Structural Systems

ANNUAL REPORT
2012

Structural Systems

INFRASTRUCTURE

MINING

POST-TENSIONING

REMEDIAL

CONCRETE SERVICES

CONTENTS

Annual General Meeting Details	
Date	29 November 2012
Time	10:30am
Place	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009

PROJECT **HIGHLIGHTS**

Project
Seaford Rail Extension

Location
Seaford, Adelaide

Scope of works
Post-tensioning and launching services of the 1,123.9m long twin rail track bridge.

Project
Chota Motala Bridge

Location
Pietermaritzburg, South Africa

Scope of works
Post-tensioning and launching services of the 220m long bridge over one of South Africa's busiest national routes, the N3.

Project
Roseires Dam Heightening Project

Location
Ad Damazin, Republic of Sudan

Scope of works
Manufacture, transport, install, grout, stress, monitor and cap 806, 1206 and 5506 permanent anchors.

Project
Melbourne Park Eastern Plaza Project

Location
Melbourne, Victoria

Scope of works
Structure package including detailed excavation, concrete and reinforcement supply and place, post-tensioning, formwork and external paving to over 60,000m^2 floor plate.

Project
Edith River Bridge Repairs

Location
Katherine, Northern Territory

Scope of works
Remedial works including vertical and horizontal jacking of spans, crack repair and carbon fibre strengthening.

Project
GASCO 4th NGL Train Project

Location
Al Ruwais, Abu Dhabi

Scope of works
Shop drawings, supply and supervision of installation for post-tensioning works on LPG tanks.

Project
Lake Cowal - Barrick Gold Mine

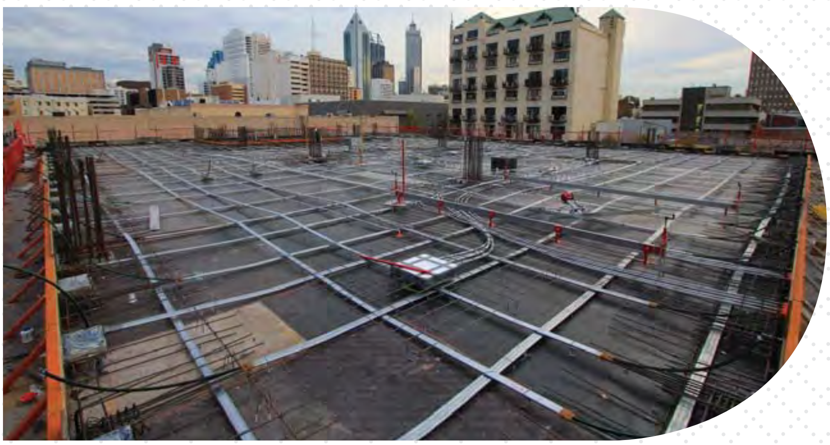
Location
West Wyalong, New South Wales

Scope of works
Blast hole and grade control drilling services.

Project
WORK//ZONE

Location
Perth, Western Australia

Scope of works
Design and installation of post-tensioning.



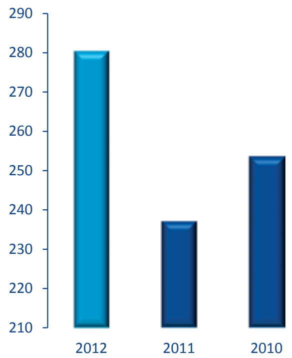
FINANCIAL OVERVIEW

10 YEAR FINANCIAL SUMMARY

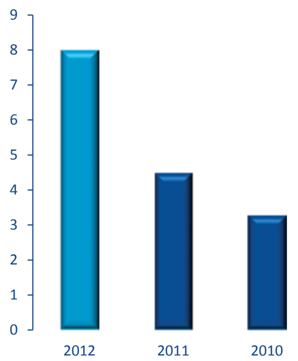
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
External sales of goods and rendering of services ($'000)	280,478	237,139	253,585	319,210	282,573	141,239	104,405	106,948	78,453	102,336
Profit (loss) before tax from continuing operations ($'000)	10,697	11,865	9,130	9,237	20,708	12,316	7,165	3,444	(8,231)	580
Profit (loss) after tax ($'000) (1)	7,996	4,472	3,270	8,887	15,182	8,824	5,345	2,142	(8,589)	450
Shareholders funds at end of year ($'000)	76,511	71,833	70,906	56,667	48,261	33,179	24,750	14,886	9,303	17,776
Net tangible assets ($'000) (1)	57,072	51,394	50,467	40,482	32,021	27,936	21,258	12,881	7,298	14,644
Return on shareholder's funds (1)	10.5%	6.2%	4.6%	15.6%	31.5%	26.6%	21.6%	14.4%	(92.3%)	2.5%
Return on sales	2.9%	1.9%	1.3%	2.8%	5.4%	6.2%	5.1%	2.0%	(10.9%)	0.4%
Basic earnings per share (cents)	12.5	7.0	5.3	18.1	31.9	21.2	15.2	8.4	(33.7)	1.9
Net tangible asset backing per share (cents)	89.7	80.4	79.0	82.4	65.3	60.3	54.6	50.3	28.5	57.4
Dividends declared for the year (cents)	5.0	4.0	2.5	-	11.5	10.0	7.5	1.5	-	-
Dividends times covered	2.5	1.75	2.1	N/A	2.8	2.1	2.0	5.6	N/A	N/A
Depreciation and amortisation ($'000)	10,931	9,158	7,717	7,148	5,699	4,102	2,946	2,418	2,408	2,595
Interest paid ($'000)	1,551	1,074	1,067	1,564	951	381	541	1,023	1,136	663
Interest received ($'000)	128	115	39	87	410	173	302	176	8	-
Share price at 30 June	$0.71	$0.69	$0.48	$0.79	$2.55	$2.82	$1.04	$0.61	$0.48	$0.40
Shares on issue at 30 June ('000)	63,646	63,884	63,884	49,142	49,142	46,438	38,950	25,631	25,624	25,499
Market capitalisation at 30 June ($'000)	45,189	44,080	30,664	38,822	125,312	130,955	40,508	15,635	12,300	10,200

(1) Adjusted for minority equity interests where applicable
Note: 2010 and 2011 adjusted for discontinued operations

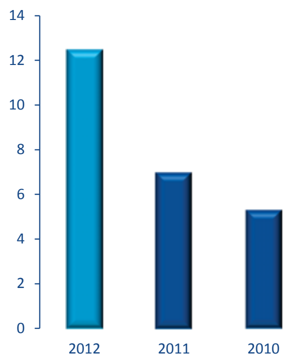
KEY PERFORMANCE INDICATORS FOR THE 12 MONTH PERIODS TO 30 JUNE



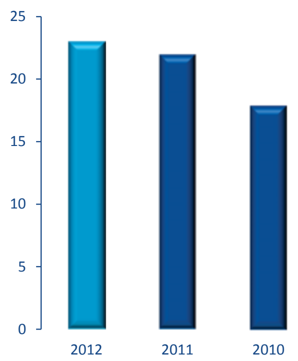
$M
Sales



$M
Profit attributable to members



(cents)
Earnings per share



$M
EBITDA
Continuing 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 more than 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, including Australia, Hong Kong, Thailand, the Philippines, Singapore, Ireland, the United Kingdom, South Africa, Zambia, Sudan, Bahrain, Qatar, Oman and throughout the United Arab Emirates.

Operations

The Company's head office is located in South Melbourne, Victoria, and in Australia manages its operations from offices in Melbourne, Sydney, Brisbane, Perth, Adelaide, Kalgoorlie, Townsville. Internationally the Company has offices in Dubai, Abu Dhabi, Sharjah and Johannesburg. The Company employs approximately 850 people 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, 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 Structural Systems LLC, Emirates & Australia Construction Systems LLC, Structural Systems Middle East LLC and Structural Systems (Africa).

The Company operates in the construction and resource sectors. Construction sector activities include infrastructure works, post-tensioning, concrete services, manufacture of post-tensioning components and remedial services. Activities undertaken in the resource sector include drill and blast as well as geotechnical and radar services.

Structural Systems have been involved in the design and construction of many iconic projects over the years. Some of the more significant projects in recent times include the Fiona Stanley Hospital in Perth, Urban Superway and Seaford Rail Extension in Adelaide, Royal North Shore Hospital in Sydney and the Melbourne Park Eastern Plaza project in Melbourne.

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 Queensland 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 Structural Systems 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
- New concrete storage tank and silo construction including slipforming and post-tensioning of storage tanks, silos, lift cores and concrete gravity structures
- Design and installation of cable stays for bridges and stadiums

Post-Tensioning

Structural Systems are one of the market leaders in post-tensioning technology. Post-Tensioning is a method of reinforcing (strengthening) concrete or other materials with high-strength steel strands. The benefits post-tensioning brings to a structure include large open plan, column free floor spaces, 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 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
- Residential
- Educational and Healthcare

Manufacturing

The Group's manufacturing arm, Refobar Australia is based in Narangba north of Brisbane in Queensland. Refobar manufactures and supplies a wide range of componentry required for any post-tensioning system. Additionally, Refobar supplies the resources industry with high quality cast iron, steel and plastic components as well as supplying consumable items used in pre-cast concrete.

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 post-tensioning division to provide value engineered solutions that delivers economical and environmentally efficient outcomes. In its 15 years of operation Meridian has been involved with the completion of many of Melbourne's major projects.

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 Structural Systems remedial division is a recognised 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 and LPG 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 Reutech Mining for the supply, hire and support of MSR (Movement & Surveying Radar) systems 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 is a mobile IP surveillance system that allows for monitoring of operations in open pit environments.

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 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 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

On behalf of the Board it is my pleasure to present the Structural Systems Limited Annual Report for the period ending 30 June 2012.

The financial position of the Company continued its improvement achieved in 2011 with an increase in both revenue and profitability reported for the year. The net profit after tax of $8.0 million reflects a solid effort across the Group with all operating divisions making a positive contribution to the bottom line.

I am pleased to be able to report a final fully franked dividend of 3 cents per share. This brings the total dividend for the year to 5 cents which is a 25% increase on the prior year. With a gearing level of 14% and strong operating cash flow of $15.4 million the Company's balance sheet remains in good shape.

In these uncertain times risk management is at the forefront of our business strategies and decision making. Considerable effort has gone into improving and enhancing our risk management systems throughout the year. These efforts have resulted in tangible improvements in outcomes particularly in the Group's safety performance.

The Group implemented an upgraded SQE management and reporting system during the year. This has assisted in significantly improving the level of safety awareness and management throughout the Group. An example of the improved performance is our mining services division ROCK Australia achieving its lowest MTI, LTI and TRIFR result in 5 years.

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

Robert Freedman

Chairman

"An example of the improved performance is our mining services division ROCK Australia achieving its lowest MTI, LTI and TRIFR result in 5 years."

MANAGING DIRECTOR'S REPORT

I am pleased to report that the Group continued on from its improved FY2011 result with another increase in profit for the FY2012. The improved performance of the Group was not only in its key financial metrics but also in the Group's safety performance outcomes. The quality of the skills and capability of the personnel within the Group has enabled our involvement in a wide range of projects throughout the year. The diversity of these projects brings with it unique challenges so it is particularly pleasing that our safety performance in FY2012 was the best it has been for a number of years.

Financial Performance

Revenue for the year was $280.5 million which was an increase of 18% on the corresponding period. Demand for the Group's services saw most operating divisions deliver revenue growth in FY2012. Overall revenue from both Construction and Mining Services activities was up on the prior year.

The Group recorded a net profit after tax (NPAT) of $8.0 million. This result was an increase of 79% on the prior period, and a 145% increase on the 2010 result. Despite difficult trading conditions particularly in the construction sector, all divisions within the group traded profitably.

The profit for the year included $1.86 million (after tax) loss in relation to the Eastern Treatment Plant. The Board determined that due to the ongoing nature of this project that the loss would be taken into account in continuing operations.

EBITDA increased from $21.98 million to $23.05 million for the year ended 30 June 2012. Depreciation expense increased by 19% to $10.93 million. Interest expense increased by 44% to $1.55 million. Interest times cover (EBIT/Net Interest) was 8.5 for the year. The increase in depreciation and interest expense was due to increased investment in equipment for the company's mining services business ROCK Australia. Finance costs attributable to working capital requirements reduced by 68.1% as the Group's cash position continued to improve throughout the year.

At balance date, the Group's net debt was $12.3 million; representing an increase of $4.1 million on the prior year. This debt is solely attributable to Hire Purchase funding of capital assets, primarily associated with ROCK. Despite the increase in net debt the Company's balance sheet is in strong shape with a gearing ratio (net debt to net debt plus equity) of 14% and cash of $8.2 million. The value of net tangible assets per share increased from $0.80 to $0.90

Receivables increased by $9.3 million to $64.0 million and payables increased $5.9 million to $40.5 million as a result of a period of greater activity in the last two months of the financial year in comparison to 2011. Cashflow from operating activities increased 22% to $15.5 million for the year.

Earnings per share increased 79% to 12.5 cents in 2012. The company had a share buyback in place during the year and at balance date had purchased and cancelled 238,541 shares.

Work in hand (WIH) for the Group at year end was $197 million, down 5% on the prior year but up $27 million on the balance reported at 31 December 2011. ROCK WIH of $108 million includes ten drill term contracts. A number of these contracts continue beyond the 2013 financial year.

Construction WIH was $88 million, a contraction of 7% on the June 2011 balance. The majority of this decrease was a result of Meridian WIH reducing as the Melbourne Park project nears completion. The Group's post-tensioning division increased its WIH compared to the corresponding period and is well placed for achieving higher volumes in the 2013 financial year.

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

Mining Services

Revenue in the year in review increased by 20% to $99.13 million. Contract drilling was the principal activity undertaken during the year.

The majority of work was undertaken in Western Australia with 55% of revenue from activities in that state. ROCK's presence in Queensland continues to develop with that state accounting for 28% of revenue. Drilling works at the BMA Saraji coal project came into full production in January of this year. This was ROCK's first production drilling contract in the coal sector and has performed in line with budget.

ROCK increased services to the gold and iron ore sectors during the year with gold accounting for 35% of revenue. The introduction of services to the coal sector has provided greater resource diversification. The majority of ROCK's activities are in open pit mines.

ROCK is the Australasian agent for the Reutech Movement & Surveying Radar (MSR) system. This system is recognised as world leading technology and ROCK continues to experience increasing demand for sales and rental of MSR units. ROCK currently provides MSR units to 15 mine sites in Australasia on term contracts and also provides these units for trial programs and short term pit wall monitoring. Outside of Australia ROCK supplies MSR units to Indonesia and PNG and during the year supplied its first unit into New Zealand. Revenue from sales and rental of MSR units accounts for 12% of ROCK's revenue.

ROCK's profitability was adversely impacted in the second half of the year by lower than budgeted utilisation rates and increased maintenance costs. Utilisation rates were affected by changes in mine drilling schedules and in some cases a reduction in required drilling production rates. ROCK has been able to redirect the under-utilised rigs and currently the drill fleet utilisation is in line with management expectations. In addition ROCK has capacity within its fleet so that drilling opportunities with short lead times can be targeted.

Construction Services

Infrastructure

Revenue from Infrastructure projects was $32.66 million which was in line with the prior corresponding period. This year the number and diversity of projects completed actually increased and this demonstrates the broader capability that now exists within this division. Bridge construction was the main type of project undertaken during the year with major projects being the Seaford Rail Viaduct and the South Road Superway in Adelaide, Goongoongup Rail Bridge in Perth and the construction of the bridge and arch at Warramboo in the Pilbara region. During the year the division commenced its first dam anchoring upgrade project outside of Australia. This project at the Roseires Dam on the Blue Nile in Sudan has performed above expectations and will be completed later this year.

Post-tensioning

Revenue from Post-tensioning increased by 5% to $49.2 million. The majority of the increase was due to improved sales by the Group's manufacturing business, Refobar. Revenue from onsite activities was flat compared to the prior year. Revenue from operations in NSW and Victoria in particular were lower than expected due to inclement weather.

Concrete Services

Revenue from Concrete Services increased by 43% to $80.4 million. A significant part of this increase was attributable to the Melbourne Park Redevelopment Eastern Plaza. This was an important contract for Meridian and is in the latter stages of completion. A small profit was recorded by Meridian in the 2012 financial year. This a significant improvement over last year's pre-tax loss of $6.4 million.

Middle East

With little improvement in trading conditions in the Middle East the scale back of activities in the region continued during the year. Revenue decreased by 23% to $6.03 million. The division traded profitably with a result in line with budget expectations.

Remedial

Revenue from Remedial increased by 22% to $18.6 million. This increase was achieved through greater involvement in infrastructure maintenance and a broader geographical focus. The Group's remedial operations were consolidated under a single management structure with a view to expanding capability and operational efficiency.

Eastern Treatment Plant

The Company incurred a loss of $1.86 million (after tax) on this project in the year in review. This project commenced in June 2007 and was one of the works undertaken at the time by the now discontinued Formwork division. The company demobilised offsite in March 2012 with the agreement of the client. There are a number of unresolved issues with this project and the parties involved continue to work towards the finalisation of this contract. Due to the nature of the contract and the number of parties involved the finalisation of this project is not able to be achieved at the instigation of the company alone.

Safety Training and Quality

During the year considerable effort and focus has gone into improving and enhancing our safety and quality systems and delivering on our objectives set for the FY2012. The ongoing safety and welfare of our employees, contractors and suppliers is an obligation we take seriously and we are committed to delivering the highest standards in this regard. All onshore companies within the Group are now certified for AS/NZS 4801 Safety and the majority of group companies are also certified to ISO 9001 Quality.

Safety committees and health & safety representatives are in place in all divisions within the Group and these personnel meet and communicate on a regular basis to ensure continued improvement in the Group's reporting and system.

During the year the Group implemented a fully integrated ISO compliant software package to assist with the management of its safety, quality and environmental requirements. This system supplements the single integrated management system the Group moved to during the year. The continued development of these systems is a key focus for the year ahead.

Outlook

With the continued uncertainty that exists in the international and domestic economy the ability of the Group to offer services to a broad range of clients and market sectors assists our ability to grow revenue and achieve improved results. We recognise that the management of risk in these difficult times will be of vital importance to ensuring consistent delivery of increased returns to our shareholders. The management of our balance sheet and cashflow in these times is of particular focus.

The circumstances of the resource sector have come under considerable pressure in recent months. While the full effects of any significant contraction are yet to be seen we believe ROCK's geographical diversity and its exposure to a variety of commodity production stand it in good stead for the future.

The Group's construction operations made considerable progress during FY2012 and we look forward to continuing on with improvement in the current year.

The Group's future is underwritten by its people and I am grateful to have the quality of personnel within the Group that we have. The effort and dedication of our employees has enabled the company to continue to improve its performance over the last three years and provide increasing returns to our shareholders. I would like to thank the Company's management, staff and workforce for their efforts.

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 2012 and the independent audit report thereon.

Review of operations

Please refer to the Managing Director's Report for discussions regarding the Group's financial performance.

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

Results for the year	2012 $'000	2011 $'000
Revenue from continuing operations	280,478	237,139
Profit before income tax from continuing operations	10,697	11,865
Income tax benefit / (expense) attributable to profit from continuing operations	(2,701)	(2,355)
Profit attributable to non-controlling interests	-	-
Profit attributable to the members of Structural Systems Limited	**7,996**	**4,472**

Significant changes in the state of affairs

There was no significant change in the state of affairs on the Group either during or subsequent to the 2012 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

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.

Dividends paid or recommended

Dividends paid or declared for payment during the financial year are as follows:

	$'000
Ordinary dividend paid on 18 November 2011 as recommended in last year's report	1,597
Interim ordinary dividend of 2.0 cents per share paid on 18 May 2012	1,278
Final ordinary dividend of 3.0 cents per share recommended by the Director's to be paid on 19 October 2012 out of retained profits of 30 June 2012	1,903

Principal activities

During the financial year, the principal activities of the consolidated entity were drilling, blasting and ground control services including geotechnical and radar 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)

Director since 2004. Chairman of the Structural Systems Audit Committee and Remuneration Committee.

FCPA, Fellow of the Australian Society of CPAs. FAICD, Fellow of the Australian Institute of Company Directors.

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

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

Robert W Freedman

(Chairman)

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

(Non-executive Director)

Member of the Remuneration Committee.

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 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)

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: 300,000 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	8	8	2	2
R W Freedman	8	8	-	-
P J McMorrow	8	7	-	-
D R Perry	8	8	-	-

The Remuneration Committee was formed on 28 March 2012 and as at 30 June 2012 the Committee had not held meetings.

1. Remuneration Report

The directors present the remuneration report for the year ending 30 June 2012. 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 Board has appointed a Remuneration Committee, comprising Mr Fraser (non-executive Director) as Chairman, and Mr McMorrow (non-executive Director). The Remuneration Committee is charged with determining the remuneration levels for non-executive directors (subject to shareholder approval), the Managing Director & 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 attributable to the 2012 financial year was evaluated and approved by the Chairman and the independent Directors. His remuneration package takes into account factors such as experience, qualification and performance of the Managing Director. These levels will be determined by the Remuneration Committee for the 2013 financial year and onwards.
- The remuneration levels of the members of the Executive Committee reporting to the Managing Director attributable to the 2012 financial year was 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. These levels will be determined by the Remuneration Committee for the 2013 financial year and onwards.

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 Management
		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 2012.

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	Chief Financial Officer and Company Secretary

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 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 2012 plan were:

- Company NPAT
- Business Unit NPAT

These measures have been deemed the most important in terms of shareholder value.

A threshold of the FY2013 Budget NPBT for the executives' Business Units must be achieved before any incentive pool is established. Where the threshold has been achieved the executives receive an incentive payment at target of 20% of base pay. The maximum payment receivable 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 2012 no grants were made under the executive share option plan and allocations made in prior years lapsed before the commencement of financial year 2012. 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 achieving 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				
	2012	2011	2010	2009	2008
Revenue ($'000)	280,478	237,139	253,585	319,210	282,573
Operating profit from continuing operations before tax ('$000)	10,697	11,865	9,130	9,237	20,708
Profit after tax ($'000)	7,996	4,472	3,270	8,887	15,182
Total dividend per share (cents)	5.0	4.0	2.5	-	11.5
Share price ($)	0.71	0.69	0.48	0.79	2.55

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 the participant's 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 (excluding 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, excluding the Managing Director, for financial year 2012 based on achievement of target performance.

Name		Fixed Remuneration	Short Term Incentives	Total
S Crole	**2012**	**85%**	**15%**	**100%**
	2011	85%	15%	100%
R Coates	**2012**	**85%**	**15%**	**100%**
	2011	85%	15%	100%
M Schweiger	**2012**	**85%**	**15%**	**100%**
	2011	85%	15%	100%
S Gray	**2012**	**94%**	**6%**	**100%**
	2011	-	-	-

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 R 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 have been 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

			Short term employee benefits [1] [3] [4]			Post employment benefits	Termination benefits	Share based payments		
			Salary	Bonus	Other Benefits [2]	Superannuation	Retirement benefits	Options	Total	Bonus
Directors			$	$	$	$	$	$	$	%
R W Freedman	Chairman	**2012**	**120,000**	-	**67,477**	**10,800**	-	-	**198,277**	-
		2011	120,022	-	29,603	10,800	-	-	160,425	-
I L Fraser	Director (Non-executive)	**2012**	**60,000**	-	-	**5,400**	-	-	**65,400**	-
		2011	60,000	-	-	5,400	-	-	65,400	-
P J McMorrow	Director (Non-executive)	**2012**	**60,000**	-	-	**5,400**	-	-	**65,400**	-
		2011	60,000	-	-	5,400	-	-	65,400	-
D R Perry	Managing Director	**2012**	**378,000**	**143,790**	**11,607**	**34,020**	-	-	**567,417**	**25.3**
		2011	360,000	49,449	15,860	32,400	-	-	457,709	10.8
Total Remuneration Directors		**2012**	**618,000**	**143,790**	**79,084**	**55,620**	-	-	**896,494**	
		2011	600,022	49,449	45,463	54,000	-	-	748,934	
Executives			$	$	$	$	$	$	$	%
S Crole	Executive General Manager Infrastructure	**2012**	**288,750**	**23,854**	**21,996**	**25,988**	-	-	**360,588**	**6.6**
		2011	275,000	55,000	21,996	24,750	-	-	376,746	14.6
R Coates	Executive General Manager Mining	**2012**	**288,750**	-	**21,626**	**25,988**	-	-	**336,364**	-
		2011	275,000	55,000	18,169	24,750	-	-	372,919	14.7
M Schweiger	Executive General Manager Building	**2012**	**288,750**	-	**7,348**	**25,988**	-	-	**322,086**	-
		2011	275,000	55,000	8,698	24,750	-	-	363,448	15.1
S Gray	Chief Financial Officer and Company Secretary	**2012**	**178,000**	**12,000**	**17,196**	**16,020**	-	-	**223,216**	**5.4**
		2011	166,396	12,000	14,415	14,976	-	-	207,787	5.8
Total Remuneration Executives		**2012**	**1,044,250**	**35,854**	**68,166**	**93,984**	-	-	**1,242,254**	
		2011	991,396	177,000	63,278	89,226	-	-	1,320,900	

[1] All values are the amounts earned for the relevant reporting period
[2] Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance and Fringe Benefits Tax
[3] The total bonus payment payable to Mr Perry for the 2012 financial year is $287,580. Mr Perry has agreed with the Remuneration Committee for this bonus payment to be paid over two years.
[4] During financial year 2012, M Schweiger was paid a $25,000 bonus due to certain hurdles being achieved in prior years.

9.2 Shares held by Key Management Personnel

The following table provides details of the shares held by key management personnel:

2012	Balance 01/07/2011	Received as remuneration	Number of ordinary shares issued on option	Net Change [1]	Balance 30/06/2012
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	265,000	-	-	-	265,000
P J McMorrow	1,019,887	-	-	-	1,019,887
D R Perry	677,243	-	-	12,757	690,000
Executives					
S Crole	253,635	-	-	-	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
S Gray	-	-	-	-	-
Total	**3,711,901**	**-**	**-**	**12,757**	**3,724,658**

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

2011	Balance 01/07/2010	Received as remuneration	Number of ordinary shares issued on option	Net Change [1]	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	250,000	-	-	15,000	265,000
P J McMorrow [2]	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	-	-	-	-	-
Total	**3,337,614**	**-**	**-**	**374,287**	**3,711,901**

[1] Net change represents on-market purchases and disposal of shares
[2] P J McMorrow opening balance reflects his balance on appointment

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 2012:

	$
Taxation services	27,834

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 2012 has been received and can be found on page 23 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 28 September 2012

R W Freedman

D R Perry

William Buck

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 2012 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 28th day of September, 2012

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 or 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 Company 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, businesses plans which include detailed financial forecasts and performance objectives are developed for each division of the Group. These business plans are developed in line with the Executive Intent Statement set by the Managing Director. A consolidated business plan is prepared by the Managing Director and presented to the Board for approval. The performance of the Managing Director and senior executives is monitored against the business plans throughout the year. A performance appraisal of all senior executives is undertaken annually with their respective manager.

Principle 2: Structure the board to add value

At balance date the Board comprised of one executive director and three non executive independent directors. As three years have passed since Mr Freedman held an executive position he now qualifies as independent. Independent Directors make up the majority of the Board and as a result the current composition of the Board complies with recommendation 2.1. The board assesses the status of each non executive director annually to determine if they remain independent.

As noted above Mr Freedman now qualifies as an independent director and as a consequence the Chairman is an independent director and recommendation 2.2 is complied with.

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

During the financial year the Board established a nominations committee. Mr Fraser and Mr McMorrow make up the committee with Mr Fraser being the chairman.

The Board undertook a two stage evaluation process during the year. The first stage was a Board Assessment of its induction program, education of board members, access to information, strategy, and board structure. The second stage was an Individual Director Self Assessment evaluating the value of each director's contributions and competence. The evaluation process was overseen by the Chairman and results were discussed in detail by the board.

Principle 3: Promote ethical and responsible decision-making

The Directors and the senior executive team acknowledge the need for and the continued maintenance of the highest standards of ethical conduct by all employees of the Group. The Group has a Code of Conduct which defines the professional standards of behaviour required of Directors, management and all employees in the conduct of the Group's affairs. This statement forms part of a suite of Corporate Policies distributed throughout the Group. The Policy forms part of the Employee Induction process and contributes to Corporate Values assessed in performance appraisals. The Policy 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 Securities Trading Policy providing guidance on trading in company securities by key management personnel. 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 key management personnel of the trading window commencement 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 has an Equal Employment Opportunity Statement detailing its intentions of maintaining a diverse workforce, and promoting employment equality free from discrimination. The Company exercises this Statement through equal opportunity recruitment and training activities, merit based promotions, and family friendly work practices including parental leave, flexible hours, additional annual leave, and home offices. The Company's onsite operations require skills regulated and endorsed by the Australian Qualifications Framework (AQF). As such, our recruitment and selection process is founded on ability, competency, and workplace health and safety fitness for work tests.

The Company continues to be compliant with the Equal Opportunity for Women in the Workplace Act 1999. As at the time of reporting, the Company head count totalled 850 people. Women accounted for 51 (6%) of the workforce in the Company. Of this, 4 women (8%) hold managerial positions. No positions on the board are occupied by women.

On face value, the Gender diversity ratio across the Company is unbalanced. However, 90% of roles required to perform the Company's onsite operations – construction, mining, manufacturing - are predisposed to male workers. This is not an indication of the Company's selection process, but a reflection of the suitable applicants available in the market for these roles. Women represent 47% of non-operational roles across the Company.

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. Mr. Mackenzie attended both of the audit committee meetings that were held. 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 Stock Exchange (ASX) in keeping the market properly informed on the affairs of the Group. A copy of the Company's policy regarding market disclosure policy and procedures is available on the Company's website.

Principle 6: Respect the rights of shareholders

The Company does have a communications policy for promoting effective communication with its shareholders. This policy is available on the Company's website.

The Company's policy is to communicate with its shareholders and other interested parties in a regular, open and timely manner.

The key mechanisms used by the Company are regular shareholder communications such as the half yearly reports, the Annual Report and the Financial Report.

The Company's website contains a range of information on the Company and its activities. This website is regularly reviewed and updated. The website provides information on any significant development occurring within the Group. Key projects that the Company undertakes are featured on the website. The Company continued to do boardroom radio interviews during the year. 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 Managing Director 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;
- Tendering and new business procedures and limits of authority;
- 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;
- Safety, quality and environment policies;
- Reports by the Chairman of the Audit Committee to the Board of the minutes of each meeting held by this committee;
- A comprehensive Group-wide insurance program.

The senior executives of all the operating units within the Group and the Board meet annually as a team to review the performance of the Group and develop future operational strategies. Further, an executive committee made up of representatives from the senior executive personnel of the Company provides additional resources in order to ensure that the risks associated with its operational sites and domestic and international locations are effectively managed. The committee focuses on key operational issues and the development of strategy for the Company. This executive committee meets monthly.

The Company's Chairman and Managing Director are each required to report in writing to the board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

During the year the Board established a remuneration committee and as such complies with recommendation 8.1. The remuneration committee is chaired by Mr Fraser and Mr McMorrow is a member. As the remuneration committee only consists of two members it does not comply with one aspect of recommendation 8.2. However the Board is of the view that the current make up of the remuneration committee is satisfactory to adequately discharge its responsibilities and a greater number of members would not make the committee any more efficient.

The Company's policy for determining the nature and amount of remuneration for the Managing Director and Executive General Managers of the Company for 2013 and following years is as follows:

The remuneration of the Managing Director will be evaluated and approved by the Remuneration Committee on an annual basis. The remuneration package for the Managing Director will account for factors such as experience, qualification and remuneration levels of comparable positions within other public companies. The incentive plan for the Managing Director will be calculated based on achievement of agreed KPIs for his own performance as well of that of the Company.

The remuneration of the Executive General Managers is determined by the Managing Director within the guidelines set by the Company's Remuneration and Benefits Policy. Remuneration packages are then submitted to the Remuneration Committee for review and approval. The 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 for remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year. Short term and long term incentive plans for Executive General Managers are calculated on the financial performance of the divisions they are responsible for as well as the overall profitability of the Group.

The remuneration level of the Chairman will be evaluated and approved by the Remuneration Committee on an annual basis. Independent advice may be sought as required in relation to the appropriateness of the remuneration package offered.

The fees payable to the other directors of the board excluding the managing Director and Chairman are determined by the Chairman within the aggregate amount approved by shareholders. The Company's Non-executive Directors receive fees as remuneration for acting as a Director and in some 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 equity based payments were included in remuneration packages during the 2012 year.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

		STRUCTURAL SYSTEMS GROUP	
	Note	**2012 $'000**	**2011 $'000**
Revenue	2	280,478	237,139
Total revenue		**280,478**	**237,139**
Construction and servicing costs		(245,191)	(204,149)
Depreciation and amortisation expense	3(a)	(10,931)	(9,158)
Finance costs	3(a)	(1,551)	(1,074)
Impairment of property, plant and equipment	12(c)	(71)	-
Other expenses		(12,037)	(10,893)
Profit before income tax expense		**10,697**	**11,865**
Income tax benefit / (expense)	4	(2,701)	(2,355)
Profit for the year from continuing operations		**7,996**	**9,510**
Discontinued operation			
Loss for the year from discontinued operation	22(e)	-	(5,038)
Profit for the year attributable to owners of the parent entity		**7,996**	**4,472**
Continuing and discontinuing operations			
Basic earnings per share (cents)		12.5c	7.0c
Diluted earnings per share (cents)		12.5c	7.0c
Dividends paid per share (cents)	7	4.5c	4.0c
Continuing operations			
Basic earnings per share (cents)		12.5c	14.9c
Diluted earnings per share (cents)		12.5c	14.9c
Weighted average number of shares outstanding during the period used in calculation of earnings per share ('000)		63,876	63,884

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

		STRUCTURAL SYSTEMS GROUP	
	Note	**2012 $'000**	**2011 $'000**
Profit for the year		7,996	4,472
Other comprehensive income			
Exchange differences arising on translation of foreign operations		215	(1,111)
Gain / (loss) on revaluation of property		(741)	-
Deferred tax liability adjustment on revaluation of property		255	-
Other comprehensive income for the period (net of tax)		**(271)**	**(1,111)**
Total comprehensive income for the period attributable to owners of the parent entity		**7,725**	**3,361**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2012

		STRUCTURAL SYSTEMS GROUP	
	Note	2012 $'000	2011 $'000
Current Assets			
Cash and cash equivalents	22(a)	8,241	4,928
Trade and other receivables	9	64,017	54,682
Inventories	10	15,613	10,750
Other		157	130
Total current assets		**88,028**	**70,490**
Non-current assets			
Property, plant and equipment	12	37,091	32,814
Intangible assets	13	19,439	20,439
Deferred tax assets	16(b)	4,964	5,295
Other		11	13
Total non-current assets		**61,505**	**58,561**
Total assets		**149,533**	**129,051**
Current liabilities			
Trade and other payables	14	40,543	34,598
Financial liabilities	15	8,391	8,311
Current tax liability	16(a)	2,918	-
Short term provisions	17	5,593	5,258
Total current liabilities		**57,445**	**48,167**
Non-current liabilities			
Trade and other payables	14	5	-
Financial liabilities	15	12,183	4,820
Deferred tax liabilities	16(a)	2,203	3,007
Long term provisions	17	1,186	1,224
Total non-current liabilities		**15,577**	**9,051**
Total liabilities		**73,022**	**57,218**
Net assets		**76,511**	**71,833**
Equity			
Issued capital	18	40,884	41,056
Reserves	19	2,175	2,446
Retained earnings		33,452	28,331
Total equity		**76,511**	**71,833**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

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 2010		**41,056**	**26,293**	**3,751**	**265**	**(459)**	**70,906**
Profit attributable to owners 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**
Transaction with owners as owners:							
- Dividends paid		-	(2,434)	-	-	-	(2,434)
Balance at 30 June 2011		**41,056**	**28,331**	**3,751**	**265**	**(1,570)**	**71,833**
Profit attributable to owners of parent entity		-	7,996	-	-	-	7,996
Other comprehensive income:							
- Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	215	215
- Loss on revaluation of property		-	-	(741)	-	-	(741)
- Deferred tax liability adjustment on revaluation of property		-	-	255	-	-	255
Total comprehensive income		**-**	**7,996**	**(486)**	**-**	**215**	**7,725**
Transactions with owners as owners:							
- Shares bought back during the year		(172)	-	-	-	-	(172)
- Dividends paid		-	(2,875)	-	-	-	(2,875)
- Transfer of prior year revaluation increment to capital profits reserve on sale of freehold property		-	-	(1,430)	1,430	-	-
Balance at 30 June 2012		**40,884**	**33,452**	**1,835**	**1,695**	**(1,355)**	**76,511**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

		STRUCTURAL SYSTEMS GROUP	
	Note	2012 $'000	2011 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		297,003	268,002
Cash payments in the course of operations		(280,027)	(255,860)
Interest received		128	115
Finance costs		(1,551)	(1,074)
Income tax refunded		-	958
Net cash provided by (used in) operating activities	22 (b)	**15,553**	**12,141**
Cash flows from investing activities			
Proceeds from sale of discontinued operations		-	1,555
Payments for property, plant and equipment		(4,573)	(3,068)
Proceeds from sale of property, plant and equipment		3,819	240
Payment of deferred consideration for:			
- Meridian Concrete (Australia) Pty Ltd	22 (d)	(1,000)	-
Net cash provided by (used in) investing activities		**(1,754)**	**(1,273)**
Cash flows from financing activities			
Shares bought back and cancelled		(172)	-
Repayment of borrowings		(7,528)	(5,888)
Dividends paid by parent entity		(2,875)	(2,434)
Net cash provided by (used in) financing activities		**(10,575)**	**(8,322)**
Net increase (decrease) in cash and cash equivalents held		**3,224**	**2,546**
Effect of exchange rates on cash and cash equivalents		89	(554)
Cash and cash equivalents at beginning of financial year		4,928	2,936
Cash and cash equivalents at end of financial year	22 (a)	**8,241**	**4,928**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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').

The consolidated financial statements were authorised for issue by the Board of Directors on 28 September 2012.

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 (IFRS) as issued by International Accounting Standards Board (IASB). Material Accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated. The Group is a for-profit entity for the purpose of preparing the financial statements.

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.

(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.

Note 1. Statement of significant accounting policies (continued)

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.

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.

(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.

Note 1. Statement of significant accounting policies (continued)

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.

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% - 33.3%
Financed assets	
- Plant and equipment	15.0% - 25.0%
- 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.

Note 1. Statement of significant accounting policies (continued)

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

(f) Leases

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

(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.

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.

Note 1. Statement of significant accounting policies (continued)

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.

(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 2012 the Directors reviewed all outstanding construction contracts and determined that a future loss provision of $12,975,692 (2011: $2,577,444) 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 2012 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 (2011: nil). For further details of the impairment assessment refer to Note 13.

- **Assessment of the impairment of receivables**

As at 30 June 2012 the Directors reviewed the carrying amount of trade receivables and estimated that $302,696 of the carrying amount was not collectible (2011: $417,000). For further detail refer to Note 9.

(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 11.

(w) New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

- AASB 9: Financial Instruments, AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6. (Application date of Standard: 1 January 2015; Application date for the group: 1 July 2015)

  These standards apply retrospectively and address the classification, measurement and derecognition of financial assets and financial liabilities. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

Note 1. Statement of significant accounting policies (continued)

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127 (revised): Separate Financial Statements and AASB 128: Investments in Associates and Joint Ventures, and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (Application date of Standard: 1 January 2013; Application date for the group: 1 July 2013)

  AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The group has not yet been able to reasonably estimate the impact of this standard on its financial statements.

  AASB 11 which replaces AASB 131 addresses the classification of joint arrangements and requires the adoption of the equity method of accounting for joint ventures. As it is the group's policy to apply the equity method of accounting in joint ventures, AASB 11 will not have any impact on the amounts recognised in its financial statements.

  AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. This standard will affect disclosures only and is not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (Application date of Standard: 1 January 2013; Application date for the group: 1 July 2013)

  This standard explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (Application date of Standard: 1 January 2013; Application date for the group: 1 July 2013)

  This amendment removes individual key management personnel disclosure requirements from AASB 124 to eliminate replication with the Corporations Act 2001. The KMP disclosures will be reduced as a result of these amendments but there will be no impact on the amounts recognised in the financial statements.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Application date of Standard: 1 July 2012; Application date for the group: 1 July 2012)

  The amendments affect the presentation of items of other comprehensive income. Accordingly, only the presentation and disclosure of related items in the financial report are expected to be impacted.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2. Revenue

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Operating activities		
Rendering of services	271,902	229,539
Sale of goods	7,270	6,840
Interest	128	115
Other revenue	885	488
	280,185	**236,982**
Non-operating activities		
Gain on disposal of property, plant and equipment	293	157
Total revenue	**280,478**	**237,139**

Note 3. Profit for the year

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
(a) Profit before income tax is arrived at after charging (crediting) the following items:		
Amortisation and depreciation of:		
- Buildings	59	83
- Plant and equipment	10,843	9,071
- Leasehold improvements	29	4
	10,931	**9,158**
Bad and doubtful debts expense including movements in provision for doubtful debts	(114)	466
Interest paid and due and payable:		
- Other persons	70	221
- Finance charges on assets under hire purchases	1,481	853
	1,551	**1,074**
Rental - operating leases	1,588	1,424
Employee benefits expense	74,516	61,641
Defined contribution superannuation expense	6,357	5,454

Note 4. Income tax expense

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
The components of income tax expense are as follows:		
Current tax expense	3,090	3,281
Deferred tax (benefit) / expense	(389)	(813)
Under / (over) provision in respect to prior years	-	(113)
	2,701	**2,355**
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% (2011 - 30%)		
- Consolidated group	3,209	3,559
Add (deduct) tax effect of:		
- Increase (decrease) in income tax expense due to non tax deductible (non-tax assessable) items	14	29
- Non assessable profit on overseas entities	(80)	(12)
Amount under (over) provided prior year	-	(113)
R&D rebates	-	(1,108)
Tax losses on capital losses recognised in the current financial year	(442)	-
Income tax expense (benefit) attributable to entity	**2,701**	**2,355**
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1(b) occur:		
Capital losses	-	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 employee benefits (1) (3) (4)			Post employment benefits	
			Salary	Bonus	Other Benefits (2)	Superannuation	Total
Directors			$	$	$	$	$
D R Perry	Managing Director	**2012**	**378,000**	**143,790**	**11,607**	**34,020**	**567,417**
		2011	360,000	49,449	15,860	32,400	457,709
I L Fraser	Director (Non-executive)	**2012**	**60,000**	**-**	**-**	**5,400**	**65,400**
		2011	60,000	-	-	5,400	65,400
R W Freedman	Chairman	**2012**	**120,000**	**-**	**67,477**	**10,800**	**198,277**
		2011	120,022	-	29,603	10,800	160,425
P J McMorrow	Director (Non-executive comm. 01/07/11)	**2012**	**60,000**	**-**	**-**	**5,400**	**65,400**
		2011	60,000	-	-	5,400	65,400
Total Remuneration Directors		**2012**	**618,000**	**143,790**	**79,084**	**55,620**	**896,494**
		2011	600,022	49,449	45,463	54,000	748,934
Executives			$	$	$	$	$
R Coates	Executive General Manager Mining	**2012**	**288,750**	**-**	**21,626**	**25,988**	**336,364**
		2011	275,000	55,000	18,169	24,750	372,919
M Schweiger	Executive General Manager Building	**2012**	**288,750**	**-**	**7,348**	**25,988**	**322,086**
		2011	275,000	55,000	8,698	24,750	363,448
S Crole	Executive General Manager Infrastructure	**2012**	**288,750**	**23,854**	**21,996**	**25,988**	**360,588**
		2011	275,000	55,000	21,996	24,750	376,746
S Gray	Chief Financial Officer and Company Secretary	**2012**	**178,000**	**12,000**	**17,196**	**16,020**	**223,216**
		2011	166,396	12,000	14,415	14,976	207,787
Total Remuneration Executives		**2012**	**1,044,250**	**35,854**	**68,166**	**93,984**	**1,242,254**
		2011	991,396	177,000	63,278	89,226	1,320,900
Total Remuneration KMP		**2012**	**1,662,250**	**179,644**	**147,250**	**149,604**	**2,138,748**
		2011	1,591,418	226,449	108,741	143,226	2,069,834

(1) All values are the amounts earned for the relevant reporting period
(2) Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance and Fringe Benefits Tax
(3) The total bonus payment payable to Mr Perry for the 2012 financial year is $287,580. Mr Perry has agreed with the Remuneration Committee for this bonus payment to be paid over two years.
(4) During FY2012, M Schweiger was paid a $25,000 bonus due to certain hurdles being achieved in prior periods.

Note 5. Key Management Personnel Compensation (continued)

(b) Shareholdings

Number of shares held by key management personnel

2012	Balance 01/07/2011	Received as remuneration	Number of ordinary shares issued on options exercised	Net change other [1]	Balance 30/06/2012
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	265,000	-	-	-	265,000
P J McMorrow	1,019,887	-	-	-	1,019,887
D R Perry	677,243	-	-	12,757	690,000
Executives					
S Crole	253,635	-	-	-	253,635
R Coates	197,000	-	-	-	197,000
M Schweiger	200,000	-	-	-	200,000
S Gray	-	-	-	-	-
Total	**3,711,901**	**-**	**-**	**12,757**	**3,724,658**

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

2011	Balance 01/07/2010	Received as remuneration	Number of ordinary shares issued on option	Net change other [1]	Balance 30/06/2011
Directors					
R W Freedman	1,099,136	-	-	-	1,099,136
I L Fraser	250,000	-	-	15,000	265,000
P J McMorrow [2]	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 [3]	-	-	-	-	-
Total	**3,337,614**	**-**	**-**	**374,287**	**3,711,901**

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

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. 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	
	2012 $	**2011 $**
Remuneration of the auditor of the parent entity - William Buck		
Auditing and reviewing the financial report	280,528	214,800
Taxation services	27,834	73,848
Auditing the financial reports of controlled entities	36,888	34,250
Remuneration of other auditors of subsidiaries for:		
Auditing or reviewing the financial report of subsidiaries	9,755	8,750

Note 7. Dividends

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Dividends 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 2011 of 2.5 cents (2010: 2.5 cents) per share paid on 18 Nov 2011 franked at the tax rate of 30%	1,597	1,597
- Interim fully franked ordinary dividend for the year ended 30 June 2012 of 2.0 cents (2011: 1.5 cents) per share paid on 18 May 2012 franked at a tax rate of 30%	1,278	958
Dividends declared after 30 June 2012		
(a) The directors have resolved to declare a final fully franked ordinary dividend of 3.0 cents (2011: 2.5 cents) per share payable on 19 October 2012, franked at the tax rate of 30% (2011: 30%) based on 63,444,474 ordinary shares at 21 September 2012	1,903	1,597
	1,903	**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 recognised as receivables and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	5,699	6,469
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(816)	(684)
	4,883	**5,785**

Note 8. Earnings per share

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
(a) Reconciliations of earnings to profit		
Profit for the year from continuing operations	7,996	9,510
Loss for the year from discontinued operations	-	(5,038)
Profit for the year	7,996	4,472
Earnings used in the calculation of earnings per share	7,996	4,472
Earnings used in the calculation of dilutive earnings per share	7,996	4,472

	Number	**Number**
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	63,875,626	63,884,474
Weighted average number of options / convertible notes outstanding	-	-
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	63,875,626	63,884,474

Note 9. Trade and other receivables (current)

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Trade receivables	63,119	53,898
Provision for impairment of receivables	(303)	(417)
	62,816	**53,481**
Formwork sale receivable	165	165
Other debtors and deposits	1,036	1,036
	64,017	**54,682**
Ageing of past due but not impaired receivables		
60-90 days	1,335	2,958
90+ days	9,534	8,577
	10,869	**11,535**
Movement in the provision for the impairment of receivables is as follows:		
Opening balance	(417)	(428)
Amounts written off or assessed as recoverable	114	11
Closing balance	**(303)**	**(417)**

Impaired receivables are all greater than 120 days

Note 10. Inventories

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Raw materials and stores at cost	5,646	4,277
Finished goods	398	119
Work in progress - materials on site	3,784	950
Construction work in progress	5,785	5,404
	15,613	**10,750**
Construction work in progress comprises:		
Contract costs incurred	211,347	145,037
Profit recognised	31,597	29,471
	242,944	**174,508**
Less:		
Provisions for losses	(12,976)	(2,577)
	229,968	**171,931**
Less:		
Progress billings and advances received and receivable on construction contracts in progress	(239,771)	(173,965)
Net construction work in progress	**(9,803)**	**(2,034)**
Net construction work in progress comprises:		
Amounts due from customers - inventories	5,785	5,404
Contract billings in advance - payables (note 14)	(15,589)	(7,438)
	(9,803)	**(2,034)**
Retentions on construction contracts in progress	**4,675**	**4,614**

Note 11. Supplementary information about the parent entity

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Assets		
Current assets	53,652	43,781
Total assets	**161,099**	**140,158**
Liabilities		
Current liabilities	26,688	28,511
Total liabilities	**133,268**	**105,124**
Equity		
Issued capital	40,093	40,265
Total equity	**27,831**	**35,034**
Profit and loss and total comprehensive income	**(4,155)**	**307**

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	
	2012 $'000	**2011 $'000**
Freehold land		
At independent valuation 2008 (a) (b)	-	6,874
At independent valuation 2011 (b) (c)	4,484	-
	4,484	**6,874**
Buildings		
At independent valuation 2008 (a) (b)	846	1,685
At cost - subsequent additions	-	518
Accumulated amortisation	(59)	(242)
	787	**1,961**
Leasehold improvements		
At costs	80	80
Accumulated amortisation	(80)	(80)
	-	**-**
Plant, equipment and motor vehicles		
At cost	83,251	65,756
Accumulated depreciation	(51,431)	(41,777)
	31,820	**23,979**
Total	**37,091**	**32,814**

(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.

(c) An independent valuation of the consolidated entity's freehold land and building was carried out between December 2011 and June 2012. This assessment was based on open market values for existing use and resulted in a valuation of land and buildings of $4,483,958. Valuation on one of the consolidated entity's pieces of land resulted in an impairment loss of $70,486. This loss has been recognised directly in the income statement. The consolidated entity's freehold land and building had original cost of $3,803,145.

Note 12. Property, plant and equipment (continued)

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'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
Revaluation decrements	(741)	-
Impairment on revaluation	(70)	-
Additions	-	-
Disposals	(1,579)	-
Carrying amount at end of year	**4,484**	**6,874**
Buildings		
Carrying amount at beginning of year	1,962	1,616
Additions	-	429
Disposals	(1,116)	-
Depreciation	(59)	(83)
Carrying amount at end of year	**787**	**1,962**
Leasehold improvements		
Carrying amount at beginning of year	-	4
Addition	-	-
Disposals	-	-
Amortisation	-	(4)
Carrying amount at end of year	**-**	**-**
Plant and equipment and motor vehicles		
Carrying amount at beginning of year	23,978	20,083
Additions	19,586	13,114
Disposals	(883)	(83)
Movements due to foreign exchange rate differences	11	(65)
Depreciation and amortisation	(10,872)	(9,071)
Carrying amount at end of year	**31,820**	**23,978**
Total		
Carrying amount at beginning of year	32,814	28,577
Additions	19,586	13,543
Disposals	(3,578)	(83)
Revaluation decrements	(741)	-
Impairment on revaluation	(70)	-
Depreciation and amortisation	(10,931)	(9,158)
Movements due to foreign exchange rate differences	11	(65)
Carrying amount at end of year	**37,091**	**32,814**

Note 13. Intangibles

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Goodwill - at cost	19,447	20,447
Accumulated impairment losses	(8)	(8)
	19,439	**20,439**
Movements during the year:		
Balance at beginning of year	20,439	20,439
Additions	-	-
Change in amount due under contract of sale (a)	(1,000)	-
	19,439	**20,439**
Impairment disclosures		
Goodwill is allocated to cash-generating units which are based on the Group's reporting segments		
Construction segment	18,261	19,261
Mining segment	1,178	1,178
Total	**19,439**	**20,439**

(a) Goodwill was reduced by $1,000,000 due to a reduction in the earn-out payment as consideration for the acquisition of Meridian Concrete; this treatment is consistent with AASB3 requirements prior to 1 July 2009.

		Growth rate	Discount rate
Cash generating unit			
Construction segment	**2012**	**2.8%**	**14.97%**
	2011	2.5%	17.25%
Mining segment	**2012**	**2.0%**	**11.37%**
	2011	5.0%	17.25%

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.

Management has based the value-in-use calculations on forecasts for each cash generating unit that incorporate cash flow projections over a 5 year period with the above growth and discount rates. These forecasts 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 and are adjusted to incorporate risks associated with a particular cash generating unit.

Note 14. Trade and other payables

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Current		
Unsecured liabilities		
Trade payables	14,052	16,621
Sundry payables and accrued expenses	10,902	8,539
Contract billings in advance (see note 10)	15,589	7,438
Amount due under contract of sale (see note 13(a))	-	2,000
	40,543	**34,598**
Non-current		
Unsecured liabilities		
Other payables	5	-
	5	**-**

Note 15. Financial liabilities

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Current		
Secured liabilities		
Hire purchase liability	8,391	8,311
	8,391	**8,311**
Non-current		
Secured liabilities		
Hire purchase liability	12,183	4,820
	12,183	**4,820**
(a) Total current and non-current secured loans		
Hire purchase liabilities	20,574	13,131
	20,574	**13,131**
(b) The carrying amount of non-current assets pledges as first security are:		
Assets over which lease and hire purchase contracts apply (plant and equipment and motor vehicles	21,630	13,253
	21,630	**13,253**

Note 16. Tax

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	2011 $'000
(a) Liabilities		
Current		
Tax payable	2,918	-
Non-current		
Deferred tax liabilities comprise:		
Property, plant and equipment (revaluation adjustments)	786	1,608
Debtor retentions	1,417	1,399
	2,203	**3,007**
(b) Assets		
Non-current		
Deferred tax assets comprise:		
Property, plant & equipment	3,075	2,485
Provision and accruals	1,889	1,969
Tax losses	-	841
	4,964	**5,295**
(c) Reconciliations		
Gross movements		
The overall movement in net deferred tax assets is as follows:		
Opening balance	2,288	2,718
Over-provision in respect to prior years	101	-
(Charge) / credit to income statement	389	(430)
Revaluation of freehold land credited to equity	255	-
Disposal of revalued assets	569	-
Utilisation of tax losses	(841)	-
	2,761	**2,288**

Note 17. Provisions

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Current		
Employee benefits	5,593	5,258
Non-current		
Employee benefits	1,186	1,224
Consolidated Group employee benefits		
Opening balance for the year	6,482	5,954
Additional provisions	4,138	3,800
Amounts used	(3,841)	(3,272)
Balance at year end	**6,779**	**6,482**

Provision for long-term employee benefits

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

Note 18. Issued capital

(a) Ordinary shares

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Issued and paid up capital	40,884	41,056
- 63,645,933 fully paid ordinary shares 2012		
- 63,884,474 fully paid ordinary shares 2011		

	Number	**Number**
Ordinary shares		
Movements in ordinary share capital		
Balance at the beginning of the financial year	63,884,474	63,884,474
Shares bought back and cancelled (November 2011 - June 2012)	(238,541)	-
	63,645,933	**63,884,474**

(i) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

(ii) 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.

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

(iv) Shares bought back on market prior to balance date were acquired at values ranging between 67c and 78c per share. Costs associated with the buyback amounted to $5,261.

Note 18. Issued Capital (continued)

(b) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

These responses include where necessary, the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

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	
	2012 $'000	2011 $'000
Hire purchase future minimum payments		
- Not later than 1 year	9,693	6,992
- Later than 1 year, but not later than 5 years	13,430	7,426
Total maximum lease commitment	**23,123**	**14,418**
Future finance charges	(2,549)	(1,287)
	20,574	**13,131**
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 and equipment employed by ROCK Australia Mining + Civil Pty Ltd, primarily drill rigs.		
Non-cancellable operating leases future minimum payments		
Contracted for but not capitalised in accounts		
- Not later than 1 year	1,551	1,847
- Later than 1 year, but not later than 5 years	2,437	2,782
- Later than 5 years	-	-
	3,988	**4,629**

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

Note 21. Contingent Liabilities

	STRUCTURAL SYSTEMS GROUP 2012 $'000	2011 $'000
Contract cash retention [1]	4,675	4,614
Contract performance guarantees [1]	10,128	10,567
Guarantees by the Company in respect of bank facilities of controlled entities	1,701	2,385
Cross guarantees by the Company and controlled entities in respect of bank facilities	43,040	40,550
	59,544	**58,116**

[1] Amounts relate to security held for the purpose of ensuring the due and proper performance of contracts undertaken by the Group. These amounts are released at various stages of the contracts.

Note 22. Cash flow information

	STRUCTURAL SYSTEMS GROUP 2012 $'000	2011 $'000
(a) Reconciliation of cash		
Cash at the end of the reporting period as shown in the statement of cash flow is reconciled to the items in the statement of financial position		
Cash on hand	24	27
Cash at bank	8,217	4,901
Bank overdraft	-	-
	8,241	**4,928**
(b) Reconciliation of cash flow from operations with profit (loss) after income tax		
Profit (loss) after income tax	7,996	4,472
Non-cash flows in profit		
Depreciation and amortisation	10,931	9,158
Bad debts written off	-	474
Bad and doubtful debts	(114)	(9)
Impairment loss on property, plant and equipment	70	-
Impairment loss on investments	-	175
(Profit) loss on sale of non-current assets	(293)	(157)
(Profit) loss on sale of non-current investments	-	-
Change in assets and liabilities		
- (Increase) decrease in trade and other receivables	(9,215)	7,766
- (Increase) decrease in inventories	(4,862)	2,773
- (Increase) decrease in prepayments	(28)	129
- (Decrease) increase in trade, other payables and accruals	8,071	(14,318)
- (Decrease) increase provisions	296	528
- (Decrease) increase in income taxes payable	2,918	724
- (Decrease) increase in deferred tax liabilities	(548)	(285)
- (Increase) decrease in deferred tax assets	331	711
Net cash provided by (used in) operating activities	**15,553**	**12,141**
(c) Non-cash financing and investing activities		
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	14,901	10,410

Note 22. Cash flow information (continued)

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	2011 $'000
(d) Acquisition of entities		
During the year the Company made the following deferred payments under contract of sale		
Meridian Concrete Australia	1,000	-
Total cash outflow	**1,000**	**-**
(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)
Gain (loss) on disposal	-	(10)
	-	**(5,048)**
The following were the results of the formwork division business for the year		
Revenue	-	688
Operating expenses	-	(7,885)
Loss before income tax	**-**	**(7,197)**
Income tax benefit	-	2,159
Loss after income tax	**-**	**(5,038)**
Net cash provided by (used in) operating activities in relation to discontinued operations	**-**	**(5,415)**

Note 23. Particulars relating to controlled entities

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

	Place of incorporation	Principal Activity	Ownership interest 2012	Ownership interest 2011
Emirates & Australia Construction Systems LLC	UAE	Construction	100%	100%
Meridian Concrete Australia Pty Ltd	Victoria	Construction	100%	100%
NASA Structural Systems LLC	UAE	Construction	100%	100%
Refobar Australia Pty Ltd	Queensland	Manufacturing	100%	100%
ROCK Australia Mining and Civil Pty Ltd	Victoria	Mining Services	100%	100%
SSL Structural Systems (Africa) (Proprietary) Limited	South Africa	Construction	10%	10%
Structural Systems (Bridge Maintenance) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Civil) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Construction) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Northern) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Remedial) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Southern) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems (Western) Pty Ltd	Victoria	Construction	100%	100%
Structural Systems Middle East LLC	UAE	Construction	100%	100%
Total Fire Protection Pty Ltd	Victoria	Dormant	100%	100%

Note 24. Related party information

Directors who held office during the year are:

- Peter J McMorrow
- 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 Group'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.

- **Corporate segment**

The corporate segment represents the entity that conducts transactions relating to Group finance, taxation, treasury, corporate secretarial and certain strategic investments.

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		Corporate		Consolidated Group (Continuing Operations)		Discontinued Operations	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue										
External Sales	180,408	153,790	98,764	82,589	-	-	279,172	236,379	-	688
Other Sales	770	488	115	-	-	-	885	488	-	-
Total sales revenue	**181,178**	**154,278**	**98,879**	**82,589**	**-**	**-**	**280,057**	**236,867**	**-**	**688**
Unallocated revenue	13	63	254	108	154	101	421	272		
Total revenue	**181,191**	**154,341**	**99,133**	**82,697**	**154**	**101**	**280,478**	**237,139**	**-**	**688**
Results										
Segment result	8,232	6,499	5,320	8,409	(2,855)	(3,043)	10,697	11,865	-	(7,197)
Income tax benefit / (expense)	-	-	-	-	(2,701)	(2,355)	(2,701)	(2,355)	-	2,159
Profit after income tax	**8,232**	**6,499**	**5,320**	**8,409**	**(5,556)**	**(5,398)**	**7,996**	**9,510**	**-**	**(5,038)**
Assets										
Segment assets	86,849	79,851	46,275	37,612	16,410	11,587	149,534	129,050		
Total assets	**86,849**	**79,851**	**46,275**	**37,612**	**16,410**	**11,587**	**149,534**	**129,050**		
Liabilities										
Segment liabilities	36,070	29,413	28,985	19,915	7,966	7,889	73,021	57,217		
Total liabilities	**36,070**	**29,413**	**28,985**	**19,915**	**7,966**	**7,889**	**73,021**	**57,217**		
Other										
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	2,223	1,148	17,360	11,967	-	429	19,584	13,544		
Depreciation and amortisation of segment assets	2,420	1,677	8,438	7,394	73	87	10,931	9,158		

Revenue and assets by geographical region for continuing operations

	Australia		United Arab Emirates		Consolidated Group	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenues for external customers	274,577	229,360	5,901	7,779	280,478	237,139
Carrying amount of segment assets	144,738	121,993	4,796	7,057	149,534	129,050
Acquisition of non-current segment assets	19,538	13,544	46	-	19,584	13,544

Note 26. Financing arrangements

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

	STRUCTURAL SYSTEMS GROUP	
	2012 $'000	**2011 $'000**
Total facilities available		
Bank overdrafts	3,000	3,000
Commercial bill facility	5,000	5,000
Hire purchase facility	25,000	20,000
Other facilities	2,582	2,490
Bank guarantee facility	20,068	20,068
Surety bond facility	30,000	25,000
	85,650	**75,558**
Facilities used at the end of the reporting period:		
Bank overdrafts	-	-
Commercial bill facility	-	-
Hire purchase facility	20,574	13,253
Other facilities	2,582	2,490
Bank guarantee facility	10,128	9,676
Surety bond facility	3,621	4,378
	36,905	**29,797**
Facilities not used at the end of the reporting period:		
Bank overdrafts	3,000	3,000
Commercial bill facility	5,000	5,000
Hire purchase facility	4,426	6,747
Other facilities	-	-
Bank guarantee facilities	9,940	10,392
Surety bond facility	26,379	20,622
	48,745	**45,761**

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 13.05% (2011 – 13.41%). The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees charged are 2.0% per annum of facility utilised, subject to a minimum charge per individual guarantee (2011 – 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 $1.632 million (2011: $1.534 million), and a corporate credit card facility of $200,000 (2011: $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 and hire purchase liabilities. The main purpose of non-derivative financial instruments is to provide working capital 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

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	
	2012 $'000	2011 $'000
Current finance lease and hire purchase liabilities		
Carrying value at amortised cost	8,391	8,311
Fair value	9,401	7,945
Non-current finance lease and hire purchase liabilities		
Carrying value at amortised cost	12,183	4,820
Fair value	12,024	4,211

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 2012 the Group held no financial instruments that could vary according to changes in the price of steel (2011: nil).

Foreign Exchange Risk

The group holds foreign denominated currency. To mitigate the risk of fluctuations in exchange rates, these currencies are rigorously monitored by management and frequently repatriated and held in the Australian dollar.

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.

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.

Note 27. Financial Instruments (continued)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within 1 year or less	Fixed interest rate maturing within Over 1 year to 5 years	Fixed interest rate maturing within More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2012							
Financial Assets							
Cash and cash equivalents	3.50%	8,217	-	-	-	24	8,241
Receivables	-	-	-	-	-	64,017	64,017
		8,217	**-**	**-**	**-**	**64,041**	**72,258**
2012							
Financial Liabilities							
Payables	-	-	-	-	-	10,903	10,903
Lease and lease purchase liabilities	7.71%	-	8,391	12,183	-	-	20,574
		-	**8,391**	**12,183**	**-**	**10,903**	**31,477**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within 1 year or less	Fixed interest rate maturing within Over 1 year to 5 years	Fixed interest rate maturing within More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2011							
Financial Assets							
Cash and cash equivalents	4.25%	4,902	-	-	-	26	4,928
Receivables	-	-	-	-	-	54,682	54,682
		4,902	**-**	**-**	**-**	**54,708**	**59,610**
2011							
Financial Liabilities							
Payables	-	-	-	-	-	10,540	10,540
Lease and lease purchase liabilities	8.50%	-	8,311	4,820	-	-	13,131
		-	**8,311**	**4,820**	**-**	**10,540**	**23,671**

	STRUCTURAL SYSTEMS GROUP 2012 $'000	STRUCTURAL SYSTEMS GROUP 2011 $'000
Trade and sundry payables are expected to be paid (less than 6 months)	30,543	34,598
	30,543	**34,598**

Note 28. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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 27 to 63 and the remuneration report in the Directors' Report 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 2012 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: 28 September 2012

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 consolidated financial report comprising Structural Systems Limited (the company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the statement of financial position as at 30 June 2012, the income statement and 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.

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 gives and true and fair view and 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 of the financial report that gives a true and fair view 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.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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williambuck.com

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 the consolidated entity 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 2012 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 contained in the directors' report for the year ended 30 June 2012. 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 for the year ended 30 June 2012, 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 for the year ended 30 June 2012 included on Structural Systems Limited's web site. The company's directors are responsible for the integrity of the web site. We have not been engaged to report on the integrity of the Structural Systems Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

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

J.C.Luckins
Director

Dated this 28th day of September, 2012

SHAREHOLDER INFORMATION

Distribution of shareholders and shareholdings at close of business 31 August 2012

Size of holding	Number of shareholders	Number of shares
1-1,000	227	124,773
1,001 to 5,000	405	1,171,012
5,001 to 10,000	260	2,024,733
10,001 to 100,000	528	16,701,529
100,001 and over	84	43,422,427
	1,504	**63,444,474**

The number of shareholders holding less than a marketable parcel ($500.00) at 31 August 2012 is 128 holding 33,253 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
JP Morgan Nominees Australia Limited	11,708,806	18.46
National Nominees Pty Limited	4,886,620	7.70
HSBC Custody Nominees (Australia) Limited	2,295,233	3.62
Sandhurst Trustees Ltd <JMFG Consol A/c>	1,805,820	2.85
Kingemel Pty Ltd	1,504,743	2.37
Tintagel Nominees Pty Ltd	1,099,136	1.73
Mr Philip Henry Hall	1,050,000	1.65
Mr Peter John McMorrow <McMorrow Super Fund A/C>	1,019,887	1.61
Escor Investments Pty Ltd	900,000	1.42
Mrs Hilary Jean Hall	600,000	0.95
Mr Kenneth John Beer <Beer Super Fund A/c>	564,941	0.89
Mr David Bates <Bates Super Fund A/c>	550,000	0.87
Harg Pty Limited	503,773	0.79
Velkov Funds Management Limited <Victor Value Fund A/C>	490,000	0.77
JD Building Pty Ltd	488,788	0.77
Onitrammas Nominees Pty Ltd	488,787	0.77
Sandhurst Trustees Ltd <JM Mps A/C>	475,986	0.75
Solana Pty Ltd	471,543	0.74
Mr David Perry	390,000	0.61
Akir Pty Ltd	350,000	0.55
Top 20 holders of ordinary fully paid shares as at 31 August 2012	**31,644,063**	**49.88**

Substantial shareholders	Number of shares	Percentage of issued capital
JP Morgan Nominees Australia Limited	11,708,806	18.46
National Nominees Pty Limited	4,886,620	7.70

There is currently an on-market share buyback.

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.



ROCK
ERIC

Structural Systems

ROCK AUSTRALIA

MERIDIAN CONCRETE AUSTRALIA

REFOBAR AUSTRALIA

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