Structural Systems Limited

ABN 57 006 413 574

ANNUAL REPORT

30 JUNE 2011

Structural Systems

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Annual General Meeting Details	
Date	24 November 2011
Time	3:00pm
Place	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009

10 YEAR FINANCIAL SUMMARY

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
External sales of goods and rendering of services ($'000)	237,139	253,585	319,210	282,573	141,239	104,405	106,948	78,453	102,336	117,229
Profit (loss) before tax from continuing operations ($'000)	11,865	9,130	9,237	20,708	12,316	7,165	3,444	(8,231)	580	(4,493)
Profit (loss) after tax ($'000) [(1)]	4,472	3,270	8,887	15,182	8,824	5,345	2,142	(8,589)	450	(4,716)
Shareholders funds at end of year ($'000)	71,833	70,906	56,667	48,261	33,179	24,750	14,886	9,303	17,776	15,426
Net tangible assets ($'000) [(1)]	51,394	50,467	40,482	32,021	27,936	21,258	12,881	7,298	14,644	12,071
Return on shareholder's funds [(1)]	6.2%	4.6%	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%	(30.6%)
Return on sales	1.9%	1.3%	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%	(4.0%)
Basic earnings per share (cents)	7.0	5.3	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9	(22.0)
Net tangible asset backing per share (cents)	80.4	79.0	82.4	65.3	60.3	54.6	50.3	28.5	57.4	56.3
Dividends declared for the year (cents)	4.0	2.5	-	11.5	10.0	7.5	1.5	-	-	-
Dividends times covered	1.75	2.1	N/A	2.8	2.1	2.0	5.6	N/A	N/A	N/A
Depreciation and amortisation ($'000)	9,158	7,717	7,148	5,699	4,102	2,946	2,418	2,408	2,595	2,432
Interest paid ($'000)	1,074	1,067	1,564	951	381	541	1,023	1,136	663	911
Interest received ($'000)	115	39	87	410	173	302	176	8	-	-
Share price at 30 June	$0.69	$0.48	$0.79	$2.55	$2.82	$1.04	$0.61	$0.48	$0.40	$0.60
Shares on issue at 30 June	63,884	63,884	49,142	49,142	46,438	38,950	25,631	25,624	25,499	21,428
Market capitalisation at 30 June ($'000)	44,080	30,664	38,822	125,312	130,955	40,508	15,635	12,300	10,200	12,857

[(1)] Adjusted for minority equity interests where applicable

Note: 2010 and 2011 adjusted for discontinued operations

ABOUT US

History

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd and listed on the Australian Stock Exchange as Structural Systems Limited in 1987. The first project the Company undertook was the supply and installation of ROCK anchors for the Snowy Mountains scheme. Now 50 years on from that first project, our organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor who has never been afraid of taking on a challenge. We have completed projects throughout the world, in Australia, Hong Kong, Thailand, the Philippines, Singapore, Ireland, the United Kingdom, South Africa, Zambia, Bahrain, Qatar, Oman and throughout the United Arab Emirates.

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 and has in excess of 800 employees worldwide.

Companies within the Structural Systems Group are Structural Systems Limited, Structural Systems (Northern) Pty Ltd, Structural Systems (Remedial) Pty Ltd, Structural Systems (Southern) Pty Ltd, Structural Systems (Construction) Pty Ltd, Total Fire Protection Pty Ltd, Structural Systems (Western) Pty Ltd, Structural Systems (Civil) Pty Ltd, Structural Systems (Bridge Maintenance) Pty Ltd, Refobar Australia Pty Ltd, Meridian Concrete Australia Pty Ltd, ROCK Australia Mining & Civil Pty Ltd , NASA Strucutral Systems LLC, Emirates & Australia Construction Systems LLC, BBR Structural Systems and Structural Systems (Africa).

The company operates in the construction and resource sectors. Construction sector activities include infrastructure works, building, concrete services and remedial services. Activities undertaken in the resource sector include drill and blast as well as geotechnical and technical services.

Structural Systems have been involved in the design and construction of many iconic projects over the years including Centrepoint Tower, Stadium Australia in Sydney, Eleanor Schonell Bridge in Brisbane, Colonial Stadium & Rod Laver Arena in Melbourne and the Emirates Tower in Dubai.

Resource Sector

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. The division provides services to gold, copper, nickel, iron ore, coal, mine infrastructure, road and rail projects. ROCK's current client list includes BHP Billiton, Rio Tinto, Newcrest Mining, Barrick Gold, Newmont, Mt Gibson Iron, SCT, BMA and QLD Rail. Committed to operational excellence through safety, quality and innovation, ROCK's services include:

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

Construction Sector

Infrastructure

The Infrastructure division provides design and construction services and construction systems to projects such as;

- New bridge construction and strengthening and rehabilitation of existing bridge structures. New bridge construction systems include incrementally launched, balanced cantilever, segmental and span by span bridges
- Design and installation of ground anchors to strengthen dam walls and other civil structures
- Heavy lifting / shifting of stadium roofs, control towers, water bowls and bridges
- Slipforming and post-tensioning of storage tanks, silos, lift cores and concrete gravity structures
- Design and installation of cable stays for bridges and stadiums

Building

The Building division's primary activity is the provision of post-tensioning and other related services to the construction industry. 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, faster construction times, reduced foundation loads and improved deflection control. 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.

The major markets that the division operates in are:

- Retail
- Commercial
- Industrial
- Educational and Healthcare.

Concrete Services

Meridian Concrete is the foremost provider of concrete and related services to the Melbourne construction industry. Meridian works closely with the Company's Building division to provide value engineered solutions that delivers economical and environmentally efficient outcomes. In its 14 years of operation Meridian has been involved with the completion of many of Melbourne's major projects such as Myer city store redevelopment, expansion of Chadstone and Doncaster shopping centres and is currently completing the structure works involved in the extension of the facilities at the Melbourne Park Tennis Centre.

Meridian offers the following range of services:

- Design and construction of structure packages
- Structural and architectural concrete supply and place
- Reinforcement supply and place
- Detailed and bulk excavation

Remedial Services

The remedial division is a recognized leader in the repair, rehabilitation, protection and maintenance of building, industrial and infrastructure assets for both private and public sector clients. The specialist services offered by the division include:

- Concrete repair and protection
- Building façade refurbishment
- Electrochemical protection of structures including cathodic protection
- Structural strengthening including application of fibre reinforced polymers (FRP)

The sectors in which the remedial division operates are:

- Commercial, industrial and high rise residential buildings
- Civil and marine structures
- Chemical processing
- Petrochemical
- Water treatment
- Power generation
- Mining

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.

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. During the financial year, ROCK also developed a partnership with Sedna and was appointed the exclusive distributor for Geo-Cam for Australasia. Geo-Cam allows for monitoring of operations where there is no cabling infrastructure, it is solar powered and communicates via industrial wireless LAN.

ROCK continues to work in partnership with a number of specialist product suppliers as a quality-assured installer of rockfall protection and slope stabilisation systems. ROCK is the exclusive distributor of the Menzi Muck all terrain walking excavators and has appointed an international agent for the further promotion of the ROCK MESHA™ system to overseas clients. ROCK is an accredited member of IRATA International (Industrial Rope Access Trade Association), and is approved by a third-party audit process to internationally approved and recognised standards to conduct technical rope access work.

Structural Systems are also the exclusive agent to supply and install Macalloy Stressbar Systems in Australia, UAE, Qatar, Bahrain, Oman and South Africa. Macalloy have been leaders in the design, manufacture and supply of threaded bar systems since 1947 and are ideal for the economic application of post-tensioning forces on relatively short tendons. Through the use of threaded connection and anchorages they are simple to use and lend themselves to many applications.

CHAIRMAN'S REPORT

The after tax profit reported for the 2011 year does not readily demonstrate some of the good results that were achieved by the majority of businesses within the Group. With the exception of Meridian Concrete and our operation in the Middle East all ongoing businesses within the Group produced improved results compared to the prior year. ROCK Australia and our Infrastructure Division both produced record levels of revenue and profitability. Before tax earnings from continuing operations were up 30% on 2010. While the Middle East made a small profit the result from Meridian was very disappointing and had a significant impact on the earnings of our continuing operations.

The 2011 year is a significant one for the Group as it marked the anniversary of 50 years of trading for Structural Systems and 25 years for its subsidiary ROCK Australia. Structural Systems history began in 1961 when a young Swiss engineer named Josef Koch and his wife stopped over in Melbourne for a few days on their honeymoon. At this stage the Snowy Mountains scheme was underway and their Engineers were looking at the newly developed Swiss system of prestressed rock anchors which had been developed on mountain projects in Switzerland. Josef made contact with the Swiss company BBRV which had developed and patented the famous BBRV Button Headed Wire Post-Tensioning System – and so – BBR Australia, now Structural System began.

In 1986 Rock WA began as a joint venture with Warwick Hutchins and later ANI Mining Services to provide ground support systems for underground stabilisation utilising post-tensioning technologies from the concrete industry. ROCK has continued to grow steadily over the years and now provides 35% of the Group's annual revenue. The future prospects for ROCK remain very positive with unprecedented levels of activity in the resource sector of Australia.

The declared final dividend of 2.5 cents per share brings the total dividends for the 2011 year to 4.0 cents per share which is a 60% increase on the prior year.

While there is continuing uncertainty in the global economy we believe that Group's performance will continue to improve into the 2012 year and we look forward to providing our shareholders with increased returns in the coming year.

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

Robert Freedman

Chairman

MANAGING DIRECTOR'S REPORT

The Group reported an after tax profit from continuing and discontinued operations of $4.47 million. This result is a 37% improvement on the $3.27 million reported for the prior year. Losses from the Group's concrete services company Meridian Concrete Australia significantly affected the result reported for continuing operations. Pre tax losses from Meridian totalled $6.43 million. EBITDA from continuing operations increased by 25% to $22.1 million. After tax losses from discontinued operations were $5.04 million compared to $5.99 million for the prior year.

A fully franked final dividend of 2.5 cents per share has been declared. This brings the total dividends declared or paid for the 2011 year to 4.0 cents per share. Total revenue from continuing operations decreased by 6% to $237.14 million.

An overview of the performance of various business segments is discussed below.

Mining

ROCK revenue increased by 8% to $82.60 million and represents 35% of the Group's revenue for the year. Production drilling and blasting remained the dominant activity and accounted for 55% of ROCK revenue. The major clients of ROCK with term contracts to provide drilling and blasting services include BHP Billiton, CST Minerals, Newcrest Mining, Barrick Gold, Fortescue Metals Group (FMG) and Consolidated Minerals. In the third quarter of the financial year new work was secured at Christmas Creek Mine for FMG. ROCK has continued to expand in the Eastern states of Australia and was recently awarded the contract for overburden drilling at the Saraji Coal mine for the BHP Billiton Mitsubishi Alliance (BMA).

ROCK continues to experience strong demand for package service works and this segment accounted for 25% of revenue. Package services include any combination of drilling, blasting, geotechnical works and environmental services. In the mining sector, some of the major projects undertaken which utilised the combined package service include the pit rehabilitation works at Mount Gibson's Koolan Island project, pit wall steepening works at BHP Billiton Mount Keith Operations and ground control systems at Newmont Boddington Gold Mine. The package services offering was also in demand in the civil sector and a key project completed during the year was the Kuranda rockfall protection works for Queensland Rail.

Geotechnical services provided to the mining sector accounted for 11% of revenue. Some of the geotechnical projects undertaken during the year include KCGM Super Pit ground support works, portal works for Western Areas at Spotted Quoll mine and underground work for Anglogold Ashanti at Sunrise Dam.

Revenue from the sale and hire of radar units increased during the year and accounted for 9% of revenue. ROCK has ongoing radar service support contracts throughout Australia and Asia.

In the field of innovation, the patented ROCK MESHA™ system (for mechanised underground mesh installation) gained further traction with successful projects and trials underway in Australia and overseas. ROCK has partnered with an international organisation for the global market for this product and currently has development projects in South Africa and Sweden.

Open pit mining continues to be the largest source of revenue for ROCK with 80% from works performed in open pit mines with the balance from mine infrastructure and civil projects. ROCK is involved in gold, copper, nickel, iron ore and coal projects with gold the major market sector providing 34% of revenue.

Construction

Revenue from construction activity decreased by 16% to $154.28 million. The principal reason for this reduction was lower volumes in both the Concrete Services division and from activities in the Middle East. In both of these instances the reduction in volumes was due to the Company determining that the risk profiles required adjustment and that reducing the level of activity being undertaken would assist in reducing the ongoing risk. Outside of these two divisions overall construction revenue for the rest of the divisions increased by 11% to $105.92 million.

- **Infrastructure**

  The Infrastructure division had another successful year with the completion of the Tinaroo Falls Dam Project in Queensland. This project was undertaken directly for the client SunWater and was part of a larger dam upgrade program. The $11 million project was completed ahead of the program schedule.

  On the basis of our reputation and track record in the dam upgrade market we were invited to be part of the Alliance for the Wellington Dam Strengthening Project in Western Australia. This project is almost complete and is well ahead of program and under budget. The project has already won a number of safety awards and has been a success for all stakeholders in the Alliance.

  Our Western Australian operation is close to completing a $20 million package of works on the $2 billion Fiona Stanley Hospital Project in Perth. The structural frame of the main hospital building is expected to be completed 9 months ahead of program and has been a successful project for the Group.

  Looking forward to next year it is expected that bridge works will form a significant part of the order book. Two major bridge projects in Adelaide have been won - the Seaford Rail Bridge (a 1.2km long incrementally launched bridge) and the Adelaide Urban Superway project.

- **Building**

  Post-tensioning works were the dominant activity in our building division with profitable results reported for all business units. Revenue was down 4% on last year primarily due to bad weather in the eastern states and the patchy building market.

  Revenue from our building products manufacturer Refobar fell by 3% in the year to $5.1 million, however profitability improved due to lower costs of production and better efficiency.

- **Concrete Services**

  Revenue from Concrete Services (Meridian Concrete) fell by 39% to $56.13 million. Due to poor tendering practices in the prior year this business incurred a significant loss of $6.43 million before tax for the year under review. The Company made a decision in late 2010 to reduce activity in this market sector until costs and performance were brought under control by a restructured management team. The second half loss of $1.4 million was higher than previous guidance due to the effect of inclement weather and the protracted finalisation of older projects. This business is budgeted to return to profitability in the 2012 year.

- **Middle East**

  During the year our activities in the Middle East were deliberately scaled back and this resulted in revenue declining by 47% to $7.78 million. The business remained profitable despite the lower revenue. Our approach in the Gulf Region will continue to be conservative. Construction of cryogenic storage tanks for clients in the petrochemical market was the dominant activity for the operation during the year.

- **Remedial**

  Revenue from remedial activities increased by 38% to $15.27 million. During the year the remedial division was involved in a number of the major infrastructure projects in Victoria and these works were the primary driver of the increased volumes. Our NSW operation secured its largest building repair project with works commencing in the last quarter of the financial year.

Discontinued operations

Pre tax losses from discontinued operations were $7.37 million. These losses were incurred in completing outstanding works and finalising contract values. At the balance date all works in relation to the discontinued formwork operation were finalised with the exception of the Eastern Treatment Plant project. Finalisation of this project has proven to be difficult for all parties involved and completion of the structure work is expected to continue well into the financial year. At the balance date, the determination of the financial settlement between the contracting parties was the subject of a mediation which subsequently did not result in the contracting parties reaching an agreement. As a result, there now remains uncertainty between the contracting parties as to the apportionment of certain costs and liabilities in respect of the project.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2011 was $207 million, up slightly on the prior year. ROCK had a record WIH balance of $113 million with seven term drill and blast contracts underway that extend past the 2012 financial year end.

Overall construction WIH was $94 million, down 10% on 2010. The main reason for the reduction was a decrease in activity in the Middle East and the completion of the Fiona Stanley project in Perth which was by historical standards a large project for our Western Australian division.

Quality Safety and Environment

With over 800 employees involved in a diverse range of projects throughout Australia and internationally it was identified that the existing management systems for the Group's QSE and HR activities needed to be updated to deliver a more consistent approach across the Group. In May 2011, Integrum was selected as the provider for this updated risk management system. The system is web based and will be the central location for Quality, Safety & Environmental (QSE) functions such as risk management, inductions, in-house training, audits, safe work method statements, incident reports and statistical reporting. In addition the system will support other functions such as employee development, performance appraisal, E-Learning and document libraries amongst other features. The company has ensured sufficient resources by implementing a dedicated project team, with specialist employees selected from within the group. This is a major undertaking and will be delivered in three stages during 2012 year.

The 2011 year saw positive results from the QSE strategies implemented. Some of the key achievements being:

- Structural Systems Middle East achieved a significant milestone of working fifty two consecutive weeks without incurring a job related lost time accident or injury. This significant milestone is attributed to the cooperation and determination of all Structural Systems Middle East employees. Operating in three countries the company and employees have demonstrated an allegiance to create and maintain a safe workplace. These great results were underpinned by the introduction of documented work procedures, providing the necessary safety equipment, and keeping the work force informed by implementing training and continuous improvement strategies.

- ROCK Australia has experienced an overall decline in injury rates for the six months to June 2011.During the year, ROCK employed a new Quality, Safety & Environment Manager, with nineteen years experience in the Western Australian Mining Industry and significant experience in training and business improvement. With the increase in the number of projects ROCK has ongoing in the eastern states of Australia the decision was made to supplement ROCK's QSE management team with the creation of QSE Coordinator (West) and QSE Coordinator (East) positions. These two roles will oversee QSE activities on all ROCK projects across the country.

- The first quarter of 2011 saw the launch of RockSafe; ROCK Australia's safety promotion program which will drive a positive improvement in safety culture and a zero harm philosophy.
- Structural Systems (Western) Pty Ltd gained accreditation under the Australian Government Building and Construction OHS Accreditation Scheme.
- Structural Systems (Southern) Pty Ltd and Meridian Concrete Australia Pty Ltd achieved accreditation to the Australian Safety Standard AS/NZS 4801:2001.

Outlook

The returning of Meridian to profitability is a key objective for the 2012 financial year. The result for 2011 was unacceptable and significantly affected the reported result from continuing operations. With substantial effort having gone into improving tendering, administration practices and key management personnel there are good grounds for being confident that this business can make a positive contribution to the Group in the 2012 year.

In June 2011 ROCK secured a two plus one year contract for drillings works at the Mitsubishi BHP Saraji coal mine in the Bowen Basin QLD. This project is an important one for ROCK as it is their first drilling project in the coal sector. To date ROCK's drilling activities have been confined to metalliferous projects so the expansion into the coal sector opens up further growth prospects for ROCK's drilling division in the future.

Our infrastructure division since balance date has secured a bridge construction contract for Downer at Warramboo in Northern Western Australia. Infrastructure works associated with mining projects will become a key focus for this division. We expect to see good demand for our services in this region of Western Australia as the level of infrastructure works required to support the resource sector continues to grow.

Quality people are recognized as the key to our success and the Group's directive is to attract, recruit, develop, retain and reward the right people for the organization. With tight labour markets existing in Australia the Group is very conscious of having the right human resource strategies in place to ensure we remain an employer of choice.

Finally I would like to thank all of the Group's employees for their contributions throughout the year.

David Perry

Managing Director

DIRECTORS' REPORT

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 2011 and the independent audit report thereon.

Review of operations

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

Results for the year	2011 $'000	2010 $'000
Revenue from continuing operations	237,139	253,585
Profit before income tax from continuing operations	11,865	9,130
Income tax benefit / (expense) attributable to profit from continuing operations	(2,355)	125
Loss attributable to non-controlling interests	-	-
Profit attributable to the members of Structural Systems Limited	**4,472**	**3,270**

Significant changes in state of affairs

There was no significant change in the state of affairs on the Group either during or subsequent to the 2011 financial year.

Directors

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

Ian L Fraser
Robert W Freedman
Peter J McMorrow (appointed 1st 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

The Group's profit before tax from continuing operations increased 30.0% in 2011 to $11.9 million on revenue of $237.12 million. The after tax profit from continuing operations was up 2.8% to $9.51 million dollars. The effective income tax rate increased as a result of a reduction in the benefits received under the Federal Government's Research & Development Tax Concession program. In line with the company's increased focus on ROCK Australia's (ROCK) drilling business, depreciation expense increased by $1.44 million to $9.16 million.

Statutory Net Profit after tax (NPAT) (including losses from discontinued operations of $5.04 million) for the year was up 36.7% to $4.47 million. The Group's earnings before interest, tax and amortisation (EBITA) from continuing operations was $22.1 million, a 25% improvement on the prior year. Interest times cover from all operations was 7.6 times for the year, a improvement of 88% when compared to 2010.

The Group's performance was once again adversely impacted by costs incurred in completing projects associated with the discontinued formwork operation and a poor result from our concrete services operation Meridian Concrete. As previously advised, works at the Eastern Treatment Plant are yet to be finalised. This is the only project left from the discontinued operations that remains to be completed.

Debt

At balance date, the Group's net debt was $8.20 million representing an increase of $2.53 million on the prior year. This debt is solely attributable to Hire Purchase funding of capital assets, primarily associated with ROCK. Net debt to equity at 30 June 2011 was 11.4%. Despite the increase in Hire Purchase debt the Group's finance costs fell by 0.83% as the cash position improved throughout the year.

Working capital

Receivables fell by $10.8 million to $54.6 million and payables reduced by $14.0 million to $34.6 million due largely to the cessation of activities of the formwork division. Cash flow from operations was $12.1 million for the year. The Group's improved liquidity is further reflected in the quick ratio of 1.24 up from 1.18 in 2010.

Earnings per share

Earnings per share from all operations increased 32.1% to 7.0 cents in 2011. Continuing operations did not achieve the same levels of earnings growth, down 0.2 of a cent per share despite the relevant earnings increasing and there being no change in shares on issue in the period.

Dividends

The Directors' resolved to declare a fully franked final dividend of 2.5 cents for the year. Record date for determining entitlement is 23 September 2011 and the dividend is payable on 18 November 2011.

Work in hand

The balance of work-in-hand (WIH) at the end of June 2011 was $207 million, up slightly on the prior year. ROCK had a record WIH balance of $113 million with seven term drill and blast contracts underway that extend past the 2012 financial year end.

Overall construction WIH was $94 million, down 10% on 2010. The main reason for the reduction was a decrease in activity in the Middle East and the completion of the Fiona Stanley project in Perth which was by historical standards a large project for our Western Australian division.

An overview of the performance of various business segments is discussed below.

Principal activities

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

Matters subsequent to the end of the financial year

There have been no significant events subsequent to the end of the financial year.

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 where an appropriate risk / return metric is achievable.

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

Ian L Fraser

(Non-executive Independent Director), age 66.

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 from December 2001 to August 2011
- PMP Limited since April 2003
- Wattyl Limited from June 2009 to September 2010
- Legend Corporation Limited since January 2008
- Nylex Limited from December 2006 to November 2008

Interest in Shares: 265,000 Held by The Fraser Superannuation Fund.

Robert W Freedman

(Chairman) age 66.

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 McMorrow (appointed 1st July 2010)

(Non-executive Director), Age 61.

Holds an Associateship in Highway Engineering, Western Australia Institute of Technology

Peter was Managing Director of Leighton Contractors from 2004 until September 2010. Under his guidance, Leighton Contractors expanded considerably, with its workforce increasing fourfold.

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: 1,019,887 Held by The McMorrow Superannuation Fund

David R Perry

(Managing Director), age 44.

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	Structural Systems Board		Audit Committee	
	Held	Attended	Held	Attended
I L Fraser	9	9	3	3
R W Freedman	9	9	-	-
P J McMorrow	9	7	-	-
D R Perry	9	9	-	-

1. Remuneration Report

The directors present the remuneration report for the year ending 30 June 2011. The information provided in this remuneration report has been audited as required by section 308(3)(C) of the Corporations Act 2001.

Key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and the Group. Key management personnel comprise the Directors of the Company and members of the Executive Committee of the Company and the Group.

2. Board policy on Remuneration

The Board has adopted a policy that remuneration will:

- Encourage executives to improve Structural Systems overall performance and to enhance shareholder value;
- Motivate executives by providing the opportunity to be rewarded for the achievement of financial performance and safety outcomes;
- Reward superior performance;
- Ensure remuneration is competitive by market standards.

The Company currently does not have a remuneration committee. 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 the non-executive Directors, the Managing Director and members of the Executive Committee.

3. Remuneration Strategy and Structure

Structural Systems drives a strong performance based approach to remuneration and reward for executives. The Company aims to provide a competitive reward proposition, targeted at attracting, motivating and retaining the most appropriately qualified and experienced individuals.

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

- The remuneration level of the Managing Director is evaluated and approved by the Chairman and the independent Directors on an annual basis. His remuneration package takes into account factors such as experience, qualification and performance of the Managing Director.
- The remuneration levels of the members of the Executive Committee reporting to the Managing Director, 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.
- Bonuses paid to members of the Executive Committee are determined based on each manager's achievements in regard to the Company and their department's profitability, safety records and receivables management.
- The remuneration level of the Chairman and non-executive directors is reviewed and approved by the Board on an annual basis within the fee pool approved by shareholders.

Both independent external advice and internal advice may be sought as required to assist the Board in determining appropriate remuneration arrangements for the Key Management Personnel. This includes the remuneration levels of comparable positions within other public companies.

The following summarises the mix of reward elements for the non- executive directors and senior executives:

Elements of remuneration		Directors		Executive General Managers
		Non-Executive	Managing Director	
Fixed remuneration	Cash salary	✗	✓	✓
	Cash fees	✓	✗	✗
	Superannuation	✓	✓	✓
	Other benefits [1]	✓	✓	✓
Short-term incentives	Cash	✗	✓	✓
Long term incentives	Equity	✗	✓	✓
Post employment	Termination payments	✗	✓	✓

[1] Other benefits include motor vehicles lease payments, running costs, allowances and Fringe Benefits Tax.

Note: No LTI allocations were made under the Executive Option Plan in financial year 2011.

4. Key Management Personnel (KMP)

In addition to the Non-Executive Directors, the following are the members of the Executive Committee who are included in the key management personnel during the financial year and to whom this report applies.

Name	Role
D R Perry	Managing Director
S Crole	Executive General Manager Infrastructure
R Coates	Executive General Manager Mining
M Schweiger	Executive General Manager Building
S Gray [1]	Chief Financial Officer & Company Secretary

[1] S Gray has been a KMP since 1 November 2010.

Note: V Sammartino and W Ironmonger ceased to be key management personnel as of 30 June 2010.

5. Executive Remuneration

5.1 Fixed Remuneration

Fixed remuneration comprises cash salary and superannuation contributions. Nominated benefits may also be salary packaged, such as novated car lease payments and superannuation contributions.

The remuneration of senior 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.

5.2 Short-term incentive plan

The Managing Director does not have a specific percentage of his remuneration at risk. His at risk component is directly linked to the financial performance of the Company. The bonus that may be payable to the Managing Director is calculated as the greater of:

I. 1% of the profit for the financial year; or

II. 5% of the difference between the profit for the financial year and the profit for the preceding financial year subject to achieving at least three years of successive profit growth.

The Board agrees the Managing Director's targets at the beginning of each financial year, such as Company financial performance, OH&S and other business priorities, and assesses his performance against those targets at the end of the financial year.

The Managing Director sets the performance targets for the CFO, assesses his performance against these targets and recommends any bonus payment to the Board for approval.

The other members of the Executive Committee, who are members of the key management personnel, participate in a short term incentive (STI) plan. The measures for the financial year 2011 plan were:

- Company NPAT
- Business Unit NPAT
- Receivables
- Safety

These measures have been deemed the most important in terms of shareholder value and good safety practices.

A threshold of the FY2011 Budget NPBT for the executives' Business Units must be achieved before any incentive pool is established. Where the threshold has been achieved the executives may receive an incentive payment at target of 20% of base pay. The maximum payment that may be received is 30% of base remuneration, which requires significant superior financial performance.

The Managing Director assesses the performance of senior executives at the end of each financial year and submits the results of his evaluation to the Board for approval.

Details of incentive payments received are provided in Section 9 of this report.

5.3 Long-term incentive plan (LTI)

During financial year 2011 no grants were made under the executive share option plan and allocations made in prior years lapsed before the commencement of financial year 2011. Therefore, no key management personnel currently hold any options under this plan.

6. Company performance – the link to reward

The Board's policy is to align executive reward to the performance of the Company. To achieve this, the "at risk" element is directly linked to achieve of business results.

6.1 Company Financial Performance

The following table provides details of the financial performance of the company over the past five financial years:

Measure	Financial Year				
	2011	2010	2009	2008	2007
Revenue ($'000)	237,139	253,585	319,210	282,573	141,239
Operating profit before tax ($'000)	11,865	9,130	9,237	20,708	12,316
Profit after tax ($'000)	4,472	3,270	8,887	15,182	8,824
Total dividend per share (cents)	4.0	2.5	-	11.5	10.0
Share price ($)	0.69	0.48	0.79	2.55	2.82

6.2 Short term incentive plan

The short-term incentive plan is based on achieving Net Profit After Tax, receivables and safety targets, however, no payment is made unless the budget level of NPAT is achieved for participant area of accountability. The budget NPAT is determined in the business plan for the financial year. Participants in this plan include members of the Executive Committee, other than the Managing Director and Chief Financial Officer, and Divisional Managers.

6.3 Long-term incentive plan

There are currently no active long term incentive allocations under the executive share option plan.

6.4 Remuneration mix for senior executives

The Managing Director does not have a specific percentage of his remuneration at risk. The methodology to calculate the annual incentive payment for the Managing Director is described in Section 5.2 of this report.

The following table summarizes the mix between fixed and performance based remuneration for the members of the Executive Committee for financial year 211 based on achievement of target performance.

Name		Fixed Remuneration	Short Term Incentive	Total
S Crole	**2011**	**85%**	**15%**	**100%**
	2010	85%	15%	100%
R Coates	**2011**	**85%**	**15%**	**100%**
	2010	85%	15%	100%
M Schweiger	**2011**	**85%**	**15%**	**100%**
	2010	85%	15%	100%
S Gray [1]	**2011**	**94%**	**6%**	**100%**
	2010	-	-	-

[1] S Gray commenced as a KMP from 1 November 2010.

7. KMP Service Contact Details

Members of the executive committee receive termination payments in accordance with statutory requirements. The notice periods for the current members of the Executive Committee are summarised in the below table. There are no individual service contracts for the non-executive directors.

Name	Notice period by SSL	Notice period by Executive
D Perry	6 months (1) (2)	6 months
S Crole	3 months	3 months
R Coates	3 months	3 months
M Schweiger	3 months	3 months
S Gray	1 month	1 month

(1) The Company may terminate the contract after 30 June 2012 by giving 6 months notice.

(2) The Company may terminate the contract by giving not less than 3 months notice due to certain conditions relating to ill health.

8. Non-executive Remuneration

The non-executive directors are remunerated with set fees which are not linked to the performance of the Company.

The fees payable to non-executive directors are determined by the Board within the aggregate amount approved by shareholders. The fee pool of $350,000 was approved by shareholders at the AGM in November 2007. The Company's non-executive directors receive fees as remuneration for acting as a director. The amount of each non-executive director's fees depends on the extent of the director's responsibilities.

The Board and committee fees are set out in the table below. Superannuation guarantee is paid to the directors in addition to these fees:

9 Details of remuneration

9.1 Directors' and Senior Executives' remuneration

Details of each element of remuneration for the Key Management Personnel (as defined in *AASB 124 Related party Disclosures*), which includes the Directors, senior executives who were members of the Executive Committee and the five highest paid executives of the group during the financial year, are included in the table below:

			Short term employee benefits [1] [2]			Post employment benefits	Termination benefits	Share based payments		
			Salary	Bonus	Other benefits [3]	Superannuation	Retirement benefits #	Options	Total	Bonus
Directors			**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
RW Freedman	Chairman (Appoint. 01/01/09)	**2011**	**120,022**	**-**	**29,603**	**10,800**	**-**	**-**	**160,425**	**-**
		2010	144,867	-	113,545	83,333	-	-	341,745	-
I L Fraser	Director (Non-executive)	**2011**	**60,000**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
		2010	50,000	-	-	15,400	-	-	65,400	-
P J McMorrow	Director (Non-executive)	**2011**	**60,000**	**-**	**-**	**5,400**	**-**	**-**	**65,400**	**-**
		2010	-	-	-	-	-	-	-	-
B A Crome	Director (Non-executive retired 01/03/10)	**2011**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	174	-	16,972	43,426	-	-	60,572	-
D R Perry	Managing Director	**2011**	**360,000**	**49,449**	**15,860**	**32,400**	**-**	**-**	**457,709**	**10.8**
		2010	300,000	10,885	13,849	27,500	-	-	352,204	3.08
Total Remuneration Directors		**2011**	**600,022**	**49,449**	**45,463**	**54,000**	**-**	**-**	**748,934**	
		2010	495,041	10,855	144,366	169,659	-	-	819,921	
Executives			**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
S Crole	Executive General Manager Infrastructure	**2011**	**275,000**	**55,000**	**21,996**	**24,750**	**-**	**-**	**376,746**	**14.6**
		2010	205,000	41,000	21,996	18,450	-	-	286,446	14.3
R Coates	Executive General Manager Mining	**2011**	**275,000**	**55,000**	**18,169**	**24,750**	**-**	**-**	**372,919**	**14.7**
		2010	210,000	42,000	33,035	18,900	-	-	303,935	13.8
M Schweiger	Executive General Manager Building	**2011**	**275,000**	**55,000**	**8,698**	**24,750**	**-**	**-**	**363,448**	**15.1**
		2010	220,000	25,000	5,088	19,800	-	-	269,888	9.3
S Gray	Chief Financial Officer and Company Secretary	**2011**	**166,396**	**12,000**	**14,415**	**14,976**	**-**	**-**	**207,787**	**5.8**
		2010	-	-	-	-	-	-	-	-
V Sammartino	General Manager Meridian Concrete	**2011**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	275,000	-	35,000	24,750	-	-	334,750	-
W Ironmonger	General Manager Middle East	**2011**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	197,459	39,492	120,201	-	-	-	357,152	11.0
Total Remuneration Executives		**2011**	**991,396**	**177,000**	**63,278**	**89,226**	**-**	**-**	**1,320,900**	
		2010	1,107,459	147,492	215,320	81,900	-	-	1,552,171	

(1) All values are the amounts earned for the relevant reporting period

(2) Additional bonuses of $257,521 relating to successful performance criteria being achieved by D R Perry during FY2008 and paid during FY2011

(3) Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance and Fringe Benefits Tax

9.2 Shares held by Key Management Personnel

The following table provides details of the shares held by Key Management Personnel:

2011	Balance 01/07/2010	Received as remuneration	Number or ordinary shares issued on options	Net Change [(1)]	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	250,000	-	-	-	250,000
P J McMorrow [(3)]	660,600	-	-	359,287	1,019,887
D R Perry	677,243	-	-	-	677,243
Executives					
S Crole	253,635	-	-	-	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
S Gray [(2)]	-	-	-	-	-
Total	**3,337,614**	**-**	**-**	**359,287**	**3,696,901**

[(1)] Net change represents on-market purchases and disposal of shares
[(2)] Commenced 01/11/2010
[(3)] P J McMorrow opening balance reflects his balance on appointment

2010	Balance 01/07/2010	Received as remuneration	Number or ordinary shares issued on options	Net Change [(1)]	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	190,000	-	-	60,000	250,000
D R Perry	662,500	-	-	14,743	677,243
Executives					
S Crole	283,635	-	-	(30,000)	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
Total	**2,632,271**	**-**	**-**	**44,743**	**2,677,014**

[(1)] Net change represents on-market purchases and disposal of shares

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 2011:

	$
Taxation services	73,848

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 2011 has been received and can be found on page 25 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 29 September 2011

R W Freedman

D R Perry

AUDITOR'S INDEPENDENCE DECLARATION

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 2011 there have been:

– no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

– no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck.

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 29th day of September 2011, Melbourne

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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CORPORATE GOVERNANCE STATEMENT

Principle 1: Lay solid foundations for management and oversight

The Board of Directors of Structural Systems Limited (the Company of the Group) is responsible to its shareholders for the overall governance and performance of the 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 developed by the Managing Director with his senior executive team and approved by the Board to achieve agreed goals.

Annually, comprehensive budgets and businesses plans are developed for each business unit by the senior executive responsible and the Managing Director. These budgets and plans are then approved by the Board. The performance of the senior executives is monitored against these budgets and business plans throughout the year. Each senior executive has a contract of employment detailing the key terms and conditions relevant to their employment.

Principle 2: Structure the board to add value

At balance date the Board comprised of one executive director and three non executive directors. Mr McMorrow 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. Independent Directors do not make up the majority of the Board and as a result the current composition of the Board does not comply with recommendation 2.1

As noted above Mr Freedman does not qualify as an independent director due to his previous service as an executive of the Company. As a consequence recommendation 2.2 is not complied with.

The role of the chairman is independent to the role of the Managing Director and these positions are exercised by different people.

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.

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 all employees in the conduct of the Group's affairs. This statement is distributed throughout the Group to ensure all employees 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 reporting and investigating unethical practices.

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 Secretary , who 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.

The audit committee does have a formal charter and as such complies with recommendation 4.3

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 Securities 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 Managing Director and Chief Financial Officer 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 Director's such a committee would not be a more effective mechanism than the full Board for determining the remuneration level of the non-executive Directors, Managing Director 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 sort as required in relation to the appropriateness of the remuneration package offered. The remuneration packages 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 packages 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.
- Bonuses paid to Key Management Personnel are determined based on each manager's achievements in regard to their department's profitability, safety records and receivables management. These three factors have been deemed the most important in terms of shareholder value and good corporate governance practices.
- 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 Director's fee 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 2011 year.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	Note	STRUCTURAL SYSTEMS GROUP 2011 $'000	2010 $'000
Revenue	2	237,139	253,585
Total revenue		**237,139**	**253,585**
Construction and servicing costs		(204,149)	(226,568)
Depreciation and amortization expense	3(a)	(9,158)	(7,717)
Finance costs	3(a)	(1,074)	(1,083)
Other expenses		(10,893)	(9,087)
Profit before income tax expense		**11,865**	**9,130**
Income tax benefit / (expense)	4	(2,355)	125
Profit for the year from continuing operations		**9,510**	**9,255**
Discontinued operation			
Loss for the year from discontinued operation	22(e)	(5,038)	(5,985)
Profit for the year		**4,472**	**3,270**
Loss attributable to non-controlling interests		-	-
Profit attributable to members of the parent entity		**4,472**	**3,270**
Continuing and discontinuing operations			
Basic earnings per share (cents)		7.0c	5.3c
Diluted earnings per share (cents)		7.0c	5.3c
Dividends paid per share (cents)		4.0c	-
Continuing operations			
Basic earnings per share (cents)		14.9c	15.1c
Diluted earnings per share (cents)		14.9c	15.1c
Weighted average number of shares outstanding during the period used in calculation of earnings per share ('000)		63,844	61,441

The accompanying notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 June 2011

	Note	STRUCTURAL SYSTEMS GROUP	
		2011 $'000	2010 $'000
Profit for the year		4,472	3,270
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(1,111)	(77)
Gain / (loss) on revaluation of property		-	-
Total comprehensive income for the period		**3,361**	**3,193**
Total comprehensive income attributable to:			
Owners of the parent		3,361	3,193
Non-controlling interests		-	-
		3,361	**3,193**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2011

		STRUCTURAL SYSTEMS GROUP	
	Note	2011 $'000	2010 $'000
Current Assets			
Cash and cash equivalents	22(a)	4,928	2,936
Trade and other receivables	9	54,682	65,477
Inventories	10	10,750	13,523
Other current assets		130	258
Total current assets		**70,490**	**82,194**
Non current assets			
Property, plant and equipment	12	32,814	28,577
Intangible assets	13	20,439	20,439
Deferred tax assets	16(b)	5,295	6,009
Other		13	188
Total non-current assets		**58,561**	**55,213**
Total assets		**129,051**	**137,407**
Current liabilities			
Trade and other payables	14	34,598	48,640
Financial liabilities	15	8,311	4,795
Short term provisions	17	5,258	4,735
Total current liabilities		**48,167**	**58,170**
Non-current liabilities			
Trade and other payables	14	-	7
Financial liabilities	15	4,820	3,814
Deferred tax liability	16(a)	3,007	3,291
Long term provisions	17	1,224	1,219
Total non-current liabilities		**9,051**	**8,331**
Total liabilities		**57,218**	**66,501**
Net assets		**71,833**	**70,906**
Equity			
Issued capital	18	41,056	41,056
Reserves	19	2,446	3,557
Retained earnings		28,331	26,293
Total equity		**71,833**	**70,906**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

STRUCTURAL SYSTEMS GROUP	Note	Share Capital Ordinary $'000	Retained Earnings $'000	Asset Revaluation Surplus $'000	Capital Profits Reserve $'000	Foreign Currency Translation Reserve $'000	Total $'000
Balance at 1 July 2009		**30,010**	**23,023**	**3,751**	**265**	**(382)**	**56,667**
Profit attributable to members of parent entity		-	3,270	-	-	-	3,270
Other comprehensive income:							
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(77)	(77)
Total comprehensive income		**-**	**3,270**	**-**	**-**	**(77)**	**(3,193)**
Transactions with owners as owners							
Shares issued during the year		11,499	-	-	-	-	11,499
Costs of raising capital		(453)	-	-	-	-	(453)
Balance at 30 June 2010		**41,056**	**26,293**	**3,751**	**265**	**(459)**	**70,906**
Profit attributable to members of parent entity		-	4,472	-	-	-	4,472
Other comprehensive income:							
Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(1,111)	(1,111)
Total comprehensive income		**-**	**4,472**	**-**	**-**	**(1,111)**	**3,361**
Transactions with owners as owners							
Dividends paid or provided for		-	(2,434)	-	-	-	(2,434)
Balance at 30 June 2011		**41,056**	**28,331**	**3,751**	**265**	**(1,570)**	**71,833**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

		STRUCTURAL SYSTEMS GROUP	
	Note	**2011 $'000**	**2010 $'000**
Cash flows from operating activities			
Cash receipts in the course of operations		268,002	311,455
Cash payments in the course of operations		(255,860)	(297,959)
Dividend received		-	-
Interest received		115	39
Finance costs		(1,074)	(1,067)
Income tax refunded		958	3,619
Net cash provided by (used in) operating activities	22(b)	**12,141**	**16,087**
Cash flows from investing activities			
Proceeds from sale of discontinued operations		1,555	1,089
Payments for property, plant and equipment		(3,068)	(2,717)
Proceeds from sale of property, plant and equipment		240	115
Payment of deferred consideration for:			
– Meridian Concrete (Australia) Pty Ltd		-	(2,255)
– Refobar Australia Pty Ltd		-	(170)
– BBR Structural Systems		-	(269)
Net cash provided by (used in) investing activities		**(1,273)**	**(4,207)**
Cash flows from financing activities			
Proceeds from issue of shares		-	11,046
Repayment of borrowings		(5,888)	(17,729)
Dividends paid by parent entity		(2,434)	-
Net cash provided by (used in) financing activities		**(8,322)**	**(6,683)**
Net increase (decrease) in cash and cash equivalents held		**2,546**	**5,197**
Effect of exchange rates on cash and cash equivalent holdings		(554)	(77)
Cash and cash equivalents at beginning of financial year		2,936	(2,184)
Cash and cash equivalents at end of financial year	22(a)	**4,928**	**2,936**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1. Statement of significant accounting policies

The financial statements include the consolidated financial statements and notes of Structural Systems Limited and controlled entities ('Consolidated Group', or 'Group').

Basis of preparation

The financial statements are general purpose financial statements that have 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 financial statements 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 the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis, and are 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 end of the reporting period, 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 consistency with those policies applied by the parent entity.

Non-controlling 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 Statement of financial position and in the Statement of comprehensive income.

Note 1. Statement of significant accounting policies (continued)

(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 the end of the reporting period. 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 substantially enacted as at the end of the reporting period. 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.

Note 1. Statement of significant accounting policies (continued)

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.

For disclosure purposes, construction contracts and work in progress are included in inventories.

Note 1. Statement of significant accounting policies (continued)

(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 surplus 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 statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus 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 accumulated 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 statement of comprehensive income during the financial period in which they are incurred.

Note 1. Statement of significant accounting policies (continued)

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%
Financed assets	
- Plant and Equipment	15.0%
- Mining Equipment	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 statement of comprehensive income. 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 lessor, are charged as expenses in the periods in which they are incurred.

Note 1. Statement of significant accounting policies (continued)

(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

Financial instruments are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is calculated as:

The amount at which the financial asset or 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.

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. 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.

Note 1. Statement of significant accounting policies (continued)

(h) Impairment of Assets

At the end of each reporting period, 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, or more frequently if facts or circumstances indicate a possible impairment.

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.

(j) Interests in Joint Ventures

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

(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 or more frequently if the facts or circumstances indicate a potential 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 Balance

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.

Note 1. Statement of significant accounting policies (continued)

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 statement of comprehensive income, 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 statement of comprehensive income.

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 the end of the reporting period.
- 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 statement of financial position. 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 up to the end of the reporting period. 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 cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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 recognised 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 the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Note 1. Statement of significant accounting policies (continued)

(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 statement of financial position.

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the 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 recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the 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 recognised 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.

Note 1. Statement of significant accounting policies (continued)

(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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows 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 statements 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 with the consolidated group. The following key estimates and judgments were relevant to the Group for the financial year:

- **Assessment of future loss provisions in construction contracts**

As at 30 June 2011 the Directors reviewed all outstanding construction contracts and determined that a future loss provision of $2,577,444 (2010: $1,593,000) was necessary to provide for loss-making contracts. For further details refer to Note 10.

- **Assessment of impairment of non-current assets**

As at 30 June 2011 the Directors reviewed the carrying amount of non-current assets apportioned to the Construction and Mining cash generating units and determined that no impairment charge was applicable to the carrying value of assets in either cash generating unit (2010: nil). For further details of the impairment assessment refer to Note 15.

- **Assessment of the impairment of receivables**

As at 30 June 2011 the Directors reviewed the carrying amount of trade receivables and estimated that $417,000 of the carrying amount was not collectible (2010: $428,000). For further detail refer to Note 9.

Note 1. Statement of significant accounting policies (continued)

(v) Preparation of financial statements in relation to the consolidated entity

On 28 June 2010, the Corporations Act 2001 was amended to no longer require the preparation of parent entity accounts for the purpose of streamlining parent entity reporting. Where the entity is required to prepare financial statements in relation to the consolidated entity, the Corporations Regulations 2001 (the Principal Regulations) specify supplementary information about the parent entity that is to be included in a note to the consolidated financial statements. This information is disclosed in Note 13.

(w) Standards adopted for the first time

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for this and future reporting periods. With the exception of those standards that are not available for early adoption until future financial reporting periods, the Group has early adopted all of these standards, which have not had a material impact on these financial statements.

Note 2. Revenue

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Operating activities		
Rendering of services	229,539	247,202
Sale of goods	6,840	5,379
Interest received from other parties	115	39
Other revenue	488	909
	236,982	**253,529**
Non-operating activities		
Gain on disposal of property, plant and equipment	157	56
Total revenue	**237,139**	**253,585**

Note 3. Profit for the year

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
(a) Profit before income tax is arrived at after charging (crediting) the following items:		
Amortization and depreciation of:		
– Buildings	83	64
– Plant and equipment	9,071	7,648
– Leasehold improvements	4	5
	9,158	**7,717**
Bad and doubtful debts expense including movements in provision for doubtful debts	**466**	**10**
Interest paid and due and payable:		
– Other persons	221	421
– Finance charges on assets under hire purchase	853	662
	1,074	**1,083**
Rental – operating leases	1,424	1,115
Employee benefits expense	6,482	8,927

Note 4. Income tax expense

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
The components of income tax expense are as follows:		
Current tax expense	3,281	(163)
Deferred tax (benefit) / expense	(813)	675
Under (over) provision in respect to prior years	(113)	(637)
	2,355	**(125)**
The prima facie tax on profit before income tax from continuing operations is reconciled to the income tax expense / (benefit) provided in the accounts as follows: Prima facie tax payable on operating profit at 30% (2010 - 30%)		
– Consolidated group	3,559	2,739
Add (deduct) tax effect of:		
– Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	29	29
– Non assessable profit on overseas entities	(12)	(621)
Amount under (over) provided prior year	(113)	(637)
R&D rebates	(1,108)	(1,635)
Income tax expense (benefit) attributable to entity	**2,355**	**(125)**
Deferred tax assets not brought to account, the benefits of which will only be realized if the conditions for deductibility set out in note 1(b) occur:		
Capital losses	442	442

Note 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:

			Short term benefits [1] [2]			Post employment benefits		
			Salary	Bonus	Other Benefits [3]	Superannuation	Options	Total
Directors			$	$	$	$	$	$
D R Perry	Managing Director	**2011**	**360,000**	**49,449**	**15,860**	**32,400**	**-**	**457,709**
		2010	300,000	10,855	13,849	27,500	-	352,204
I L Fraser	Director (Non-executive)	**2011**	**60,000**	**-**	**-**	**5,400**	**-**	**65,400**
		2010	50,000	-	-	15,400	-	65,400
RW Freedman	Chairman	**2011**	**120,022**	**-**	**29,603**	**10,800**	**-**	**160,425**
		2010	144,867	-	113,545	83,333	-	341,745
P J McMorrow	Director (Non-executive comm. 01/07/11)	**2011**	**60,000**	**-**	**-**	**5,400**	**-**	**65,400**
		2010	-	-	-	-	-	-
B A Crome	Director (Non-executive ret 01/03/10)	**2011**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	174	-	16,972	43,426	-	60,572
Total Remuneration Directors		**2011**	**600,022**	**49,449**	**45,463**	**54,000**	**-**	**748,934**
		2010	495,041	10,855	144,366	169,659	-	819,921
Executives			$	$	$	$	$	$
R Coates	Executive General Manager Mining	**2011**	**275,000**	**55,000**	**18,169**	**24,750**	**-**	**372,919**
		2010	210,000	42,000	33,035	18,900	-	303,935
V Sammartino	General Manager Meridian Concrete	**2011**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	275,000	-	35,000	24,750	-	334,750
W Ironmonger	General Manager Middle East	**2011**	**-**	**-**	**-**	**-**	**-**	**-**
		2010	197,459	39,492	120,201	-	-	357,152
M Schweiger	Executive General Manager Building	**2011**	**275,000**	**55,000**	**8,698**	**24,750**	**-**	**363,448**
		2010	220,000	25,000	5,088	19,800	-	269,888
S Crole	Executive General Manager Infrastructure	**2011**	**275,000**	**55,000**	**21,996**	**24,750**	**-**	**376,746**
		2010	205,000	41,000	21,996	18,450	-	286,446
S Gray	Chief Financial Officer and Company Secretary	**2011**	**166,396**	**12,000**	**14,415**	**14,976**	**-**	**207,787**
		2010	-	-	-	-	-	-
Total Remuneration Executives		**2011**	**991,396**	**177,000**	**63,278**	**89,226**	**-**	**1,320,900**
		2010	1,107,459	147,492	215,320	81,900	-	1,552,171

[1] All values are the amounts earned for the relevant reporting period
[2] Additional bonuses of $257,521 relating to successful performance criteria being achieved by D R Perry during FY2008 and paid during FY2011
[3] Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance and Fringe Benefits Tax

Note 5. Key Management Personnel Compensation (continued)

(b) Shareholdings

Number of shares held by key management personnel

2011	Balance 01/07/2010	Received as remuneration	Number of ordinary shares issued on options exercised	Net change other [1]	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	250,000	-	-	-	250,000
P J McMorrow [3]	660,600	-	-	359,287	1,019,887
D R Perry	677,243	-	-	-	677,243
Executives					
S Crole	253,635	-	-	-	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
S Gray [2]	-	-	-	-	-
Total	**3,337,614**			**359,287**	**3,696,901**

[1] Net change other refers to shares purchased or sold during the financial year, or in the case of Director resignations, the shareholding is at the date of resignation.
[2] Commenced 01/11/2010
[3] P J McMorrow opening balance reflects his balance on appointment

2010	Balance 01/07/2009	Received as remuneration	Number or ordinary shares issued on options	Net change other [1]	Balance 30/06/2010
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	190,000	-	-	60,000	250,000
D R Perry	662,500	-	-	14,743	677,243
Executives					
S Crole	283,635	-	-	(30,000)	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
Total	**2,632,271**			**44,743**	**2,677,014**

[1] Net change other refers to shares purchased or sold during the financial year, or in the case of Director resignations, the shareholding is at the date of resignation.

Note 5. Key Management Personnel Compensation (continued)

(c) 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 remuneration levels of the executive directors are evaluated and approved by the Chairman and the independent directors. They 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.

Note 6. Auditor's Remuneration

	STRUCTURAL SYSTEMS GROUP	
	2011 $	2010 $
Remuneration of the auditor of the parent entity – William Buck		
Auditing and reviewing the financial report	214,800	185,677
Taxation services	73,848	17,291
Auditing the financial reports of controlled entities	34,250	25,700
Other services	-	-
Remuneration of other auditors of subsidiaries for:		
Auditing or reviewing the financial report of subsidiaries	8,750	10,660

Note 7. Dividends

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Distribution paid		
The amounts paid, provided or recommended by way of dividend by the parent entity are:		
– Final fully franked ordinary dividend for the year ended 30 June 2010 of 2.5 cents (2009:nil) per share paid on 22 October 2010 franked at the tax rate of 30%	1,597	-
– Interim fully franked ordinary dividend for the year ended 30 June 2011 of 1.5 cents (2010: nil) per share paid on 13 May 2011 franked at a tax rate of 30%	958	-
Dividends declared after 30 June 2011		
(a) The directors have resolved to declare a final fully franked ordinary dividend of 2.5 cents (2010: 2.5 cents) per share payable on 18 November 2011, franked at the tax rate of 30% (2010:30%) based on 63,884,474 ordinary shares at 30th August 2011	1,597	1,597
	1,597	**1,597**
Franking account balance		
(b) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax; dividends recognized as receivables and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	6,469	8,404
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(684)	(684)
	5,785	**7,720**

Note 8. Earnings per share

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
(a) Reconciliations of earnings to profit		
Profit for the year from continuing operations	9,510	9,255
Loss for the year from discontinued operations	(5,038)	(5,985)
Profit for the year	4,472	3,270
Loss attributable to non controlling interest	-	-
Earnings used in the calculation of earnings per share	4,472	3,270
Interest on convertible notes	-	-
Earnings used in the calculation of dilutive earnings per share	4,472	3,270
	Number	**Number**
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	63,884,474	61,440,809
Weighted average number of options / convertible notes outstanding	-	-
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	63,884,474	61,440,809

Note 9. Trade and other receivables (current)

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Trade receivables	53,898	61,708
Provision for impairment of receivables	(417)	(428)
	53,481	**61,280**
Formwork sale receivable	165	1,721
Other debtors and deposits	1,036	2,476
	54,682	**65,477**
Ageing of past due but not impaired receivables:		
60-90 days	2,958	1,145
90+ days	8,577	6,748
	11,535	**7,893**
Movement in the provision for the impairment of receivables is as follows:		
Opening balance	(428)	(417)
Charge for the year	11	(11)
Closing balance	**(417)**	**(428)**

Impaired receivables are all greater than 120 days

Note 10. Inventories

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Raw materials and stores at cost	4,277	4,440
Finished goods	119	124
Work in progress – materials on site	950	2,327
Construction work in progress	5,404	6,632
	10,750	**13,523**
Construction work in progress comprises:		
Contract costs incurred	145,037	164,317
Profit recognised	29,471	34,649
	174,508	**198,966**
Less: Provision for losses	(2,577)	(1,593)
	171,931	**197,373**
Less: Progress billings and advances received and receivable on construction contracts in progress	(173,965)	(204,930)
Net construction work in progress	**(2,034)**	**(7,557)**
Net construction work in progress comprises:		
Amounts due from customers – inventories	5,404	6,632
Contract billings in advance – payables (note 14)	(7,438)	(14,189)
	(2,034)	**(7,557)**
Retentions on construction contracts in progress	**4,614**	**5,563**

Note 11. Supplementary information about the parent entity

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Assets		
Current assets	43,781	45,501
Total assets	**140,158**	**132,629**
Liabilities		
Current liabilities	28,511	31,888
Total liabilities	**105,124**	**95,468**
Equity		
Issued capital	40,265	40,265
Total equity	**35,034**	**37,161**
Profit and loss and total comprehensive income	**307**	**2,768**

There were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements (refer Note 21).

Note 12. Property, plant and equipment

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Freehold land		
At independent valuation 2008 (a) (b)		
	6,874	**6,874**
Buildings		
At independent valuation 2008 (a) (b)	1,685	1,685
At cost – subsequent additions	518	89
Accumulated amortization	(242)	(158)
	1,961	**1,616**
Leasehold improvements		
At costs	80	80
Accumulated amortization	(80)	(76)
	-	**4**
Plant, equipment and motor vehicles		
At cost	65,756	53,376
Accumulated depreciation	(41,777)	(33,293)
	23,979	**20,083**
Total	**32,814**	**28,577**

(a) The independent valuation of the consolidated entity's freehold land and building was carried out as at 30 September 2008. This assessment was based on "open market values for existing use" and resulted in a valuation of land and buildings of $6,873,892. The valuation of freehold land and buildings represents the current market value in the Directors' opinion.

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

Note 12. Property, plant and equipment (continued)

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Movements in carrying amounts		
Movements in the carrying amounts for each class of property, plant and equipment are set out below:		
Freehold land		
Carrying amount at beginning of year	6,874	6,874
Increase through independent valuation – September 2008	-	-
Additions	-	-
Disposals	-	-
Carrying amount at end of year	**6,874**	**6,874**
Buildings		
Carrying amount at beginning of year	1,616	1,698
Additions	429	-
Disposals	-	-
Depreciation	(83)	(82)
Carrying amount at end of year	**1,962**	**1,616**
Leasehold improvements		
Carrying amount at beginning of year	4	10
Additions	-	-
Disposals	-	-
Amortisation	(4)	(6)
Carrying amount at end of year	**-**	**4**
Plant and equipment and motor vehicles		
Carrying amount at beginning of year	20,083	22,051
Additions	13,114	7,269
Disposals	(83)	(1,605)
Movements due to foreign exchange rate differences	(65)	(3)
Depreciation	(9,071)	(7,629)
Carrying amount at end of year	**23,978**	**20,083**
Total		
Carrying amount at beginning of year	28,577	30,663
Additions	13,543	7,269
Disposals	(83)	(1,605)
Depreciation and amortisation	(9,158)	(7,717)
Movements due to foreign exchange rate differences	(65)	(3)
Carrying amount at end of year	**32,814**	**28,577**

Note 13. Intangibles

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Goodwill – at cost	20,447	20,447
Accumulated impairment losses	(8)	(8)
	20,439	**20,439**
Movements during the year:		
Balance at beginning of year	20,439	16,185
Additions	-	4,254
Disposals	-	-
	20,439	**20,439**
Impairment disclosures		
Goodwill is allocated to cash-generating units which are based on the group's reporting segments		
Construction segment	19,261	19,261
Mining segment	1,178	1,178
Total	**20,439**	**20,439**

Cash generating unit	**Growth rate**	**Discount rate**
Construction segment	2.5%	17.25%
Mining segment	5.0%	17.25%

Management has based the value-in-use calculations on budgets for each cash generating unit that incorporate cash flow projections over a 5 year period with the above growth and discount rates. These budgets use historical weighted average growth ratios to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax & are adjusted to incorporate risks associated with a particular cash generating unit.

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 above growth and discount rates.

Note 14. Trade and other payables

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Current		
Unsecured liabilities		
Trade payables	16,621	23,960
Sundry payables and accrued expenses	8,539	8,491
Contract billings in advance (see note 10)	7,438	14,189
Amount due under contract of sale	2,000	2,000
	34,598	**48,640**
Non-current		
Unsecured liabilities		
Amounts owing to related entities	-	7
	-	**7**

Note 15. Financial liabilities

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Current		
Secured liabilities		
Bank overdraft	-	-
Commercial bills	-	400
Hire purchase liability	8,311	4,395
	8,311	**4,795**
Non-current		
Secured liabilities		
Commercial bills	-	-
Hire purchase liability	4,820	3,814
	4,820	**3,814**
(a) Total current and non-current secured loans		
Bank overdraft	-	-
Commercial bills	-	400
Hire purchase liabilities	13,131	8,209
	13,131	**8,609**
(b) The carrying of non-current assets pledges as first security are:		
Assets over which lease and hire purchase contracts apply	13,253	11,097
	13,253	**11,097**

Note 15. Financial liabilities (continued)

At the end of the reporting period, Structural Systems Limited failed one of its three financial covenants; effectively EBITDA as a prescribed multiple of total finance payments. Since this event, the company has received both a letter of waiver from the bank, and had its future financial covenants amended such that the company would have achieved the required ratio at the end of the reporting period had these levels been in place at that time. Total liabilities under this facility at the end of the reporting period were $5,179,438 inclusive interest, all of which have been treated as current in the accounts as required under AASB 101.

Note 16. Tax

		STRUCTURAL SYSTEMS GROUP	
		2011 $'000	**2010 $'000**
(a)	**Liabilities**		
	Non-current		
	Deferred tax liabilities comprise:		
	Property, plant and equipment	1,608	1,608
	Debtors retentions	1,399	1,683
		3,007	**3,291**
(b)	**Assets**		
	Current		
	Tax refundable	-	724
	Non-current		
	Deferred tax assets comprise:		
	Property, plant & equipment	2,485	1,971
	Provisions and accruals	1,969	1,954
	Tax losses	841	2,084
		5,295	**6,009**
(c)	**Reconciliations**		
	i. Gross movements		
	The overall movement in the deferred tax account is as follows:		
	Opening balance	2,718	664
	(Charge) / credit to income statement	(430)	2,054
	(Charge) / credit to equity	-	-
		2,288	**2,718**

Note 17. Provisions

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Current		
Employee benefits	5,258	4,735
Non-current		
Employee benefits	1,224	1,219
Consolidated Group employee benefits		
Opening balance at 1 July 2010	5,954	7,545
Additional provisions	3,800	3,200
Amounts used	(3,272)	(4,791)
Balance at 30 June 2011	**6,482**	**5,954**

Provision for long-term employee benefits
A provision has been recognized 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.

Note 18. Issued capital

	STRUCTURAL SYSTEMS GROUP	
	2011	**2010**
Issued and paid up capital	41,056	41,056
– 63,884,474 fully paid ordinary shares 2011		
– 63,884,474 fully paid ordinary shares 2010		
Ordinary shares	No.	No.
Movements in ordinary share capital		
Balance at the beginning of the financial year	63,884,474	49,141,824
Institutional share placement (August 2009)	-	7,371,325
Share purchase plan (September 2009)	-	7,371,325
	63,884,474	**63,884,474**

(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) Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 19. Reserves

Nature and Purpose of Reserves

Asset Revaluation Surplus

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

Capital Profits Reserve

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

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements. Refer to accounting policy Note 1(l).

Note 20. Capital and leasing commitments

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Hire purchase future minimum payments		
– Not later than 1 year	6,992	4,916
– Later than 1 year, but not later than 5 years	7,426	4,064
Total maximum lease commitment	**14,418**	**8,980**
Future finance charges	(1,287)	(771)
	13,131	**8,209**

Hire purchase agreements have been entered into to finance the acquisition of equipment used for income generation purposes. The great majority of equipment currently under finance is plant & equipment employed by ROCK Australia Mining & Civil Pty Ltd; primarily drill rigs.

Non-cancelable operating leases future minimum payments		
Contracted for but not capitalised in accounts		
– Not later than 1 year	1,847	893
– Later than 1 year, but not later than 5 years	2,782	1,053
– Later than 5 years	-	-
	4,629	**1,946**

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

Note 21. Contingent liabilities

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Contract cash retentions	4,614	5,563
Contract performance guarantees	10,567	16,682
Guarantee by the Company in respect of bank facilities of controlled entities	2,385	2,490
Cross guarantee by the Company and controlled entities in respect of bank facilities	40,550	53,053
	58,116	**77,788**

Note 22. Cash flow information

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
(a) Reconciliation of cash		
Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the items in the statement of financial position:		
Cash on hand	27	28
Cash at bank	4,901	2,908
Bank overdraft	-	-
	4,928	**2,936**
(b) Reconciliation of cash flow from operations with profit (loss) after income tax		
Profit (loss) after income tax	4,472	3,270
Non-cash flows in profit		
Amortisation	-	-
Depreciation	9,158	7,717
Bad debts written off	474	-
Bad and doubtful debts	(9)	11
Impairment loss in investment	175	-
(Profit) loss on sale of non-current assets	(157)	(56)
(Profit) loss on sale of non-current investment	-	-
Change in assets and liabilities		
– (Increase) decrease in trade and other receivables	7,766	4,483
– (Increase) decrease in inventories	2,773	4,910
– (Increase) decrease in prepayments	129	33
– (Decrease) increase in trade, other payables and accruals	(14,318)	(539)
– (Decrease) increase provisions	528	(1,589)
– (Decrease) increase in income taxes payable	724	-
– (Increase) decrease in deferred tax liabilities	(285)	1,029
– (Decrease) increase in deferred tax assets	711	(3,082)
Net cash provided by (used in) operating activities	**12,141**	**16,087**
(c) Non-cash financing and investing activities		
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	10,410	4,548

Note 22. Cash flow information (continued)

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
(d) Acquisition of entities		
During the year the company made the following deferred payments under contract of sale		
Meridian Concrete Australia	-	2,255
NASA & Emirates & Australia Structural Systems LLC, UAE	-	269
Refobar Australia Pty Ltd	-	170
Total cash outflow	**-**	**2,694**
(e) Discontinued operation		
In October 2009, the Group disposed of its formwork division in Structural Systems (Construction) Pty Ltd.		
The profit (loss) for the year from the discontinued operation is as follows:		
Loss of formwork division operations for the year	(5,038)	(5,975)
Gain (loss) on disposal	(10)	(10)
	(5,048)	**(5,985)**
The following were the results of the formwork division business for the year		
Revenue	688	26,920
Operating expenses	(7,885)	(35,470)
Loss before income tax	**(7,197)**	**(8,550)**
Income tax benefit	2,159	2,565
Loss after income tax	**(5,038)**	**(5,985)**
Net cash provided by (used in) operating activities in relation to discontinued operations	**(5,415)**	**(6,772)**

Note 23. Particulars relating to controlled entities

(a) Group accounts include a consolidation of the following:

	Place of incorporation	Principal Activity	Ownership interest	
			2011	2010
Refobar Australia Pty Ltd	Queensland	Manufacturing	100%	100%
Rock Australia Mining and Civil Pty Ltd	Victoria	Mining Services	100%	100%
Meridian Concrete Australia Pty Ltd	Victoria	Construction	100%	100%
NASA Structural Systems LLC	UAE	Construction	100%	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	100%	100%
Total Fire Protection Pty Ltd	Victoria	Dormant	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 LLC	UAE	Construction	100%	100%
Structural Systems (Bridge Maintenance) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Remedial) Pty Ltd	Victoria	Construction	100%	100%
BBR Structural Systems	UAE	Construction	100%	100%

Note 24. Related party information

Directors who held office during the year are:

- Peter J McMorrow (commenced 1 July 2010)
- Ian L Fraser
- Robert W Freedman
- David R Perry

Directors' remuneration is disclosed in Note 5. There were no other related party transactions in the year.

It is the company's policy that any transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Note 25. Segment results

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of products and services by segment:

- **Construction segment**

  The construction segment delivers specialist construction services, specifically post tensioning, concrete placement and remedial operations.

- **Mining segment**

  The mining segment services mining clients and specialises in production drilling.

Basis of accounting for purposes of reporting by operating segments:

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed periodically to ensure that sales are made at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate Charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/ to be received net of transaction costs.

(c) Segment assets and liabilities

Where an asset or liability is used across multiple segments, it is allocated on a pro-rata basis to the segments that receive the benefit of use of the asset or represent the source of the obligation of the liability.

Note 25. Segment results (continued)

Primary reporting – Business segments

	Construction		Mining		Consolidated Group (Continuing Operations)		Discontinued Operations	
	30/06/11 $'000	30/06/10 $'000	30/06/11 $'000	30/06/10 $'000	30/06/11 $'000	30/06/10 $'000		
Revenue								
External sales	153,790	182,263	82,589	70,318	236,379	252,581	688	26,920
Other sales	488	874	-	47	488	921	-	-
Total sales revenue	**154,278**	**183,137**	**82,589**	**70,365**	**236,867**	**253,502**	**688**	**26,920**
Unallocated revenue					272	83		
Total revenue					**237,139**	**253,585**	**688**	**26,920**
Results								
Segment result	4,755	4,747	7,110	4,383	11,865	9,130	(7,197)	(8,550)
Income tax benefit / (expense)					(2,355)	125	2159	2565
Profit after income tax					**9,510**	**9,255**	**(5,038)**	**(5,985)**
Assets								
Segment assets	85,651	100,538	43,400	36,869	129,051	137,407		
Total assets					**129,051**	**137,407**		
Liabilities								
Segment liabilities	37,161	51,992	20,057	14,509	57,218	66,501		
Total assets					**57,218**	**66,501**		
Other								
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	1,577	1,564	11,967	5,705	13,544	7,269		
Depreciation and amortisation of segment assets	1,764	1,922	7,394	5,795	9,158	7,717		

Revenue and assets by geographical region for continuing operations

	Australia		United Arab Emirates		Consolidated Group	
	30/06/11 $'000	30/06/10 $'000	30/06/11 $'000	30/06/10 $'000	30/06/11 $'000	30/06/10 $'000
Segment revenues for external customers	229,360	238,985	7,779	14,600	237,139	253,585
Carrying amount of segment assets	121,993	127,759	7,058	9,648	129,051	137,407
Acquisition of non-current segment assets	13,544	7,269	-	-	13,544	7,269

Note 26. Financing arrangements

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

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	2010 $'000
Total facilities available		
Bank overdrafts	3,000	3,000
Commercial bill facility	5,000	5,600
Hire purchase facility	20,000	8,865
Other facilities	2,490	2,490
Bank guarantee facility	20,068	23,036
Surety bond facility	25,000	10,000
	75,558	**52,991**
Facilities used at the end of the reporting period:		
Bank overdrafts	-	-
Commercial bill facility	-	400
Hire purchase facility	13,253	8,099
Other facilities	2,490	2,490
Bank guarantee facility	9,676	16,682
Surety bond facility	4,378	3,550
	29,797	**31,221**
Facilities not used at the end of the reporting period:		
Bank overdrafts	3,000	3,000
Commercial bill facility	5,000	5,200
Hire purchase facility	6,747	766
Other facilities	-	-
Bank guarantee facility	10,392	6,354
Surety bond facility	20,622	6,450
	45,761	**21,770**

Finance facilities of the Group are secured by a registered first mortgage over the Group land and buildings and registered mortgage debenture over all assets of the Group and an interlocking guarantee and indemnity between all entities within the group. 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 13.41% (2010 –10.79%). 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 (2010 – 1.5%). The commercial bills are exercisable for a period of up to three months at the discretion of the Group 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 $1.534 million (2010: $2.69 million), and a corporate credit card facility of $200,000 (2010: $200,000).

Note 27. 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 and payable, commercial bills and hire purchase liabilities. The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not hold or trade with 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. This management process is subject to board policies and directives implemented, and subsequently reviewed by the Board on a periodic basis.

Interest Rate Risk

As the table below illustrates, the Group has a mixture of variable and fixed interest rate financial instruments. The Group's exposure to interest rate risk on its variable interest rate financial instruments is in the potential for cash flows to differ from their forecast amounts. As the Group's variable interest rate financial instruments are predominantly cash and cash equivalents the Group has assessed the risk arising from changes to interest rates to be not significant.

The Group's exposure to interest rate risk on its fixed interest rate financial instruments relates to the potential for its lease and lease purchase liabilities, which are measured at amortised cost, to significantly differ from their fair value amounts. Discounted cash flow models, applying interest rates existing at the end of the reporting period for similar types of liabilities are used to determine such fair values. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates, summarised as follows:

	STRUCTURAL SYSTEMS GROUP	
	2011 $'000	**2010 $'000**
Current finance lease and hire purchase liabilities		
Carrying value at amortised cost	8,311	4,395
Fair value	7,945	4,206
Non-current finance lease and hire purchase liabilities		
Carrying value at amortised cost	4,820	3,814
Fair value	4,211	3,344

Note 27. Financial Instruments (continued)

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 the end of the reporting period in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position 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 a pre-existing relationship with that entity.

Price Risk

The group is exposed to commodity price risk through its consumption of steel in the post-tensioning businesses, and to a lesser degree in the mining services business. The group monitors forward steel prices and endeavours to lock in agreed prices on a project by project basis prior to formalising bid prices wherever possible. As at 30 June 2011 the Group held no financial instruments that could vary according to changes in the price of steel (2010: nil).

Foreign Exchange Risk

The consolidated group does not have a significant exposure to movements in foreign exchange rates as the majority of transaction gains and losses arise on translation and are not reflected in the income statement.

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. These amounts exclude interest payments.

Note 27. Financial Instruments (continued)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within: 1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2011							
Financial Assets							
Cash & cash equivalents	4.25%	4,902	-	-	-	26	4,928
Receivables	-	-	-	-	-	54,682	54,682
		4,902	**-**	**-**	**-**	**54,708**	**59,610**
2011							
Financial Liabilities							
Payables	-	-	-	-	-	34,598	34,598
Lease and lease purchase liabilities	8.5%	-	8,311	4,820	-	-	13,131
		-	**8,311**	**4,820**	**-**	**34,598**	**47,729**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within: 1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2010							
Financial Assets							
Cash & cash equivalents	5.5%	2,908	-	-	-	28	2,936
Receivables	-	-	-	-	-	65,185	65,185
		2,908	**-**	**-**	**-**	**65,213**	**68,121**
2010							
Financial Liabilities							
Payables	-	-	-	-	-	48,647	48,647
Commercial bill facility	8.4%	-	400	-	-	-	400
Lease and lease purchase liabilities	8.5%	-	4,395	3,814	-	-	8,209
		-	**4,795**	**3,814**	**-**	**48,647**	**57,256**

	STRUCTURAL SYSTEMS GROUP 2011 $'000	2010 $'000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	34,598	48,647
	34,598	**48,647**

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 organised 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. With the exception of the fair value sensitivities arising on the Group's fixed interest rate financial liabilities, as discussed in the analysis of interest rate risk above, the carrying amounts of all financial instruments disclosed above are at their approximate net fair values.

DIRECTORS' DECLARATION

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 30 to 68, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidated group;

2. The Managing Director and the Chief Financial 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: 29 September 2011

INDEPENDENT AUDIT

William Buck

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

Report on the Financial Report

We have audited the accompanying financial report of Structural Systems Limited and controlled entities, which comprises the statements of financial position as at 30 June 2011, income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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.

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Melbourne
Brisbane
Perth
Adelaide
Auckland

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williambuck.com

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRUCTURAL SYSTEMS LIMITED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a. the financial report of Structural Systems Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Structural Systems Limited and controlled entities for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Structural Systems Limited and controlled entities for the year ended 30 June 2011 included on Structural Systems Limited's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of the company's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

William Buck.

William Buck (Vic) Pty Ltd
ABN: 59 116 151 136

J C Luckins
Director

Dated this 29th Day of September 2011

SHAREHOLDER INFORMATION

Distribution of shareholders and shareholdings at close of business 31 August 2011

Size of holding	Number of shareholders	Number of shares
1-1,000	237	141,634
1,001 to 5,000	451	1,290,636
5,001 to 10,000	286	2,225,037
10,001 to 100,000	584	18,158,254
100,001 to (MAX)	77	42,068,913
	1,635	**63,884,474**

The number of shareholders holding less than a marketable parcel ($500.00) at 31 August 2001 is 124 holding 36,890 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
J P Morgan Nominees Australia Limited	11,591,372	18.14%
National Nominees Pty Limited	5,491,289	8.60%
Sandhurst Trustees Ltd <JMFG Consol A/c>	2,500,021	3.91%
Kingemel Pty Ltd	1,394,743	2.18%
Tintagel Nominees Pty Ltd	1,099,136	1.72%
HSBC Custody Nominees (Australia) Limited	1,091,038	1.71%
McMorrow Super Fund A/c	1,019,887	1.60%
Mr Philip Henry Hall	1,015,000	1.59%
Escor Investments Pty Ltd	900,000	1.41%
Sandhurst Trustees Ltd <JM MPS A/c>	667,898	1.05%
Mrs Hilary Jean Hall	600,000	0.94%
Mr Kenneth John Beer <Beer Super Fund A/c>	564,941	0.88%
Mr David Bates <Bates Super Fund A/c>	511,170	0.80%
Harg Pty Limited	503,773	0.79%
Meridian Concrete Pty Ltd	503,144	0.79%
JD Building Pty Ltd	488,788	0.77%
Onitrammas Nominees Pty Ltd	488,787	0.77%
Brindle Holdings Pty Ltd <O'Connor S/F A/C>	446,154	0.70%
Mr David Perry	390,000	0.61%
Velkov Funds Management Limited <Victor Value Fund A/C>	365,000	0.57%
Top 20 holders of ordinary fully paid shares as at 31 August 2011	**31,632,141**	**49.51%**

Substantial shareholders	Number of shares	Percentage of issued capital
JP Morgan Nominees Australia Limited	11,591,372	18.14%
National Nominees Pty Limited	5,491,289	8.60%

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

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 Limited

452 Johnston Street

Abbotsford Victoria 3067

Telephone: 1300 137 328

Facsimile: 1300 137 341

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.