounding economic circumstances. The appreciation of the Australian dollar during the 2010 year had the effect of reducing profit by 18%.

### Construction

The Company's formwork operations were sold in October 2009. Although the Company had started to reduce its level of formwork activity prior to the time of the sale it still had a number of projects being completed and a number of projects still within the defect liability period. Overall revenue for construction in Victoria, which includes all operations, decreased from \$172.40 million to \$98.30 million. The Company's remedial division in Victoria performed well in the year and increased revenue by 26% to \$6.76 million.



## Work in hand

The balance of work-in-hand (WIH) at the end of June 2010 was \$202 million. This value is an increase of 45% on the balance at 30 June 2009. As advised previously the Group's focus is being directed towards the infrastructure, civil and mining services market sectors. ROCK Australia now accounts for 48% of total WIH.

The exposure to general building contracting in Victoria continues to reduce and at 30 June WIH in this sector accounted for 9% of overall WIH volume. Historically, the Victorian construction market has represented around 40% of the Group's WIH balances.

## Safety

As a significant employer of construction and mining personnel, maintaining and increasing safety awareness throughout the group is paramount and as part of our ongoing commitment to ensuring safe work places for all of our employees the number of OH&S personnel within the Group was increased during the year.

Key OH&S positions employed during 2010 are;

- Corporate QSE Manager.
- Integrated Management Systems Administrator for ROCK Australia.
- OH&S Management Systems Administrator for Meridian Concrete.
- QSE Manager for NASA Structural Systems in the Middle East.

These OH&S positions complement our current team of safety advisors. The introduction of the Corporate QSE position has assisted in ensuring OH&S personnel and system development is consistent across the Group.

Key OH&S achievements during the 2010 year include;

- All divisions have had reductions in medical treatment injuries during the second quarter of the year.
- The quality of incident reporting is improving with an increase in the number of "near miss" reports indicating a willingness of the workforce to contribute to safety reporting.
- ROCK Australia reduced medical treatment injuries by 90% during the second quarter.
- Refobar Australia reduced medical treatment injuries by 60% during the second quarter.
- Refobar Australia redesigning its manufacturing equipment so that repetitive tasks can be eliminated and as a result, reduce manual handling injuries.
- No reported lost time injuries for Refobar, Structural Systems (Southern) and Structural Systems (Northern) during the second quarter.
- Structural Systems (Southern) and Meridian Australia are both in the pre-audit stage of achieving accreditation to AS 4801: 2001.
- Structural Systems (Northern), Structural Systems (Western), Structural Systems (Civil), Refobar Australia & ROCK Australia have complied with audit obligations and maintain their accreditation to AS: 4801: 2001.

## Group Prospects

We believe the strategy set in place during the 2010 year is the right one for the Group. The market sector split on the work in hand values at 30 June 2010 is indicative of this strategy. Our goal for the year was to concentrate on markets or skills within the Group that give us a competitive edge.

ROCK Australia is our key growth prospect and we see significant opportunities available to this business. ROCK is now well established throughout Australia and during the year secured its first major drilling project in Queensland.

The Group's major projects division ensures that sufficient attention can be devoted to key infrastructure and civil projects so as to ensure the Group has the maximum chance of success. This division complements our national and international post-tensioning businesses.

Our target for the 2011 year is to ensure all divisions within the Group contribute positively and maintain the right risk exposure. The steps taken this year have assisted in lowering gearing levels and we enter the 2011 year with the balance sheet in good shape.

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 2010 and the independent audit report thereon.

## Review of Operations

A review of the Group's operations is contained on pages 5, 6 and 7 of this concise report.

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

Results for the year	2010 \$'000	2009 \$'000
Revenue	253,585	238,621
Profit (Loss) before income tax	9,130	13,822
Income tax benefit/(expense) attributable to profit	125	(331)
Loss attributable to non-controlling interests	-	(20)
Profit attributable to the members of Structural Systems Limited	3,270	8,887

## Significant Changes in State of Affairs

The Company divested its formwork operation on 26<sup>th</sup> October 2009. The Company maintained responsibility for completion of pre-existing contracts entered into by this division.

## Directors

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

Bruce A Crome (resigned 1<sup>st</sup> March 2010)  
 Ian L Fraser  
 Robert W Freedman  
 Peter J McMorrow (appointed 1<sup>st</sup> July 2010)  
 David R Perry

## Company Secretary

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

## Trading

Total revenue from continuing operations increased by \$14.96 million (6%) to \$253.59 million. Profit before income tax expense from continuing operations decreased by 34% to \$9.13 million. Profit after tax including continuing and discontinued operations decreased by 63% to \$3.27 million. Earnings were significantly affected by losses from discontinued operations. Losses from discontinued operations were \$5.99 million compared to losses of \$4.58 million in 2009. Outside of the losses from discontinued operations and construction activities in Victoria all other divisions within the Group traded profitably and reported solid results for the period under review.

Depreciation expense increased by \$570K to \$7.72 million. Interest expense decreased by \$477K to \$1.08 million.

Tax benefit for the year ended 30 June 2010 was \$125K or 1.4% of profit before tax and discontinued operations, as a combined result of the tax-exempt income derived from overseas operations and the 2009 financial year R&D tax concessions, accounted for in financial year 2010.

## Debt

The Company's net debt decreased in the period from \$23.98 million to \$5.67 million. This reduction was due to the share placement /capital raising and increased cash generated from the business. Debt related to hire purchase funding of capital equipment reduced from \$8.99 million to \$8.21 million. Borrowings for the acquisition of Meridian Concrete in 2007 have been substantially paid off and at balance date only \$400K remained outstanding. A total of \$2.4million was repaid during the period in relation to debt associated with the acquisition of Meridian Concrete. With the sale of the formwork business in October 2009 the working capital requirements for the Group have decreased considerably. As a result, there was no general debt funding for working capital at 30 June 2010. This is a reduction of \$13.55 million from the balance as at 30 June 2009.

## Assets

During the year, total assets decreased by \$2.07 million to \$137.41 million. Whilst revenue from continuing operations increased during the year, total revenue from all operations decreased. As a result, debtors reduced by \$4.17 million to \$65.48 million. The value of plant & equipment after depreciation and disposals decreased by \$2.06 million to \$28.58 million. Plant & equipment purchased during the year by cash or hire purchase funding totalled \$7.023 million. The value of inventories decreased by \$4.91 million to \$13.52 million.





### Earnings per share

Basic earnings per share from continuing and discontinued operations decreased by 71% to 5.3 cents compared to 18.1 cents for the corresponding period. The total number of shares on issue at 30 June 2010 was 63.88 million. A share placement was completed in August 2009 and 7.37 million additional shares were issued as a result. This share placement was followed by a share purchase plan (SPP) in September 2009 and 7.37 million additional shares were issued. The total amount raised by the share placement and SPP was \$11.05 million. Diluted earnings per share decreased from 18.1 cents to 5.3 cents.

### Cashflow

Cashflow from operations was \$13.54 million for the twelve months compared to \$6.99 million for the corresponding period. A total of \$12.40 million of debt was repaid in the period which included \$2.40 million of the Meridian acquisition facility.

### Work in hand

The balance of work-in-hand (WIH) at the end of June 2010 was \$202 million. This value is an increase on the balance at 30 June 2009. As advised previously, the Group's focus is being directed towards the infrastructure, civil and mining services market sectors. ROCK Australia now accounts for 48% of total WIH.

The exposure to general building contracting in Victoria continues to reduce and at 30 June 2010 WIH in this sector accounted for 9% of overall WIH volume. Historically, the Victorian construction market has represented around 40% of the Group's WIH balances.

### Dividends Paid and Recommended

The Directors resolved to declare a final fully franked dividend of 2.5 cents for the financial year 2010. The dividend is payable on 22 October 2010. No dividend was paid in relation to the 2009 financial year.

### 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 July 1 2010, Mr Peter John McMorow was appointed to the board of Structural Systems Limited as a non-executive director. Mr McMorow served as Managing Director of Leighton Contractors Pty Ltd, a subsidiary of Leighton Holdings Limited, since May 5, 2004. Mr McMorow retired as an executive for Leighton Contractors, assuming a non-executive role as of the end of August 2010. He has more than 30 years experience in the construction industry.

### 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 (resigned 1<sup>st</sup> March 2010)**

(Non-Executive Director), age 68.

Director from 1985 to 1<sup>st</sup> March 2010, Chairman 1998 to 2009.

**Ian L Fraser**

(Non-executive Independent Director), age 65.

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
- Lighting Corporation Limited from June 2006 to January 2008

Interest in Shares - 250,000 - Held by The Fraser Superannuation Fund.

**Robert W Freedman**

(Chairman) age 65.

Director since 1985, Managing Director 1998 to 2008, Chairman since 2009.

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

**Peter J McMorro**

(Non-executive Director), Age 60.

Associateship in Highway Engineering, Western Australia Institute of Technology

Peter has been Managing Director of Leighton Contractors from 2004 until September 2010. Under his guidance, Leighton Contractors has expanded considerably, with its workforce increasing fourfold to more than 9000 in 2009.

Peter has more than 30 years experience in the construction industry particularly in the management of dynamic, profitable and long lasting business operations. His experience covers many disciplines of engineering including marine works, steel fabrication, civil, building, petrochemical, mechanical, electrical and telecommunications.

There are no listed companies of which Peter has served as a director of during the last three years

Interest in Shares - 738,154 - Held by The McMorro Superannuation Fund

**David R Perry**

(Managing Director), age 43.

Director since 2003, Managing Director since 2009.

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 - 287,243 - Held by David Perry Superannuation Fund

- 390,000 - Held personally

## Directors attendance at meetings

Year ended 30 June 2010

	Structural Systems Board		Audit Committee	
	Held	Attended	Held	Attended
B A Crome (resigned 01/03/10)	8	8	-	-
I L Fraser	9	9	4	4
R W Freedman	9	9	-	-
D R Perry	9	9	-	-



## Remuneration Report

The directors submit the Remuneration Report (the Report) for the year ended 30 June 2010.

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.

		Short-term benefits			Post employment benefits	
		Salary	Bonus <sup>2</sup>	Other Benefits <sup>1</sup>	Superannuation	Total
B A Crome	Director (Non Executive, res 01/03/10)	174	-	16,972	43,426	60,572
I L Fraser	Director (Non Executive)	50,000	-	-	15,400	65,400
R W Freedman	Chairman	144,867	-	113,545	83,333	341,745
D R Perry	Managing Director	300,000	80,000	13,849	27,500	421,349
<b>Total remuneration Directors of the Company</b>		<b>495,041</b>	<b>80,000</b>	<b>144,366</b>	<b>169,659</b>	<b>889,066</b>

		Short-term benefits			Post employment benefits	
		Salary	Bonus <sup>2</sup>	Other Benefits <sup>1</sup>	Superannuation	Total
S Crole	General Manager – Major Projects	205,000	-	21,996	18,450	245,446
R Coates	General Manager – ROCK Australia	207,500	54,000	33,035	18,675	313,210
W Ironmonger	General Manager – UAE	197,459	39,492	120,201	-	357,152
V Sammartino	General Manager – Construction	275,000	-	35,000	24,750	334,750
M Schweiger	General Manager – Post-Tensioning	216,000	-	5,088	19,648	240,736
<b>Total Remuneration Key Management Personnel</b>		<b>1,100,959</b>	<b>93,492</b>	<b>215,320</b>	<b>81,523</b>	<b>1,491,294</b>

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

2 Bonuses are paid based on a combination of key management personnel's achievements in regard to benchmarks of profit earned, departmental safety records and debtor management. The final amount payable is determined at the discretion of the Managing Director.

As at balance date, no member of key management personnel held contracts in relation to their remuneration or performance in relation to FY2010.

## Options

The Executive Share Option Plan, which has been approved by Shareholders, 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 2010	Exercise Price	Exercise Period	Expiry Date
Nov 06	1,000,000	2	800,000	200,000	-	\$0.80	Jun 07 - Jun 10	30 June 10

Directors	Instruments	Balance as at 1 July 2009	Granted during period	Exercised during period	Lapsed during period	Balance 30 June 2010	Vested but not exercised during the period
D Perry	Options	100,000	-	-	100,000	-	-
R W Freedman	Options	100,000	-	-	100,000	-	-

## 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 2010:

	\$
Taxation services	17,291
Other services	64,877
Audit of financial reports of controlled entities	25,700
<b>Total</b>	<b>107,868</b>

## 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 the financial year the Company has paid insurance premiums 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 2010 has been received and can be found on page 13 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 17 September 2010



R.W. FREEDMAN - DIRECTOR



D.R. PERRY - DIRECTOR



17 September 2010

The Board of Directors  
Structural Systems Limited  
112 Munro Street  
SOUTH MELBOURNE VIC 3205

Dear Board Members

**AUDITOR'S INDEPENDENCE DECLARATION  
IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF STRUCTURAL SYSTEMS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Structural Systems Limited.

As lead audit partner for the audit of the financial report of Structural Systems Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporation Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**Jeffrey C. Luckins**  
Director  
William Buck Audit (VIC) Pty Ltd  
ABN 59 116 151 136

Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland

Dated in Melbourne, Australia on this 17<sup>th</sup> day of September 2010

Level 1, 465 Auburn Road, Hawthorn East VIC 3123  
PO Box 185, Toorak VIC 3142  
Telephone: +61 3 9824 8555 • Facsimile: +61 3 9824 8580  
[williambuck.com](http://williambuck.com)

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.

**Praxity**  
ASSOCIATE  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS



### 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. With the retirement of Mr Crome in March 2010 the number of directors on the board was reduced to three. Of the three director's at balance date, two were executives of the Company. Mr Freedman's role as Chairman changed to a non-executive one on 1 July 2010. Mr Peter McMorow was appointed to the board on 1 July 2010. The current composition of the board is three non-executive directors and the Managing Director. Mr McMorow and Mr Fraser are independent non-executive directors of the Company. The Chairman does not qualify as being independent due to his previous service as an executive of the Company and as a consequence recommendation 2.2 is not complied with. The Chairman is independent of the role of the Managing Director.

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 of an efficient mechanism than the full Board for detailed selection and appointment practices. The Board is of the view that if the number of independent directors is increased and the overall number of directors on the board grows such a committee could add value. The Board does not have in place a formal board evaluation process and as such does not comply with recommendation 2.5. The Board intends to implement a Board evaluation programme in the next financial year.

### 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 or sell shares in the Company. After an announcement that opens a trading window the Company Secretary advises the appropriate individuals that a trading window has commenced and the date that the trading window will close. 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 has been released to the ASX and 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 its 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. The scope of the audit committee is currently being reviewed and it is planned to increase the number of members on the Audit Committee 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 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 the Managing Director 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 the Board 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 and the development of strategy for the Company. This executive committee meets monthly.

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.

### 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 Directors such a committee would not be a more effective mechanism than the full Board for determining the remuneration level of the non-executive Directors, Executive Directors and Executive General Managers. 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 sought as required in relation to the appropriateness of the remuneration package offered. The remuneration package for the Managing Director takes into account factors such as experience, qualification and performance of the Director and the financial and safety performance of the Group. The remuneration package also takes into account remuneration levels of comparable positions within other public companies.

The remuneration levels of the Executive General Managers are submitted by the Managing Director to the Board for approval. 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.

While ongoing share ownership by employees in the Company is encouraged no options were issued during the 2010 year.





		Structural Systems Group	
	Note	2010 \$'000	2009 \$'000
Revenue	2	253,585	238,621
Total Revenue	2	<b>253,585</b>	<b>238,621</b>
Changes in inventories and raw materials		(5,082)	2,412
Construction and servicing costs		(219,027)	(205,506)
Depreciation and amortisation expense		(7,717)	(7,148)
Finance costs		(1,083)	(1,564)
Raw materials and consumables used for sale of goods		(2,459)	(2,186)
Other expenses		(9,087)	(10,807)
<b>Profit Before Income Tax Expense</b>		<b>9,130</b>	<b>13,822</b>
Income tax benefit / (expense)		125	(331)
<b>Profit for the Year from Continuing Operations</b>		<b>9,255</b>	<b>13,491</b>
<b>Discontinued Operation</b>			
Loss for the year from discontinued operation	4	(5,985)	(4,584)
<b>Profit for the year</b>		<b>3,270</b>	<b>8,907</b>
Loss attributable to non-controlling interests		-	(20)
<b>Profit Attributable to Members Of The Parent Entity</b>		<b>3,270</b>	<b>8,887</b>
<b>Continuing &amp; Discontinuing Operations</b>			
Basic earnings per share (cents)		5.3c	18.1c
Diluted earnings per share (cents)		5.3c	18.1c
Dividends per share paid (cents)		-	6.5c
<b>Continuing Operations</b>			
Basic earnings per share (cents)		15.1c	22.0c
Diluted earnings per share (cents)		15.1c	22.0c
Weighted average number of shares outstanding during the period used in the calculation of earnings per share ('000)		61,441	49,142

The accompanying notes form part of this concise financial report.



Year Ended 30 June 2010	Note	Structural Systems Group	
		2010 \$'000	2009 \$'000
Profit for the year		3,270	8,907
<b>Other Comprehensive income</b>			
Exchange differences arising on translation of foreign operations		(77)	(81)
Gain / (loss) on revaluation of property		-	2,833
<b>Total comprehensive income for the period</b>		<b>3,193</b>	<b>11,659</b>
Total comprehensive income attributable to:			
Owners of the parent		3,193	11,679
Non-controlling interests		-	(20)
		<b>3,193</b>	<b>11,659</b>

The accompanying notes form part of these financial statements



	Structural Systems Group	
	2010 \$'000	2009 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	2,936	1,364
Trade and other receivables	65,477	69,647
Inventories	13,523	18,433
Other current assets	258	292
<b>Total Current Assets</b>	<b>82,194</b>	<b>89,735</b>
<b>Non Current Assets</b>		
Trade and other receivables	4	-
Investment accounted for using the equity method	184	-
Property, plant and equipment	28,577	30,633
Intangible assets	20,439	16,185
Deferred tax assets	6,009	2,927
<b>Total Non-Current Assets</b>	<b>55,213</b>	<b>49,745</b>
<b>Total Assets</b>	<b>137,407</b>	<b>139,480</b>
<b>Current Liabilities</b>		
Trade and other payables	48,640	47,616
Financial liabilities	4,795	21,253
Short term provisions	4,735	6,500
<b>Total Current Liabilities</b>	<b>58,170</b>	<b>75,369</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	7	51
Financial liabilities	3,814	4,087
Deferred tax liability	3,291	2,262
Long term provisions	1,219	1,045
<b>Total Non-Current Liabilities</b>	<b>8,331</b>	<b>7,445</b>
<b>Total Liabilities</b>	<b>66,501</b>	<b>82,814</b>
<b>Net Assets</b>	<b>70,906</b>	<b>56,667</b>
<b>Equity</b>		
Issued Capital	41,056	30,010
Reserves	3,557	3,634
Retained earnings (Accumulated losses)	26,293	23,023
<b>Total Equity</b>	<b>70,906</b>	<b>56,667</b>

The accompanying notes form part of this concise financial report.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for year ended 30 June 2010

STRUCTURAL SYSTEMS GROUP	Note	Share Capital Ordinary \$'000	Share Options Reserve \$'000	Retained Earnings (Accumulated Losses) \$'000	Asset Revaluation Surplus \$'000	Capital Profits Reserve \$'000	Foreign Currency Translation Reserve \$'000	Non- controlling Interests \$'000	Total \$'000
<b>Balance at 1 July 2008</b>		<b>29,219</b>	<b>1,062</b>	<b>17,329</b>	<b>918</b>	<b>265</b>	<b>(531)</b>	<b>(52)</b>	<b>48,210</b>
Profit attributable to members of parent entity		-	-	8,887	-	-	-	-	8,887
Profit attributable to non-controlling interests		-	-	-	-	-	-	20	20
<b>Other comprehensive income</b>									
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	-	155	-	155
Revaluation Increment		-	-	-	2,833	-	-	-	2,833
<b>Transactions with owners as owners</b>									
Shares options issued during the year		-	(271)	-	-	-	-	-	(271)
Acquisition of minority share		-	-	-	-	-	-	62	62
Disposal of controlled entity		-	-	-	-	-	(6)	(30)	(36)
Share options exercised / cancelled during the period		791	(791)	-	-	-	-	-	-
Sub-total		30,010	-	26,216	3,751	265	(382)	-	59,860
Dividends paid or provided for		-	-	(3,193)	-	-	-	-	(3,193)
<b>Balance at 30 June 2009</b>		<b>30,010</b>	<b>-</b>	<b>23,023</b>	<b>3,751</b>	<b>265</b>	<b>(382)</b>	<b>-</b>	<b>56,667</b>
Profit attributable to members of parent entity		-	-	3,270	-	-	-	-	3,270
Other comprehensive income									
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	-	(77)	-	(77)
Transactions with owners as owners									
Shares issued during the year		11,499	-	-	-	-	-	-	11,499
Costs of raising capital		(453)	-	-	-	-	-	-	(453)
Sub-total		41,056	-	26,293	3,751	265	(459)	-	70,906
Dividends paid or provided for		-	-	-	-	-	-	-	-
<b>Balance at 30 June 2010</b>		<b>41,056</b>	<b>-</b>	<b>26,293</b>	<b>3,751</b>	<b>265</b>	<b>(459)</b>	<b>-</b>	<b>70,906</b>

The accompanying notes form part of this concise financial report.



	2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	311,455	355,478
Cash payments in the course of operations	(297,911)	(348,491)
	13,544	6,987
Dividend received	-	1,240
Interest received	39	87
Finance costs	(1,067)	(1,546)
Income tax (paid) refunded	3,619	(6,883)
<b>Net cash provided by (used in) operating activities</b>	<b>16,135</b>	<b>(115)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of associated company	-	1,860
Proceeds from sale of discontinued operations	1,089	-
Payments for property, plant and equipment	(2,717)	(3,646)
Proceeds from sale of property, plant and equipment	115	497
Loan (to) / from associated company (net)	(48)	117
Payment of deferred consideration for:		
– Meridian Concrete (Australia) Pty Ltd	(2,255)	(1,334)
– Refobar Australia Pty Ltd	(170)	(219)
– BBR Structural Systems	(269)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(4,255)</b>	<b>(2,725)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	11,499	-
Costs of capital raising	(453)	-
Proceeds from borrowings	-	8,500
Lease and lease purchase payments (principal only)	(5,329)	(4,971)
Repayment of borrowings	(12,400)	(2,400)
Dividends paid	-	(3,194)
<b>Net cash provided by (used in) investing activities</b>	<b>(6,683)</b>	<b>(2,065)</b>
<b>Net increase (decrease) in cash and cash equivalent held</b>	<b>5,197</b>	<b>(4,905)</b>
Effect of exchange rates on cash holdings	(77)	149
Cash and cash equivalents at beginning of financial year	(2,184)	2,572
<b>Cash at end of financial year</b>	<b>2,936</b>	<b>(2,184)</b>

**Note 1. Basis of preparation of the Concise Financial Report**

The concise financial report is an extract from the full financial report for the year ended 30 June 2010. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Structural Systems Limited and Controlled Entities. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Structural Systems Limited and Controlled Entities as the full financial report. A copy of the full financial report will be sent to any shareholder, free of charge, upon request.

The financial report of Structural Systems Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

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

	Structural Systems Group	
	2010 \$'000	2009 \$'000
<b>Note 2. Revenue</b>		
<b>Operating activities</b>		
Sale of goods	5,379	7,062
Rendering of services	247,202	230,203
Interest received from other parties	39	87
Other revenue	909	1,269
	<b>253,529</b>	<b>238,621</b>
<b>Non-operating activities</b>		
Gain on disposal of property, plant & equipment	56	-
<b>Total Revenue</b>	<b>253,585</b>	<b>238,621</b>
<b>Note 3. Dividends</b>		
<b>Dividends paid:</b>		
Interim fully franked ordinary dividend franked at the tax rate of 30%	-	-
Final fully franked ordinary dividend franked at the tax rate of 30%	-	3,194
	-	3,194
<b>Proposed &amp; declared:</b>		
The Directors have resolved to declare a final fully franked ordinary dividend of 2.5 cents per share payable on 22 October 2010 franked at the tax rate of 30% - based on 63,884,474 ordinary shares at 26 August 2010 (2009: No dividend declared or paid)	1,597	-
<b>Note 4. Discontinued Operation</b>		
In October 2009, the Group disposed of its formwork division in its subsidiary Structural Systems (Construction) Pty Ltd.		
The profit (loss) for the period from the discontinued operation is as follows:-		
Loss of formwork division operations for the period	(5,985)	(4,584)
Gain (loss) on disposal of formwork operations	-	-
	<b>(5,985)</b>	<b>(4,584)</b>



The following were the results of the formwork division business for the period:-

	2010 \$'000	2009 \$'000
Revenue	26,920	80,589
Operating expenses	(35,470)	(87,138)
Loss before income tax	(8,550)	(6,549)
Income tax benefit	2,565	1,965
Loss after income tax	(5,985)	(4,584)
The details of the assets at the date of disposal were as follows:		
Plant & equipment	1,546	
Inventories	1,264	
Attributable goodwill	-	
	<b>2,810</b>	
Gain (loss) on disposal	-	
Total consideration	2,810	
Satisfied by:		
Cash inflow	1,089	
Amount due under contract of sale	1,721	
	<b>2,810</b>	
Net cash provided by (used in) operating activities in relation to discontinued operations	<b>(6,772)</b>	(11,172)

The comparatives with the Income Statement have been adjusted from the prior year for the discontinued operation.



## Note 5. Segment Reporting

### Primary Reporting – Business Segments

	Construction		Mining		Consolidated Group (Continuing Operations)		Discontinuing Operations	
	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000	30/06/10 \$'000	30/06/09 \$'000
<b>REVENUE</b>								
External sales	182,263	189,174	70,318	48,091	252,581	237,265	26,920	80,589
Other sales	874	1,269	47	-	921	1,269	-	-
Total sales revenue	183,137	190,443	70,365	48,091	253,502	238,534	26,920	80,589
Unallocated revenue					83	87	-	-
Total revenue					253,585	238,621	26,920	80,589
<b>RESULTS</b>								
Segment result	4,747	9,202	4,383	4,620	9,130	13,822	(8,550)	(6,549)
					9,130	13,822	(8,550)	(6,549)
Income tax benefit / (expense)					125	(331)	2,565	1,965
Profit after income tax					9,255	13,491	(5,985)	(4,584)
<b>ASSETS</b>								
Segment assets	95,378	103,377	42,029	36,103	137,407	139,480		
Total assets					137,407	139,480		
<b>LIABILITIES</b>								
Segment liabilities	46,513	61,954	19,988	20,859	66,501	82,813		
Total liabilities					66,501	82,813		
<b>OTHER</b>								
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	1,564	1,535	5,705	6,966	7,269	8,501	-	-
Depreciation and amortisation of segment assets	1,922	3,187	5,795	3,961	7,717	7,148	-	-
Other non-cash segment expenses	10	191	-	-	10	191		

## Note 6. Matters subsequent to the end of the financial year

On 1 July 2010 Peter McMorrow, who retired from the position of Managing Director of Leighton Contractors in September 2010, was appointed to the board as a non-executive director. Aside from this, there have been no significant subsequent events that have affected the Group.

## Note 7. Contingent Liabilities

	Consolidated Group	
	2010 \$'000	2009 \$'000
Contract cash retentions	5,563	4
Contract performance guarantees	16,682	19,326
Guarantee by the Company in respect of bank facilities of controlled entities	2,490	312
Gross guarantees by the Company and controlled entities in respect of bank facilities	53,053	40,264
	77,788	59,906





The Directors of Structural Systems Limited declare that the concise financial report of Structural Systems Limited and Controlled Entities for the financial year ended 30 June 2010, as set out on pages 17 to 24 and the discussion and analysis as included in the directors' report.

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 30 June 2010 and has been derived from and is consistent with the full financial report of Structural Systems Limited and controlled entities.

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

R.W. FREEDMAN - DIRECTOR

D.R. PERRY - DIRECTOR

Dated: 17 September 2010



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES**

ABN 57 006 413 574

***Report on the concise financial report***

The accompanying concise financial report of Structural Systems Limited and controlled entities (the "consolidated entity") comprises the statement of financial position as at 30 June 2010, the income statement, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and related notes, derived from the audited financial report of Structural Systems Limited and controlled entities for the year ended 30 June 2010, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard 1039: Concise Financial Reports (including Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Structural Systems Limited and controlled entities for the year ended 30 June 2010. Our auditor's report on the financial report for the year was signed on 17 September 2010 and was not subject to any modification. Australian 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 for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039.

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. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

**Auditor's Opinion**

In our opinion, the concise financial report including the discussion and analysis of Structural Systems Limited and controlled entities for the year ended 30 June 2010 complies with Accounting Standard AASB 1039: Concise Financial Reports.

**Jeffrey C. Luckins**  
Director  
William Buck Audit (VIC) Pty Ltd  
ABN 59 116 151 136

Dated in Melbourne, Australia on this 17<sup>th</sup> day of September 2010

**Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland**

**Praxity**  
ASSOCIATE  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS

Level 1, 465 Auburn Road, Hawthorn East VIC 3123  
PO Box 185, Toorak VIC 3142  
Telephone: +61 3 9824 8555 • Facsimile: +61 3 9824 8580  
[williambuck.com](http://williambuck.com)

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.



## Distribution of shareholders and shareholdings at close of business 31 August 2010

Size of holding	Number of Shareholders	Number of Shares
1 - 1,000	256	152,011
1,001 - 5,000	746	1,621,269
5,001 - 10,000	312	2,538,228
10,001 - 100,000	437	17,957,021
100,001 - (MAX)	61	41,615,945
<b>TOTAL</b>	<b>1,812</b>	<b>63,884,474</b>

The number of Shareholders holding less than a marketable parcel (\$500.00) at 31 August 2010 is 156 holding in total 56,175 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	7,344,394	11.50%
National Nominees Limited	5,108,368	8.00%
Sandhurst Trustees Ltd <JMFG Consol A/c>	4,250,230	6.65%
J P Morgan Nominees Australia Limited	2,351,085	3.68%
Argo Investments Limited	1,765,998	2.76%
Kingemel Pty Ltd	1,394,743	2.18%
Tintagel Nominees Pty Ltd	1,099,136	1.72%
Mr Philip Henry Hall	930,000	1.46%
Escor Investments Pty Ltd	900,000	1.41%
Sandhurst Trustees Ltd <JM MPS A/c>	894,953	1.40%
McMorrow Super Fund A/c	738,154	1.16%
Bruce Crome Nominees Pty Ltd	660,600	1.03%
Mrs Hilary Jean Hall	530,000	0.83%
Harg Pty Limited	503,773	0.79%
Meridian Concrete Pty Ltd	503,144	0.79%
Sandhurst Trustees Ltd <JM Asset Management A/c>	500,000	0.78%
JD Building Pty Ltd	488,788	0.77%
Onitrammas Nominees Pty Ltd	488,787	0.77%
Mr Kenneth John Beer <Beer Super Fund A/c>	457,911	0.72%
Mr David Perry	390,000	0.61%
<b>Top 20 holders of Ordinary Fully Paid Shares as at 31 August 2010</b>	<b>31,300,064</b>	<b>48.99%</b>

Substantial shareholders	Number of shares	Percentage of issued capital
Cogent Nominees Pty Limited	7,344,394	11.50%
National Nominees Limited	5,108,368	8.00%
Sandhurst Trustees Ltd <JMFG Consol A/c>	4,250,230	6.65%

## 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](mailto:ssl@structural.com.au)

Website: [www.structuralsystems.com.au](http://www.structuralsystems.com.au)

### Stock Exchange Listing

Structural Systems Limited shares are listed on the Australian 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 Limited

452 Johnston Street

Abbotsford Victoria 3067

Telephone: 1300 137 328

Facsimile: 1300 137 341

Website: [www.computershare.com](http://www.computershare.com)

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

### Incorporation

Structural Systems Limited is incorporated in the State of Victoria.

### Auditors

William Buck.

### Bankers

National Australia Bank.