Structural Systems

ANNUAL REPORT 2014

Structural Systems

FINANCIAL OVERVIEW

10 YEAR FINANCIAL SUMMARY

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
External sales of goods and rendering of services ($'000)	223,125	271,172	280,478	237,139	253,585	319,210	282,573	141,239	104,405	106,948
Profit before tax from continuing operations ($'000)	2,105	3,220	10,697	11,865	9,130	9,237	20,708	12,316	7,165	3,444
Profit (loss) after tax ($'000)[1]	1,267	3,218	7,996	4,472	3,270	8,887	15,182	8,824	5,345	2,142
Shareholder's funds at end of year ($'000)	74,803	76,409	76,511	71,833	70,906	56,667	48,261	33,179	24,750	14,886
Net tangible assets ($'000)[1]	55,364	56,970	57,072	51,394	50,467	40,482	32,021	27,936	21,258	12,881
Return on shareholder's funds[1]	1.7%	4.2%	10.5%	6.2%	4.6%	15.6%	31.5%	26.6%	21.6%	14.4%
Return on sales	0.6%	1.2%	2.9%	1.9%	1.3%	2.8%	5.4%	6.2%	5.1%	2.0%
Basic earnings per share (cents)	2.0	5.1	12.5	7.0	5.3	18.1	31.9	21.2	15.2	8.4
Net tangible asset backing per share (cents)	87.9	90.5	89.7	80.4	79.0	82.4	65.3	60.3	54.6	50.3
Dividends declared for the year (cents)	4.0	4.0	5.0	4.0	2.5	-	11.5	10.0	7.5	1.5
Dividends times covered	0.5	1.28	2.5	1.75	2.1	N/A	2.8	2.1	2.0	5.6
Depreciation and amortisation ($'000)	10,545	11,011	10,931	9,158	7,717	7,148	5,699	4,102	2,946	2,418
Interest paid ($'000)	1,249	1,557	1,551	1,074	1,067	1,564	951	381	541	1,023
Interest received ($'000)	481	191	128	115	39	87	410	173	302	176
Share price at 30 June	$0.57	$0.32	$0.71	$0.69	$0.48	$0.79	$2.55	$2.82	$1.04	$0.61
Shares on issue at 30 June ('000)	62,959	62,959	63,646	63,884	63,884	49,142	49,142	46,438	38,950	25,631
Market capitalisation at 30 June ($'000)	35,887	20,147	45,189	44,080	30,664	38,822	125,312	130,955	40,508	15,635

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

CONTENTS

Annual General Meeting Details	
Date	19 November 2014
Time	10:30am
Place	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009

> **"I am confident our new leadership team will bring a new commercial discipline, increased accountability and greater transparency to the way we do business."**

CHAIRMAN'S REPORT

I am pleased and honoured to take on the role as Chairman of Structural Systems Limited. The past financial year ending 30 June 2014 has been a challenging year. The final result of a net profit before tax of $2.1 million is clearly disappointing and arose as a result of a number of issues across the Group.

However, I am confident Structural Systems is now well positioned into the future with a new senior management team and a more rigorous and disciplined approach to project reviews and cost controls. This will enable the Company to further explore the opportunities that present themselves within the changing market conditions being experienced within the construction and mining industry.

In keeping with our plan to further strengthen the Board, I am very pleased that both Peter Brecht and Michael Atkins have joined the Board. I am sure that they will make significant contributions to our direction and future performance.

The senior management team includes the new Managing Director, David Macgeorge and Chief Financial Officer, Roger Lee. Together with the Board, the team's focus will be on creating shareholder growth and value. The new direction will involve the launch of a new strategy to leverage the diverse revenue streams of our business model.

I strongly believe that our value proposition of having a diverse range of revenue streams across both construction and mining offers opportunity in a changing marketplace. By operating in a collaborative way across all of these areas we can create a new

"One Business – One Team" culture that will form the platform for new growth.

In short, the strength of the whole group will be greater than the sum of the individual businesses.

I am particularly proud of our safety record and the outcomes achieved during the year. We will maintain our strong focus on safety, health and the environment to ensure that we strive for zero harm in all those areas.

We have a strong balance sheet with no net debt and growing cash flows from our diverse business model is our number one priority. Given the strong cash position of the Group, the Board has resolved to pay a final dividend of 1.5 cents per share fully franked, payable on 17 October 2014. This brings the total dividends declared for the 2014 financial year to 4.0 cents per share fully franked.

There is no doubt the next 12 months will be a challenge as we undertake major cultural change within tough market conditions. However, I am confident our new leadership team will bring a new commercial discipline, increased accountability and greater transparency to the way we do business.

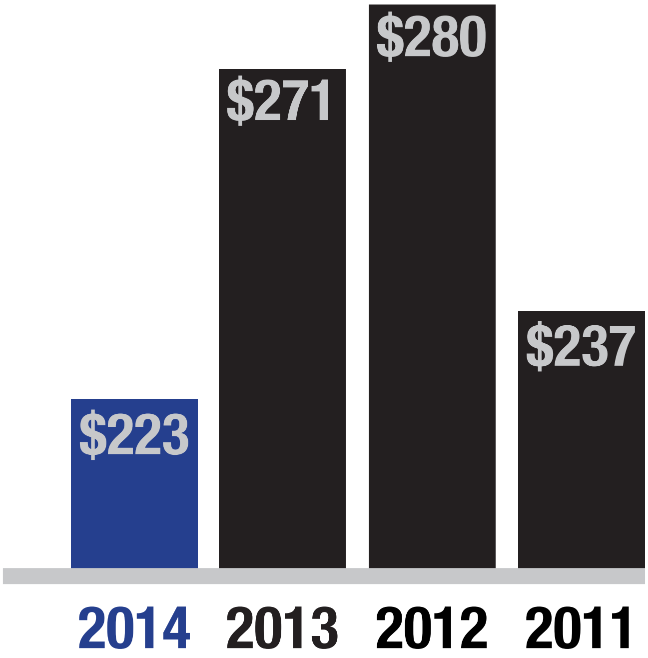
Peter McMorrow

Chairman

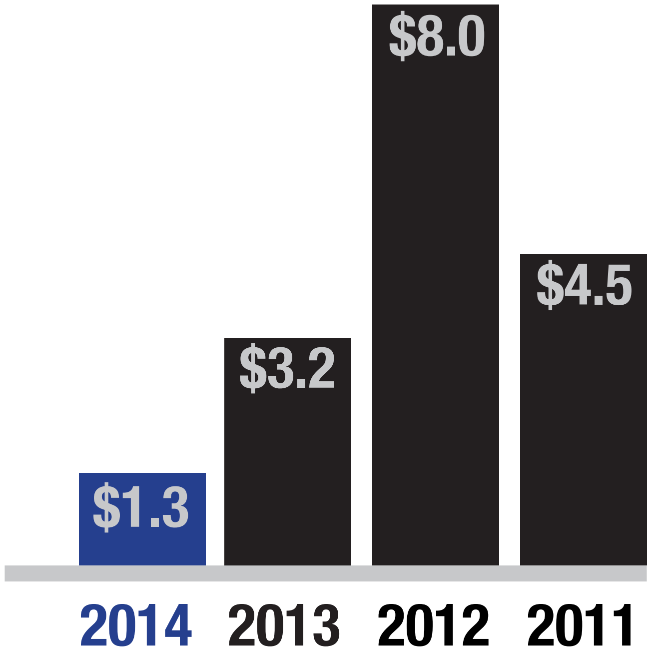
30th September 2014

SNAPSHOT OF PERFORMANCE

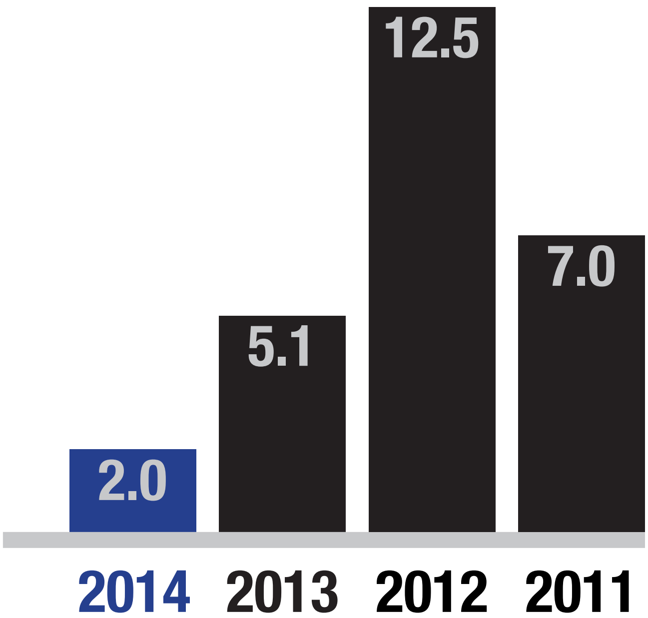
SALES
($M)



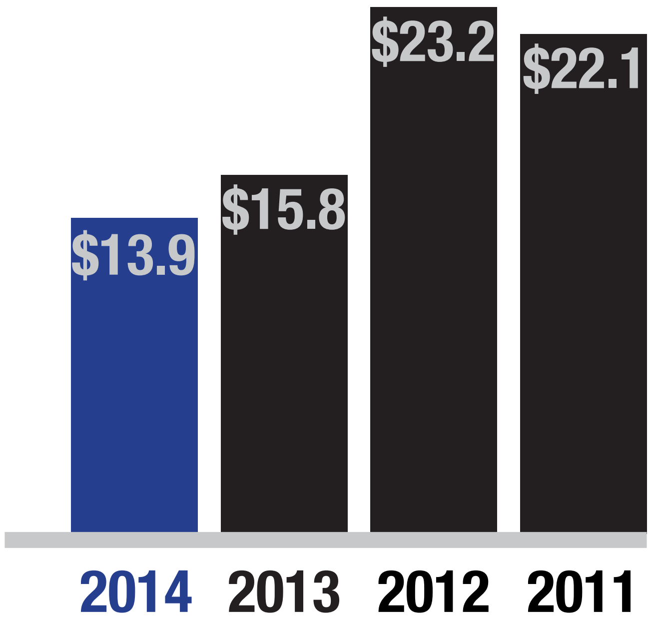
PROFIT TO MEMBERS
($M)



EARNINGS PER SHARE
(cents)



EBITDA CONTINUING OPERATIONS
($M)



WHO WE ARE, WHAT WE DO

Structural Systems is an Australian owned and operated company listed on the ASX since 1987. The Group specialises in providing contracting services to the mining and construction industry.

The company has been in business for more than 50 years and has a heritage of involvement in many iconic projects both within Australia and internationally.

The company is proud of its contribution to the construction and mining sectors. Amongst the projects it has been involved with are some of the largest open cut mines in Australia, landmark sporting venues like the Melbourne Tennis Centre and Sydney's ANZ Stadium and major dam and infrastructure projects throughout Australia, Africa and the Middle East. We employ more than 600 personnel and prioritise a safe work focus in all that we do. We are certified to international standards of management in safety, quality and environmental compliance.

Structural Systems Group

Structural Systems Limited

CONSTRUCTION SERVICES

Structural Systems

Civil Division

Structural Systems (Civil) Pty Ltd

Post-Tensioning Division

Structural Systems (Northern) Pty Ltd
Structural Systems (Southern) Pty Ltd
Structural Systems (Western) Pty Ltd

Remedial Division

Structural Systems (Remedial) Pty Ltd

Products Division

Refobar Australia Pty Ltd

REFOBAR AUSTRALIA

International Division

Structural Systems Africa (Limited)
NASA Structural Systems

MINING SERVICES

ROCK AUSTRALIA

Drill + Blast Division

ROCK Australia Mining + Civil Pty Ltd

Geotechnical Division

ROCK Australia Mining + Civil Pty Ltd

Engineering Division

ROCK Australia Mining + Civil Pty Ltd

Monitoring Division

ROCK Australia Mining + Civil Pty Ltd

Products Division

ROCK Australia Mining + Civil Pty Ltd

Mining Services - ROCK Australia

ROCK Australia provides specialist contracting services and products for mining and civil projects through Australia and overseas and operates five major divisions.

ROCK DRILL + BLAST

Comprehensive **DRILL + BLAST** services by experienced professionals for blasthole, presplit, grade control, depressurisation and special applications including high reach and on-slope situations.

ROCK GEOTECHNICAL

Leading provider of customised **GEOTECHNICAL** services in rockfall protection, slope stabilisation, ground support, debris and erosion control for open pit, underground, mine infrastructure and civil projects.

ROCK ENGINEERING

An integral partner for mining, construction and consulting companies in providing an experienced team to deliver geotechnical solutions from concept to design including the **ENGINEERING** and optimisation of works.

ROCK MONITORING

Managing safety and risk through state-of-the-art technology and techniques to accurately **MONITOR**, survey and analyse work environments 24/7.

ROCK PRODUCTS

Supply of reliable and innovative **PRODUCTS** and equipment for ground support, ground monitoring, slope stabilisation and erosion control

ROCK provide the experience, technical expertise and resources to deliver successful works from small scale specialist projects through to large turnkey and term based works. ROCK offers innovative and customised solutions and services to meet the Client's needs.

While geotechnical services continue to contribute significantly to the division, drill and blasting operations have become the lion's share of their business. Monitoring services and equipment hire and sales has become an important part of ROCK's business.

ROCK's drilling and blasting services are engaged in production activity and are generally provided under term contracts. ROCK is not involved in exploration drilling.

The other distinguishing characteristic of our mining services business, which again contributes to its resilience, is the diversity of its operations. This diversity is reflected both geographically and by commodity, leaving them less exposed to the ups and downs within any one market or commodity.

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's Monitoring division offers the most advanced technology for geotechnical monitoring, recording and reporting for mining and civil industries. The services offer safer working environments through reduction of risk with the areas being monitored 24/7 in all weather conditions which can provide instantaneous safety alerts or live video feed. ROCK is the appointed partner of Reutech Mining within Australasia for the supply, hire and support of MSR (Movement & Surveying Radar) systems as well as being the exclusive Australian agent in mining for world-leading Altamira Information services which provide ground movement studies via satellites using Interferometry Synthetic Aperture Radar (InSAR) and Altamira GlobalSAR™ processing technology. ROCK is also the licensed Australian distributor of SlideMinder®, which is a remote wire-line extensometer that provides continuous monitoring of ground movement. ROCK have also developed a partnership with Sedna and is 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.

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.

Construction Services

The construction services arm comprises four divisions that provide services to broad sections of the building, civil and infrastructure market sectors. Each division has a separate core area of competence that is distinguished by its own set of challenges and by the geographical footholds it enjoys. Some divisions operate nationally and in global markets, while others are adapted to State-specific conditions.

Civil

The civil division undertakes works in both a head contractor and specialist subcontractor capacity. The type of works undertaken by this division include:

- 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.

Over the last 10 years, the civil division has built an enviable track record in dam anchoring and strengthening in Australia and is recognised as the market leader in this sector. Their reputation and track record of successful execution within Australia is resulting in increasing enquiries for their services from overseas clients.

Post-Tensioning

PT was the foundation activity of the company and is a sector in which they continue to enjoy a strong market position and recognition. While their civil division provides specialist post-tensioning services to the civil and infrastructure sectors, amongst its other activities their post-tensioning division is focused on providing these services to the building sector.

In general terms, post-tensioning is a method of reinforcing concrete by the inlay of high-strength steel strands which are threaded through ducts within the concrete. The strands are then tensioned, resulting in a stronger structure using less material. As the technology reduces the amount of conventional reinforcement and concrete required it delivers a more economical and environmentally friendly solution.

The post-tensioning division is a founding corporate member of the Post-Tensioning Institute of Australia. The major markets that the post-tensioning division operates in are the retail, commercial, residential, educational, healthcare and industrial sectors.

Remedial

The remedial division employs a range of technologies that address the problems experienced by aging infrastructure, industrial and building assets. The division’s expertise spans a number of specialist remedial activities including the application of protective concrete coatings, injection work to repair cracking in concrete, facade refurbishment and electrochemical protection to combat corrosion and structural strengthening using fibre reinforced polymers.

Products - Refobar Australia

Refobar Australia has become a one-stop-shop for all post-tensioning components and is the only fully accredited firm operating in Australia. Refobar is a major supplier to the post-tensioning industry both within Australia and overseas.

Refobar continues to expand their product range to include a new range of plastics products such as recess formers and stressing pans, as well as expanding the casting range to include 3 strand and 4 strand couplers.

CASE STUDY **BARANGAROO**

Barangaroo is a 22 hectare harbour front urban redevelopment project underway on the north-western edge of the Sydney central business district.

It is Sydney's largest redevelopment project this century and over the next five years this former container port will be transformed into public waterfront walks and parks along with commercial office towers, retail and apartments. The site is divided into three main development areas:

- Headland Park
- Central Barangaroo
- Barangaroo South

Structural Systems has been involved in a variety of works associated with this colossal project. Working alongside Lend Lease, the developer of Barangaroo South and main contractor for both Barangaroo South and Headland Park, the post-tensioning and remedial teams have been focused on the commercial office towers and apartments at Barangaroo South.

The post-tensioning works include three multistorey towers and additional slabs, entailing close to 2,500 tonnes of 15.2mm strand. Construction of the three commercial towers, known as International Towers Sydney, is underway and they are rapidly rising to join the Sydney skyline. Tower 2, the middle of the three towers, is the most advanced in its construction and is expected to reach its full height of 42 stories in mid-2015.

The Remedial works involved grouting works and associated compressive strength testing to the Tower 2

"Sydney's largest redevelopment project this century"

lift overrun walls.

The Civil division has also been involved in the Barangaroo Headland Park Cultural project which is being built by Lend Lease subsidiary, Baulderstone. This project involves the construction of a land bridge, supporting a park complete with bicycle paths, walking tracks, retaining walls, water mains, trees and grassed areas over the top of a large 17m high 18,000m² open floor space.

Structural Systems is supplying and installing the post-tensioning works for holding down the beams to the 17m high supporting concrete columns.

Separately the Civil division is working on the Wynyard Walk project. This Transport for NSW project is connected with the Barangaroo redevelopment and involves the construction of a fully accessible pedestrian tunnel and footbridge linking Wynyard station and the Barangaroo waterfront in approximately six minutes, avoiding steep inclines and road crossings.

To construct the 110m long, 3.5m high and 9m wide pedestrian tunnel, Structural Systems worked with Thiess Contractors and their subcontractor Ward Civil to supply, install and stress post-tensioning tendons to new concrete beams. They also provided, installed and operated 47 flat jacks to support the heritage listed Transport House during the tunnel's construction and to provide permanent support upon completion.

Construction of the footbridge is also underway and involves supply, installation and stressing of Macalloy stressbars within the western abutment and its connection to precast T-beams spanning Sussex Street.

2014 artist impression of how Barangaroo might look on completion. Source Lend Lease.

CASE STUDY **PARADISE DAM**

A major flood event during the January to March period of 2013 in Queensland caused significant damage to the spillway dissipator of the Paradise Dam, resulting in the immediate requirement for repair works. SunWater commenced these works, then engaged Structural Systems as the Main Contractor to perform the interim repairs.

Paradise Dam is located one hour from Bundaberg in Queensland and is owned and managed by SunWater Limited. The Dam is a 52m high roller compacted concrete (RCC) gravity dam on the Burnett River, which houses a Mini-Hydro (Generator and Turbine) to generate electricity for Ergon.

Structural Systems provided technical assistance to SunWater following the flood event and after a short tender process, Structural Systems were awarded the contract by SunWater for the completion of urgent Flood Repairs and had a presence on site within one week.

After mobilising a full specialised dam crew to site within only days, the team had assembled a group of subcontractors, including ROCK Australia, and hit the ground running.

The initial scope of work for the project included reinforcing, forming and pouring 69 major pours to reinstate the dissipator sill, which sits on the downstream edge of the apron. Downstream of the sill were a number of 1.5m high x 1.5m long steps which were formed and poured in order to restore the rock which was scoured during the floods. The original scope of works ensured the armour to the dam's toe was repaired to ensure it was not susceptible to any equivalent flood events.

Throughout the 6 month construction period, there were two notable variations which further strengthened the dissipator and were completed, whilst ensuring the programme for the initial scope was met. The first of these variations was for the construction of reinforced concrete capping slabs downstream of the sill and steps, which ensured that any damaged rock was removed and capped by a minimum of 600mm thick concrete.

During October of 2013, it was decided that the dam apron was to be further reinforced. The works entailed further capping slabs to be installed, but this time anchored on top of the existing concrete apron slabs.

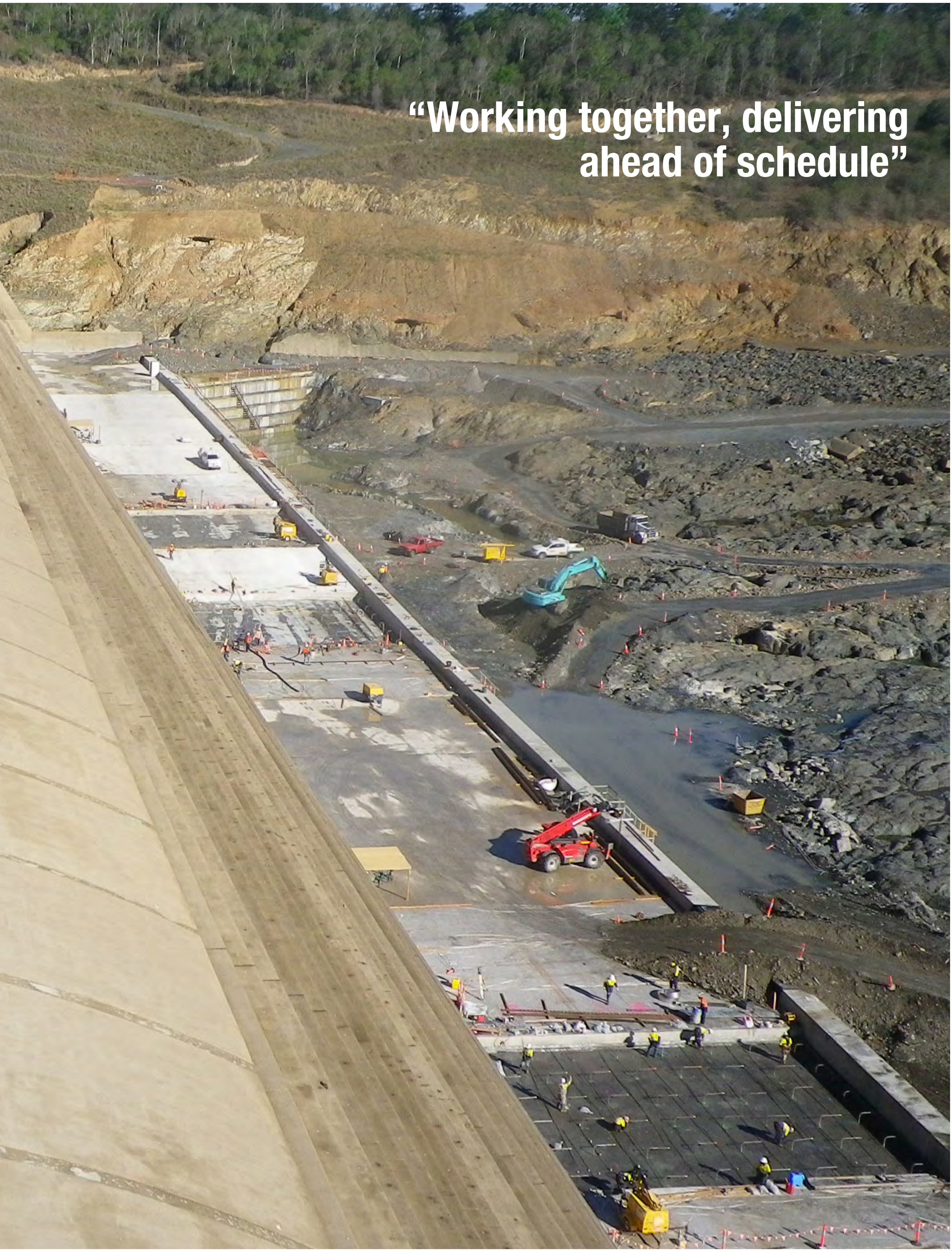
ROCK Australia's input on the project was invaluable, with the professional installation of over 25,000m of N32 galvanised passive anchors. Anchors with a length of up to 12m were installed, with over 2,700 individual anchors in total. ROCK were also utilised to drill drainage holes through both the new and existing concrete structures, as well as facilitate shotcrete works to a portion of damaged rock adjacent to the dam's spillway.

Final quantities of works completed are as follows:

1. 10,522m^3 of N32 concrete (batched on site)
2. 730t of Reinforcement
3. 25,000m of N32 Passive Anchors
4. 1,450m of 300mm x 1.6mm Stainless Steel Vertical Waterstop

After the successful completion of the repair works, Structural Systems were then called upon to facilitate the recommissioning of the Mini-Hydro which had been damaged in the 2011 floods. The works included the use of a 200t crane to remove the roof for the Mini-Hydro installation, along with the installation of a new Hydraulic Power Unit and Electrical Control Panel. The Mini-Hydro works were completed in June 2014 which allows the 11kV, 2.6MW turbine driven generating set to release water for downstream demands.

The original contract works were completed on the 20th of September, 2013 which was 23 days ahead of schedule. The 6,000m^2 of apron capping slabs were successfully completed by the 18th of December 2013, 2 days before the completion of the downstream capping slabs. The completion of these works before the end of December meant that the Dam was adequately strengthened for future floods which may have presented themselves in the 2014 wet season.


“Working together, delivering
ahead of schedule”

MANAGING DIRECTOR'S REPORT

As the incoming Managing Director of Structural Systems Limited, I am proud to be leading a company that has a long history, strong shareholder base and time-proven track record of being an Australian owned and operated company listed on the ASX since 1987. However, as indicated by Peter McMorrow, in his Chairman's report, the net profit result for financial year ending 30 June 2014 is disappointing and unacceptable.

Moving forward, I am determined to build on the Company's key strengths of delivery and technical capability, whilst maintaining a strong level of financial rigour and discipline in project procurement and execution.

We will be more strategic in the way we run the business and our "One Business - One Team" philosophy will be the lynchpin of this cultural change. We have a strong value proposition and this will be coupled with increased discipline, accountability and excellence in everything we do.

Our geographic spread of projects across a number of market sectors and commodities positions us well for the future. This is our great strength. The diversity of revenue is a major asset and will hold us in good stead as the mining industry continues its structural shift from construction to production. Major infrastructure projects will continue to drive projects in the construction areas.

Our challenge is to develop a pipeline of new work in order to continue to grow our cash flow revenues. While this will take time, we are building a team, structure and new vision to make this a reality. Our clear focus is on providing rigour to our commercial decisions and consistent on time and on budget delivery of our projects.

Safety

The most important activity that Structural Systems can do is to ensure our people return home safely each day. Driving Zero Harm is our number one priority. As a result, our safety performance continues to improve and I am proud that a number of areas remain LTI free including our mining services and civil division.

Financial Performance

Net profit after tax (NPAT) was $1.3 million. This result represents a decrease of 61% on the corresponding period. This has been a disappointing result for the Company. The EBITDA for the year was $13.9 million down from $15.8 million reported for the 2013 financial year.

Whilst the 2014 financial year was challenging, it is pleasing to finish the year with a very strong cash position and no net debt. Revenue for the year was $223.1 million which is down 18% on the prior year and the majority of this reduction is due to the sale of the Meridian Concrete business in early September 2013. We continue to operate in challenging markets and this will continue as clients come under margin pressure.

Cash flow from operations was $28.5 million which was a significant improvement to the prior year's position of $13.3 million.

Dividends paid during the year totalled $2.83 million which includes the 2013 final and 2014 interim dividend.

Earnings per share for the year was 2.0 cents compared to 5.1 cents per share for the prior year. Dividends declared for the year totalled 4.0 cents per share fully franked.

This compares to 4.0 cents per share declared in the 2013 financial year.

Work in hand for the Group at year end was $143 million. This is down from the June 2013 balance of $180 million.

Operational Performance

Mining Services

We had a strong year in a difficult market.

ROCK Australia Mining & Civil ("ROCK") recorded revenue of $85.3 million down 12% on the $96.6 million for the prior corresponding period. ROCK continued on from its strong financial results achieved in the second half of FY 2013 making $6.4 million profit before tax, up 60% from FY 2013. This was due to strong performance on a number of projects completed in FY 2014.

At the end of the financial year ROCK had work in hand of $77.5 million however a number of term contracts have come to completion. The market moving forward will be tough and the focus will be to continuously strive for greater efficiency in what will be a challenging year ahead.

Construction Services

There were some positive signs in construction as we were able to secure more work in a highly competitive market while maintaining discipline in project delivery and execution.

Revenue from Construction decreased 24% to $136.3 million (June 2013: $179.9 million), however, excluding Meridian, increased 19% to $132.6 million year on year. Profit increased on the same basis, up 14% to $5.4 million.

The consumables manufacturing business, Refobar Australia, built on strong growth from FY 2013 and grew revenue 8% to $10.8 million.

Our Civil works division had a record year with large and successful projects. Whilst they performed strongly in FY 2014 both locally and internationally, the division faces a challenging period ahead maintaining the FY 2014 workload.

The Remedial business continues to experience a challenging environment with low levels of work. We expect a difficult year ahead with both a reduction in revenue and challenging market conditions.

Post-Tensioning had a difficult and disappointing year with significant challenges on two large projects. This was offset by the majority of projects being delivered on time and on budget.

Our product areas continue to look for innovative ways to develop product lines and increase market share. This is very complimentary to our services offering and will be a focus going forward.

Outlook

Securing profitable growth is a major priority for the company as we look to position ourselves as a leading provider of complex services to the construction and mining industries. The diversity of our operations both from a geographic and commodity spread will help minimise our exposure to market fluctuations in any one sector. We deliver our technical capabilities well in solving complex problems for clients.

My goal is to introduce more discipline around financial reviews, business reviews and project management reviews coupled with a more strategic approach to business development. This will include strong leadership, cost control and outstanding program execution.

Our strategic intent is to grow organically and leverage the diversity of our business so that every aspect of the business is working together as one.

I am under no illusion that we face a very difficult year ahead as we lay a foundation for the future in a tough operating environment. I personally look forward to leading this transformation and cultural change within the company.

I am confident that the difficult decisions and actions required in the coming year will help position the company for long term success and to deliver consistent returns to our shareholders.

David Macgeorge

David Macgeorge

Managing Director

30th September 2014

YEAR IN BRIEF **ROCK**

- Achieved two years LTI free
- Strong FY with $6.4M profit before tax up 60%
- Increase in civil projects
- Secured and renewed two major term contracts
- Expansion of services including successful delivery of overseas projects

YEAR IN BRIEF **CIVIL**

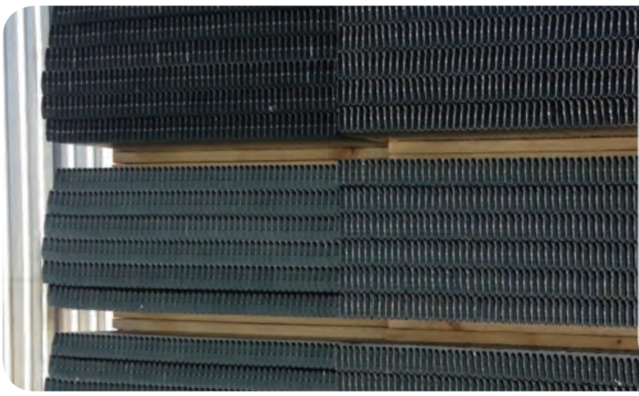
- Achieved two years LTI free
- Completion of largest civil project to date - Paradise Dam - completed ahead of time and on budget
- Outstanding divisional result

YEAR IN BRIEF **PT**

- Southern division (VIC) 15 months LTI Free
- On time completion of Adelaide Oval
- Record levels of work in hand

YEAR IN BRIEF **REMEDIAL**

- Delivery of Midtown Plaza in Melbourne which was the second largest remediation project for the division
- New work prospects in WA and NT
- Good result in Victoria despite difficult market conditions



YEAR IN BRIEF **PRODUCTS**

- Further expanded product range to include new plastics products as well as additional castings
- Full one stop shop for post-tensioning industry
- Working on a number of new exciting products to introduce in the coming year

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 2014 and the independent audit report thereon.

Principal activities

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

Operating and financial review

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

Results for the year	2014 $'000	2013 $'000
Revenue	223,125	271,172
Profit before income tax	2,105	3,220
Income tax expense attributable to profit	(838)	(2)
Profit attributable to the members of Structural Systems Limited	**1,267**	**3,218**

For details, refer to the Managing Director's report on pages 12 to 14.

Directors

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

Ian L Fraser

Peter J McMorrow (appointed as Chairman 1 July 2014)

David W Macgeorge (appointed 12 May 2014)

Peter J Brecht (appointed 4 September 2014)

Michael W Atkins (appointed 9 September 2014)

Robert W Freedman (resigned as Chairman 30 June 2014)

David R Perry (resigned 31 May 2014)

Company Secretary

Roger Lee was appointed Company Secretary on 22 September 2014 and replaces Stuart Gray. Roger is a qualified Certified Practising Accountant and has over 20 years of experience in senior and executive management in Australia. During his time at Broad Group Holdings and Leighton, Roger held various executive roles including Director/CFO, and subsequently Managing Director at Broad.

Stuart J Gray was appointed Company Secretary in April 2009. Stuart is a member of the Institute of Chartered Accountants in Australia and is an affiliate member of Chartered Secretaries Australia. Stuart holds a Bachelor of Commerce. Stuart resigned on 22 September 2014.

Information on Directors of Structural Systems Limited

Michael W Atkins

(Non-Executive Independent Director, appointed 9 September 2014)

Michael is a Fellow of the Australian Institute of Company Directors. Since February 2009 Michael has been a Director - Corporate Finance at Patersons Securities Limited and is currently Non-Executive Chairman of Australian listed companies Legend Mining Ltd (since February 2003) and Azumah Resources Ltd (since October 2009) as well as a Director of Perth Theatre Company. During the year he was also Non-Executive Director of Enterprise Uranium Ltd (resigned 1 April 2014).

Interest in Shares: Nil

Peter J Brecht

(Non-Executive Independent Director, appointed 4 September 2014)

Peter was previously the Managing Director - Construction Australia for Lend Lease, CEO of Bilfinger Berger Australia and Managing Director of Abigroup. Peter has more than 35 years experience in the construction industry.

Peter is a board member on the West Connex Delivery Authority (WDA) for the NSW Government as well as Fulton Hogan Ltd. He has been a Member of the Australian Institute of Company Directors since 2000.

Interest in Shares: 112,400 Held by Peter Brecht Superannuation Fund

Ian L Fraser

(Non-Executive Independent Director)

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

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

During the last three years Ian has also served as a Director of the following listed companies:

- PMP Limited from April 2003 to November 2012
- Legend Corporation Limited since January 2008

Interest in Shares: 365,000 Held by The Fraser Superannuation Fund.

Robert W Freedman

(Non-Executive Director 1 July 2014)

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

David W Macgeorge

(Managing Director, appointed 12 May 2014)

David has extensive Senior Executive experience in contracting, logistics, infrastructure and mining service industries and has a strong record of leading business transformations, value creation and growth through a unique understanding of strategy, customer focus and shareholder returns. David holds a Bachelor of Business in Marketing and has completed the Senior Executive Management program at INSEAD Business School in France.

Interest in Shares: 366,000 Held personally

Options to acquire 500,000 ordinary shares

Peter J McMorrow

(Non-Executive Director, appointed Chairman 1 July 2014, Member of the Structural Systems Remuneration Committee)

Director since 2010. Associateship in Highway Engineering, Western Australia Institute of Technology (now Curtin University). Fellow of Engineers Australia.

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 over 30 years project and executive experience and is a respected leader in the infrastructure and resources industries. Encompassing a wide variety of large and complex infrastructure projects both overseas and within Australia, his industry knowledge extends to all facets of engineering, project identification, winning and delivery as well as management of dynamic, profitable and long lasting business operations. Mr McMorrow is an advocate for safety and health, with a vision to create and sustain an industry where no one is harmed.

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

Interest in Shares: 2,490,544 Held by The McMorrow Superannuation Fund

David R Perry

(Managing Director, resigned 31 May 2014)

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:	630,000	Held by David Perry Superannuation Fund[1]
	90,000	Held personally

[1] Held by Sandhurst Trustees Limited as custodian within the "Sandhurst Trustees Ltd <JM MPS A/c>" holding.

Directors attendance at meetings	Structural Systems Board		Audit Committee		Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M W Atkins	-	-	-	-	-	-	-	-
P J Brecht	-	-	-	-	-	-	-	-
I L Fraser	9	9	3	3	9	9	9	9
R W Freedman	9	9	-	-	-	-	-	-
D W Macgeorge[1]	9	1	-	-	-	-	-	-
P J McMorrow	9	9	-	-	9	9	9	9
D R Perry	9	8	-	-	-	-	-	-

[1] Since David Macgeorge has been appointed as Managing Director, Structural Systems held one board meeting.

Remuneration Report (Audited)

The Directors present the remuneration report for the year ending 30 June 2014. The information provided in this remuneration report has been audited as required by section 308(3c) 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.

1. 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 and members of the Executive Committee. They are also charged with approving the Short and Long Term Incentive Scheme for the business.

2. 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 2014 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. These levels will be determined by the Remuneration Committee for the 2015 financial year and onwards.
- The remuneration levels of the members of the Executive Committee reporting to the Managing Director attributable to the 2014 financial year was submitted by the Managing Director to the Remuneration Committee for approval. Remuneration packages are structured such that the Group is able to attract and retain personnel with the expertise and ability to create value for shareholders.
- The remuneration level of Non-Executive Directors is reviewed and approved by the Remuneration Committee on an annual basis within the fee pool of $500,000 approved by shareholders at the 2013 Annual General Meeting.

Both independent external advice and internal advice may be sought as required to assist the Remuneration Committee in determining appropriate remuneration arrangements for the Key Management Personnel. This includes the remuneration levels of comparable positions within other public companies. None such advice was sought for the year ended 30 June 2014.

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.

3. 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 and to whom this report applies.

Name	Role
D W Macgeorge	Managing Director (appointed 12 May 2014)
D R Perry	Managing Director (resigned 30 May 2014)
S Crole	Executive General Manager Construction (termination effective 4 August 2014)
R Coates	Executive General Manager Mining
R Lee	Chief Financial Officer & Company Secretary (appointed 22 September 2014)
S Gray	Chief Financial Officer & Company Secretary (resigned 22 September 2014)

4. Executive Remuneration

4.1 Fixed Remuneration

Fixed remuneration comprises cash salary 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.

4.2 Short-term incentive plan

David Perry

David Perry has a component of his remuneration at risk. His at risk component is directly linked to the financial performance of the Company. The bonus that may be payable to the Managing Director is calculated as the greater of:

- 30% of base salary (base salary being Total Fixed Remuneration less 20%) for 90% achievement of financial budget approved by the board
- An additional 2% for each 1% over 90% achievement of financial budget achieved. This increment rate is capped at 100% of financial budget
- An additional 2.5% for each 1% above the financial budget until 100% of base salary is achieved being at 120% of plan
- All incentives are to be funded within the achievement of the financial budget.

David Macgeorge

David Macgeorge has been granted a short term incentive (STI) award of up to a maximum of 100% of bonus base which is 80% of Total Fixed Remuneration depending on the achievement of targets to be agreed with the board.

General Scheme

The Managing Director assesses the performance of Senior Executives and other Senior Management 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 8 of this report.

4.3 Long-term incentive plan (LTI)

David Macgeorge

On 30 June 2014, shareholders approved a grant of 500,000 options in a single tranche which will vest on and be capable of exercise from 31 July 2016. The exercise price of the options is 0.835 cents a share and the options will expire on 30 June 2018.

Subject to shareholder approval, the issue of Performance Rights as follows:

- Tranche 1 - 250,000 Performance Rights, for the Performance period ending on 30 June 2016
- Tranche 2 - 250,000 Performance Rights, for the Performance period ending on 30 June 2017
- Tranche 3 - 250,000 Performance Rights, for the Performance period ending on 30 June 2018

The Company's earnings per share (EPS) performance will be the measure over the relevant performance period to determine vesting of the Performance Rights.

5. 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.

5.1 Company Financial Performance

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

Measure	Financial Year				
	2014	2013	2012	2011	2010
Revenue ($'000)	223,125	271,172	280,478	237,139	253,585
Operating profit from continuing operations before tax ('$000)	2,105	3,220	10,697	11,865	9,130
Profit after tax ($'000)	1,267	3,218	7,996	4,472	3,270
Total dividend per share (cents)	4.0	4.0	5.0	4.0	2.5
Share price ($)	0.57	0.32	0.71	0.69	0.48

5.2 Short term incentive plan

No Short Term Incentive Plan was approved by the Board for FY14 for the Executive Team (Excluding the Managing Director)

6. KMP Service Contact Details

Members of the Executive Committee receive termination payments in accordance with statutory requirements. The termination 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	12 months	6 months
D Macgeorge	6 months	6 months
S Crole	3 months	3 months
R Coates	3 months	3 months
R Lee	3 months	3 months
S Gray	1 month	1 month

7. Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is determined by the full Board, within a maximum amount approved by shareholders in a general meeting and with regard to the level of fees paid to Non-Executive Directors by other companies of similar size.

The maximum allowance for the aggregate amount of fees (approved at the 2013 Annual General Meeting) is $500,000. In the last financial year, the Board paid $329,873 of this amount as Non-Executive Director remuneration - see 9.1 below.

Non-Executive Director's fees have not been increased since 2009. Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Non-Executive Director fees (excluding superannuation) are comprised as follows:

Non-Executive Director Fees

- Chairman of the Board $120,000
- Non-Executive Director $60,000
- Statutory superannuation of 9.5%
- There is no element of Non-Executive Director salaries contingent on performance.

8. Board Performance Assessment

A formal assessment was carried out during the year. The assessment included a Directors assessment of their personal performance and that of the Board as a whole. The results were reviewed at meetings between each Director and the Chairman and the Board as a whole.

9. Details of remuneration

9.1 Directors' and Senior Executives' remuneration

			Short term employee benefits [1] [3]			Post employment benefits	Termination benefits [5]	Share based payments		
			Salary	Bonus	Other Benefits [2]	Superannuation		Options	Total	Bonus
Directors			$	$	$	$	$	$	$	%
M W Atkins	Director (Non-Executive)	**2014**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2013	-	-	-	-	-	-	-	-
P J Brecht	Director (Non-Executive)	**2014**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2013	-	-	-	-	-	-	-	-
I L Fraser	Director (Non-Executive)	**2014**	**60,000**	**-**	**-**	**5,550**	**-**	**-**	**65,550**	
		2013	60,000	-	-	5,400	-	-	65,400	
R W Freedman	Chairman	**2014**	**120,000**	**-**	**61,283**	**11,100**	**-**	**-**	**192,383**	
		2013	120,000	-	65,201	10,800	-	-	196,001	
D W Macgeorge	Managing Director	**2014**	**73,943**	**-**	**60,000**	**12,390**	**-**	**-**	**146,333**	**-**
		2013	-	-	-	-	-	-	-	-
P J McMorrow	Director (Non-executive)	**2014**	**71,940**	**-**	**-**	**-**	**-**	**-**	**71,940**	**-**
		2013	62,700	-	-	2,700	-	-	65,400	-
D R Perry	Managing Director	**2014**	**396,183**	**143,790**	**35,130**	**36,647**	**613,923**	**-**	**1,225,673**	**11.7**
		2013	371,903	143,790	18,531	38,898	-	-	573,122	25.1
Total Remuneration Directors		**2014**	**722,066**	**143,790**	**156,413**	**65,687**	**613,923**	**-**	**1,701,879**	
		2013	614,603	143,790	83,732	57,798	-	-	899,923	
Executives			$	$	$	$	$	$	$	%
R Coates	Executive General Manager Mining	**2014**	**295,030**	**-**	**35,745**	**27,290**	**-**	**-**	**322,320**	**-**
		2013	288,750	-	30,383	25,988	-	-	345,121	-
S Crole	Executive General Manager Construction	**2014**	**295,030**	**-**	**25,000**	**27,290**	**-**	**-**	**347,320**	**-**
		2013	280,976	-	25,000	25,288	-	-	361,264	8.3
S Gray	Chief Financial Officer and Company Secretary	**2014**	**194,132**	**10,000**	**17,149**	**17,957**	**-**	**-**	**239,238**	**4.2**
		2013	190,000	12,000	17,196	17,100	-	-	236,249	5.1
R Lee	Chief Financial Officer and Company Secretary	**2014**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2013	-	-	-	-	-	-	-	-
Total Remuneration Executives		**2014**	**784,192**	**10,000**	**77,894**	**72,537**	**-**	**-**	**944,623**	
		2013	759,726	42,000	72,532	68,376	-	-	942,634	

[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, Fringe Benefits Tax, termination and sign on payments.
[3] Bonus payment to Mr Perry relates to the 2012 financial year. It was agreed with the Remuneration Committee that this bonus payment be paid over 2012 and 2013 financial years.
[4] Details of other transactions with Key Management Personnel are disclosed in Note 24.
[5] Termination benefits comprise of payments in lieu of notice and leave entitlements.

9.2 Shares held by Key Management Personnel

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

	Balance 01/07/2013	Received as remuneration	Number of ordinary shares on exercise of options	Net Change [1]	Balance 30/06/2014
Directors					
M W Atkins	-	-	-	-	-
P J Brecht	-	-	-	-	-
I L Fraser	345,000	-	-	20,000	365,000
R W Freedman	1,099,136	-	-	-	1,099,136
D W Macgeorge	-	-	-	166,000	166,000
P J McMorrow	1,365,487	-	-	800,000	2,165,487
D R Perry	720,000	-	-	(720,000)	-
Executives					
R Coates	150,000	-	-	-	150,000
S Crole	253,635	-	-		253,635
S Gray	-	-	-	-	-
Total	**3,933,258**	**-**	**-**	**266,000**	**4,199,258**

[1] Net change represents on-market purchases and disposal of shares and holdings by former director

9.3 Options

Options granted as remuneration

	Balance 01/07/2013	Grant Details			Exercised		Lapsed		Balance 30/06/2014
		Issue Date	No.	Value $	No.	Value $	No.	Value $	
Directors									
D W Macgeorge	-	30/06/2014	500,000	75,000	-	-	-	-	500,000

[1] The options have been granted subject to continued employment with Structural Systems Limited until 31 July 2016.
[2] The fair value of options granted as remuneration and as shown in the above table has been determined in accordance with Australia Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

	Balance at end of year	Vested			Unvested
		Exercisable	Unexercisable	Total at end of year	Total at end of year
	No.	No.	No.	No.	No.
Directors					
D W Macgeorge	500,000	-	-	-	500,000

Description of options issued as remuneration

Details of the options granted as remuneration to those KMP listed in the previous table are as follows:

Grant Date	Issuer	Entitlement on exercise	Dates exercisable	Exercise price $	Value per option at grant date $	Amount paid / payable by recipient
30/06/2014	Structural Systems Ltd	1:1 ordinary shares in Structural Systems	From 31/07/2016 to 30/06/2018	0.835	0.15	-

[1] Option values at grant date were determined using the Black-Scholes method.

This ends the audited remuneration report.

Dividends

Dividends paid or declared by the Company to members since the end of the previous year were:

Type	Cents per share	Total amount $	Date of payment
Declared and paid during the year			
Final dividend 2013	2.0	1,259,184	18 October 2013
Interim dividend 2014	2.5	1,573,979	11 April 2014
		2,833,163	

The Directors resolved to declare a fully franked final dividend of 1.5 cents for the year. Record date for determining entitlement is 19 September 2014 and the dividend is payable on 17 October 2014.

Significant changes in state of affairs

There was no significant change in the state of affairs on the Group during the 2014 financial year.

Likely Developments

For information on likely developments, refer to the Managing Director's report.

Matters subsequent to the end of the financial year

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

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 2014:

	2014 $	2013 $
Taxation services	26,750	35,287
Due diligence services	22,000	-

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 2014 has been received and can be found attached to this Director's report.

Options

At the date of this report, the unissued ordinary shares of Structural Systems Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
30 June 2014	30 June 2018	$0.835	700,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity. There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year ended 30 June 2014, no options were exercised.

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 30 September 2014

P J McMorrow

D W Macgeorge

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 2014 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 30 day of September, 2014

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

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

The Board comprises of one Executive Director and four Non-Executive Independent Directors. 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.

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.

The nominations committee comprises of Mr Fraser and Mr McMorrow 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 are 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 649 people. Women accounted for 36 (6%) of the workforce in the Company. Of this, 4 women (6%) hold managerial positions. No positions on the board are currently 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 67% 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 former practising Chartered Accountant and an experienced Company Director and is independent of the Board.

The audit committee has a formal charter.

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 complies with reporting requirements of the Australian Securities Exchange (ASX) in keeping the market properly informed on the affairs of the Group. A copy of the Company's policy regarding market disclosure policy and procedures is available on the Company's website.

Principle 6: Respect the rights of shareholders

The Company has a communications policy for promoting effective communication with its shareholders which 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 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 Executive Committee 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 Managing Director and Chief Financial Officer are each required to report in writing to the Board that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

During the year the Board established a Remuneration Committee and as such complies with recommendation. 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. Historically the Board has not been of a size to allow it to comply with the recommendation in regards to the number of its members. Shareholders will be aware there have been two recent appointments to the Board which will allow it to be able to comply with such recommendations.

The Company's policy for determining the nature and amount of remuneration for the Managing Director and Executive General Managers of the Company for 2014 and following years is as follows:

The remuneration of the Managing Director is evaluated and approved by the Remuneration Committee on an annual basis. The remuneration package for the Managing Director takes into account factors such as experience, qualification and remuneration levels of comparable positions within other public companies. The incentive plan for the Managing Director is 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 is evaluated and approved by the Remuneration Committee on an annual basis. Independent advice is 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 2014 year.

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2014

		STRUCTURAL SYSTEMS GROUP	
	Note	2014 $'000	2013 $'000
Revenue	2	223,125	271,172
Construction and servicing costs		(198,879)	(244,025)
Depreciation and amortisation expense	3(a)	(10,545)	(11,011)
Finance costs	3(a)	(1,248)	(1,557)
Other expenses		(10,348)	(11,359)
Profit before income tax expense		**2,105**	**3,220**
Income tax expense	4	(838)	(2)
Profit attributable to members of the parent entity		**1,267**	**3,218**
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic diluted earnings per share (cents)		2.0c	5.1c

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		STRUCTURAL SYSTEMS GROUP	
	Note	**2014 $'000**	**2013 $'000**
Profit for the year		1,267	3,218
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		(40)	245
Other comprehensive income for the year (net of tax)		**(40)**	**245**
Total comprehensive income for the year attributable to members of the parent entity		**1,227**	**3,463**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2014

		STRUCTURAL SYSTEMS GROUP	
	Note	2014 $'000	2013 $'000
Current assets			
Cash and cash equivalents	22(a)	22,770	7,146
Trade and other receivables	9	33,084	57,611
Inventories	10	12,444	13,918
Other current assets		101	177
Current tax assets	16(b)	-	52
Total current assets		**68,399**	**78,904**
Non-current assets			
Property, plant and equipment	12	30,366	36,890
Intangible assets	13	19,439	19,439
Deferred tax assets	16(b)	5,393	4,036
Other		-	9
Total non-current assets		**55,198**	**60,374**
Total assets		**123,597**	**139,278**
Current liabilities			
Trade and other payables	14	23,833	34,930
Financial liabilities	15	7,611	8,696
Current tax liability	16(a)	1,120	-
Long term provisions	17	7,050	5,262
Total current liabilities		**39,614**	**48,888**
Non-current liabilities			
Trade and other payables	14	20	64
Financial liabilities	15	5,999	11,217
Deferred tax liabilities	16(a)	1,350	1,445
Long term provisions	17	1,811	1,255
Total non-current liabilities		**9,180**	**13,981**
Total liabilities		**48,794**	**62,869**
Net assets		**74,803**	**76,409**
Equity			
Issued capital	18	40,477	40,477
Reserves	19	685	725
Retained earnings		33,641	35,207
Total equity		**74,083**	**76,409**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	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 30 June 2012		**40,884**	**33,452**	**1,835**	**1,695**	**(1,355)**	**76,511**
Profit attributable to members of parent entity		-	3,218	-	-	-	3,218
Other comprehensive income:							
- Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	245	245
Total comprehensive income		**-**	**3,218**	**-**	**-**	**245**	**3,463**
Transaction with owners as owners:							
- Shares bought back during the year		(407)	-	-	-	-	(407)
- Dividends paid or provided for		-	(3,158)	-	-	-	(3,158)
- Transfer of capital profits to retained earnings		-	1,695	-	(1,695)	-	-
Balance at 30 June 2013		**40,477**	**35,207**	**1,835**	**-**	**(1,110)**	**76,409**
Profit attributable to members of parent entity		-	1,267	-	-	-	1,267
Other comprehensive income:							
- Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(40)	(40)
Total comprehensive income		**-**	**1,267**	**-**	**-**	**(40)**	**1,227**
Transactions with owners as owners:							
- Dividends paid or provided for		-	(2,833)	-	-	-	(2,833)
Balance at 30 June 2014		**40,477**	**33,641**	**1,835**	**-**	**(1,150)**	**74,803**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

		STRUCTURAL SYSTEMS GROUP	
	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		271,851	303,317
Cash payments in the course of operations		(241,468)	(285,894)
Interest received		481	191
Finance costs		(1,248)	(1,557)
Income tax paid		(1,117)	(2,803)
Net cash provided by (used in) operating activities	22 (b)	**28,499**	**13,254**
Cash flows from investing activities			
Proceeds from sale of discontinued operations		-	165
Payments for property, plant and equipment		(1,153)	(3,526)
Proceeds from sale of property, plant and equipment		785	2,162
Net cash provided by (used in) investing activities		**(368)**	**(1,199)**
Cash flows from financing activities			
Payments for share buybacks		-	(407)
Repayment of borrowings		(9,667)	(9,614)
Dividends paid by parent entity		(2,833)	(3,158)
Net cash provided by (used in) financing activities		**(12,500)**	**(13,179)**
Net increase (decrease) in cash and cash equivalents held		**15,631**	**(1,124)**
Effect of exchange rates on cash and cash equivalent holdings		(7)	29
Cash and cash equivalents at beginning of financial year		7,146	8,241
Cash and cash equivalents at end of financial year	22 (a)	**22,770**	**7,146**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 Group is a for-profit entity for the purpose of preparing the financial statements and is primarily involved in engineering, mining and construction contracting. This note provides all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements were authorised for issue by the Board of Directors on the date of signing the accompanying Directors' Declaration.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board and the Corporations Act (2001).

The financial statements have been prepared on an accruals basis with the exception of cash flow information, 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

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Changes in ownership interests

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influent is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Note 1. Statement of significant accounting policies (continued)

(b) New and Amended Accounting Policies

The group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 July 2013:

- *AASB 10: Consolidated Financial Statements*

AASB 10 replaces the guidance on control and consolidation. While the core principles and the mechanics of consolidation remain unchanged, there is now a single definition of control that applies to all entities. It focuses on the need to have power, rights or exposure to variable returns and the ability to use the power to affect those returns in order for control to be present. Power is the current ability to direct the activities that significantly influence returns.

The group has assessed all of its related entities and found no changes to the consolidated group.

- *AASB 13: Fair Value Measurement*

AASB 13 refines the requirements for determining fair value as a measurement and captures the requirements for fair value measurement in a single standard. As a result, the measurement of certain assets of an entity measured at fair value (e.g., property, plant and equipment of financial assets) may be affected. It is deemed that there was no material impact on the group's financial statements.

- *AASB 119: Employee Benefits*

AASB 119 defines obligations for short-term employee benefits as obligations expected to be settled wholly within 12 months subsequent to the annual reporting period in which the employees render the related services. Where employee benefits are expected to be taken after this 12 month period, such obligations for these employee benefits must be measured on a discounted basis.

The consolidated group has determined that it expects most employee benefits to be taken within 18 months of the reporting period in which they are earned and that this change did not have a material impact on the amounts recognised in respect of such benefits. Note also that these changes have no material impact on the classification of leave entitlements between current and non-current liabilities in the group's financial statements.

(c) Income Tax

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

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

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

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

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

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

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

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

Note 1. Statement of significant accounting policies (continued)

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.

(d) Fair value of assets and liabilities

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly (i.e. unforced) transaction between market participants at the measurement date. It assumes that the transaction will take place either in the principle market or in the absence of a principle market, in the most advantageous market.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

(e) 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.

(f) 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. Where progress billings exceed costs incurred plus recognised profits, the difference is presented as billings in advance under trade and other payables.

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

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

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

Note 1. Statement of significant accounting policies (continued)

(g) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations, 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 increments of the same asset are charged against the revaluation reserve to the extent available. All other decreases are charged to the statement of profit or loss.

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. Depreciation on major mining equipment is calculated on machine hours worked over their estimated useful life. 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% - 30.0%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

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

Note 1. Statement of significant accounting policies (continued)

(h) 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.

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.

(i) 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 statement of profit or loss.

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.

(j) Impairment of Non-Financial 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 statement of profit or loss.

Note 1. Statement of significant accounting policies (continued)

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.

(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 is tested annually for impairment or more frequently if the facts or circumstances indicate a potential impairment and is 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.

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 statement of profit or loss, in the period in which the operation is disposed.

(m) 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.

(n) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Note 1. Statement of significant accounting policies (continued)

(o) Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided, and are recognised for the amount expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised.

Long-term employee benefits

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the lability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

(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 (f).

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 for accounting.

For revenue recognition, refer to the accounting policy on construction contracts and work in progress.

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 statement of profit or loss in the period in which they are incurred.

(r) Goods and Service Tax (GST)

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

Note 1. Statement of significant accounting policies (continued)

(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 impairment**

As at 30 June 2014 the Directors reviewed the carrying amount of assets including goodwill 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 (2013: nil). For further details of the impairment assessment refer to Note 13.

- **Assessment of fair value of land and buildings**

As at 30 June 2014 the Directors reviewed the carrying amount of land and buildings and determined that they were held at fair value. For further details refer to Note 12.

- **Assessment of impairment of receivables**

As at 30 June 2014 the Directors reviewed the carrying amount of trade receivables and estimated that $826,009 of the carrying amount was not collectable (2013: $126,009). 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 2014 reporting periods. The group's assessment of the impact of these new standards and interpretations is that they will not significantly impact upon the classification, recognition, disclosure and measurement of amounts recorded in the financial statements.

Note 2. Revenue

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Operating activities		
Rendering of services	213,363	262,394
Sale of goods	8,331	7,289
Interest received from other parties	481	191
Other revenue	659	806
	222,834	**270,680**
Non-operating activities		
Gain on disposal of property, plant and equipment	291	492
Total revenue	**223,125**	**271,172**

Note 3. Profit for the year

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
(a) Profit before income tax is arrived at after charging the following items:		
Amortisation and depreciation of:		
- Buildings	28	32
- Plant and equipment and motor vehicles	10,464	10,929
- Leasehold improvements	53	50
	10,545	**11,011**
Bad and doubtful debts expense including movements in provision for doubtful debts	857	215
Interest paid and due and payable:		
- Other persons	4	3
- Finance charges on assets under hire purchases	1,244	1,554
	1,248	**1,557**
Rental - operating leases	1,574	1,739
Employee benefits expense	70,137	83,764
Defined contribution superannuation expense	5,556	6,621

Note 4. Income tax expense

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	2013 $'000
The components of income tax expense are as follows:		
Current tax expense	2,418	1,436
Deferred tax (benefit) / expense	(1,592)	(493)
Under provision in respect of prior year	12	-
R&D tax rebates		
- 2012	-	(411)
- 2011	-	(530)
	838	**2**
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% (2013 - 30%)		
- Consolidated group	631	966
Add (deduct) tax effect of:		
- Increase (decrease) in income tax expense due to non-tax deductible (non-tax assessable) items	10	17
- (Non-assessable profit) / Non-deductible losses on overseas entities	185	(40)
R&D rebates	-	(941)
Amount under provided in prior year	12	-
Income tax expense (benefit) attributable to entity	**838**	**2**

Note 5. Key Management Personnel Compensation

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the group's Key Management Personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the Company and the group during the year are as follows:

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Short-term employee benefits	2,472,533	1,716,383
Post-employment benefits	138,224	126,174
Share-based payments	-	-
	2,610,757	**1,842,557**

Short-term employee benefits

This amount includes fees and benefits paid to the Chairman and Non-Executive Director as well as the salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other KMP.

Post-employment benefits

This amount comprises the superannuation contributions made during the year.

Note 6. Auditor's Remuneration

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Remuneration of the auditor of the parent entity - William Buck		
Auditing and reviewing the financial report	155,733	242,343
Auditing the financial reports of controlled entities	-	9,705
Taxation services	26,750	35,287
Other services	22,000	-
Remuneration of other auditors of subsidiaries for:		
Auditing or reviewing the financial report of subsidiaries	16,325	9,537

Note 7. Dividends

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Distributions 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 2013 of 2.0 cents (2012: 3.0 cents) per share paid on 18 Oct 2013 franked at the tax rate of 30%	1,259	1,899
- Interim fully franked ordinary dividend for the year ended 30 June 2014 of 2.5 cents (2013: 2.0 cents) per share paid on 11 April 2014 franked at a tax rate of 30%	1,574	1,259
Dividends declared after 30 June 2014		
(a) The directors have resolved to declare a final fully franked ordinary dividend of 1.5 cents (2013: 2.0 cents) per share payable on 17 October 2014, franked at the tax rate of 30% (2013: 30%) based on 62,959,181 ordinary shares at 19 September 2014.	944	1,259
	944	**1,259**
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 dividends and franking credits that may be prevented from distribution in subsequent financial years.	8,198	6,452
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(405)	(540)
	7,793	**5,912**

Note 8. Earnings per share

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
(a) Reconciliations of earnings to profit		
Profit for the year	1,267	3,218
Earnings used in the calculation of earnings per share	1,267	3,218
Earnings used in the calculation of dilutive earnings per share	1,267	3,218

	Number	**Number**
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	62,959,181	63,185,999
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	62,959,181	63,185,999

Note 9. Trade and other receivables (current)

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Trade receivables	32,637	56,192
Provision for impairment of receivables	(826)	(126)
	31,811	**56,066**
Other debtors and deposits	1,273	1,545
	33,084	**57,611**
Ageing of past due but not impaired receivables		
60-90 days	2,199	2,746
90+ days	2,448	5,299
	4,647	**8,044**
Movement in the provision for the impairment of receivables is as follows:		
Opening balance	(126)	(303)
Charge for the year	(700)	-
Amounts written off or assessed as not recoverable	-	177
Closing balance	**(826)**	**(126)**

Impaired receivables are all greater than 120 days

Note 10. Inventories

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Raw materials and stores at cost	5,056	4,885
Finished goods	1,108	1,446
Work in progress - materials on site	3,969	4,065
Construction work in progress	2,311	3,522
	12,444	**13,918**
Construction work in progress comprises:		
Costs and profits recognised on construction contracts in progress	186,998	114,941
Progress billings and advances received and receivable on construction contracts in progress	(188,388)	(118,337)
Net construction work in progress	**(1,390)**	**(3,396)**
Net construction work in progress comprises:		
Amounts due from customers - inventories	2,311	3,522
Contract billings in advance - payables (note 14)	(3,701)	(6,918)
	(1,390)	**(3,396)**
Retentions on construction contracts in progress	1,864	2,180

Note 11. Supplementary information about the parent entity

As at, and throughout the financial year ended 30 June 2014, the parent company of the Group was Structural Systems Limited.

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Assets		
Current assets	56,385	67,459
Total assets	**189,894**	**176,596**
Liabilities		
Current liabilities	18,502	24,970
Total liabilities	**151,874**	**138,346**
Equity		
Issued capital	40,477	40,477
Total equity	**38,020**	**38,250**
Profit after tax and total comprehensive income	**2,603**	**4,484**

With the exception of matters noted in Notes 21 and 23, there were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements.

Note 12. Property, plant and equipment

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Freehold land		
At fair value (a) (b) (c)	4,484	4,484
	4,484	**4,484**
Buildings		
At fair value (a) (b) (c)	787	787
Accumulated depreciation	(59)	(32)
	728	**756**
Leasehold improvements		
At costs	217	198
Accumulated amortisation	(103)	(50)
	114	**148**
Plant, equipment and motor vehicles		
At cost	86,929	84,709
Accumulated depreciation and amortisation	(61,889)	(53,207)
	25,040	**31,502**
Total	**30,366**	**36,890**

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

(b) An independent valuation of the consolidated entity's freehold land and building was carried out between December 2011 and June 2012. Impairment losses were recognised directly in profit or loss.

(c) As at 30 June 2014, the Directors determined that the existing Tier 3 valuations which applied to land and buildings as at 30 June 2013 still applied as at 30 June 2014. In forming their judgement, the directors considered the following key inputs (i) movements in property prices in the area, (ii) physical condition of the buildings and any factors that may influence its selling value, and (iii) decisions made by local and state authorities in an arms length transaction.

Note 12. Property, plant and equipment (continued)

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	2013 $'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	4,484	4,484
Carrying amount at end of year	**4,484**	**4,484**
Buildings		
Carrying amount at beginning of year	756	787
Depreciation	(28)	(32)
Carrying amount at end of year	**728**	**756**
Leasehold improvements		
Carrying amount at beginning of year	148	-
Addition	19	198
Depreciation	(53)	(50)
Carrying amount at end of year	**114**	**148**
Plant and equipment and motor vehicles		
Carrying amount at beginning of year	31,502	31,622
Additions	4,509	12,468
Disposals	(496)	(1,670)
Movements due to foreign exchange rate differences	(11)	11
Depreciation and amortisation	(10,464)	(10,929)
Carrying amount at end of year	**25,040**	**31,502**
Total		
Carrying amount at beginning of year	36,890	37,091
Additions	4,528	12,469
Disposals	(496)	(1,670)
Depreciation and amortisation	(10,545)	(11,011)
Movements due to foreign exchange rate differences	(11)	11
Carrying amount at end of year	**30,366**	**36,890**

Note 13. Intangibles

	STRUCTURAL SYSTEMS GROUP 2014 $'000	STRUCTURAL SYSTEMS GROUP 2013 $'000
Goodwill - at cost	19,447	19,447
Accumulated impairment losses	(8)	(8)
	19,439	**19,439**
Movements during the year:		
Balance at beginning of year	19,439	19,439
Change in amount due under contract of sale	-	-
	19,439	**19,439**
Impairment disclosures		
Goodwill is allocated to cash-generating units which are based on the Group's reporting segments		
Construction segment	18,261	18,261
Mining segment	1,178	1,178
Total	**19,439**	**19,439**

		Growth rate %	Discount rate %	Recoverable Amount $'000
Cash generating unit				
Construction segment	**2014**	**2.0%**	**14.81%**	**28,259**
	2013	2.0%	14.27%	34,812
Mining segment	**2014**	**3.0%**	**10.32%**	**39,318**
	2013	3.0%	10.27%	37,879

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

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	
	2014 $'000	**2013 $'000**
Current		
Unsecured liabilities		
Trade payables	8,712	17,099
Sundry payables and accrued expenses	11,420	10,913
Contract billings in advance (see note 10)	3,701	6,918
	23,833	**34,930**
Non-current		
Unsecured liabilities		
Other payables	20	64
	20	**64**

Note 15. Financial liabilities

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Current		
Secured liabilities		
Hire purchase liability	7,611	8,696
	7,611	**8,696**
Non-current		
Secured liabilities		
Hire purchase liability	5,999	11,217
	5,999	**11,217**
(a) Total current and non-current secured loans		
Hire purchase liabilities	13,610	19,913
	13,610	**19,913**
(b) The carrying amount of non-current assets pledged as first security are:		
Assets over which lease and hire purchase contracts apply	17,589	21,618
	17,589	**21,618**

Note 16. Tax

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
(a) Liabilities		
Current		
Tax payable	1,120	-
Non-current		
Deferred tax liabilities comprise:		
Debtors retentions	574	669
Property, plant and equipment (revaluation adjustments)	776	776
	1,350	**1,445**
(b) Assets		
Current		
Tax receivable	-	52
Non-current		
Deferred tax assets comprise:		
Property, plant and equipment	1,640	1,970
Provisions and accruals	3,753	2,066
	5,393	**4,036**
(c) Reconciliations		
Gross movements		
The overall movement in the deferred tax assets is as follows:		
Opening balance	2,591	2,761
Over (under) provision in respect to prior years	(140)	(663)
(Charge) / credit to statement of profit or loss	1,592	493
	4,043	**2,591**

Note 17. Provisions

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	2013 $'000
Current		
Employee benefits	7,050	5,262
Non-current		
Employee benefits	1,811	1,255

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 have been included in note 1 to these financial statements.

Note 18. Issued capital

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	2013 $'000
Issued and paid up capital	40,477	40,477
- 62,959,181 fully paid ordinary shares 2014		
- 62,959,181 fully paid ordinary shares 2013		

	Number	Number
Ordinary shares		
Movements in ordinary share capital		
Balance at the beginning of the financial year	62,959,181	63,645,933
Share buyback	-	(686,752)
	62,959,181	**62,959,181**

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

(b) At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

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

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. The Group is not subject to any 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 the management of debt levels, distributions to shareholders and share issues.

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(g).

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	
	2014 $'000	**2013 $'000**
Hire purchase future minimum payments		
- Not later than 1 year	8,304	9,866
- Later than 1 year, but not later than 5 years	6,292	11,981
Total maximum lease commitment	**14,596**	**21,847**
Future finance charges	(986)	(1,934)
	13,610	**19,913**

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

Non-cancellable operating leases future minimum payments		
Contracted for but not capitalised in accounts		
- Not later than 1 year	1,362	1,582
- Later than 1 year, but not later than 5 years	2,959	3,194
- Later than 5 years	-	-
	4,321	**4,776**

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

Note 21. Contingent Liabilities

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Contract cash retention [1]	1,864	2,180
Contract performance guarantees [1]	8,861	11,079
Guarantee by the Company in respect of bank facilities of controlled entities	1,732	1,760
Cross guarantee by the Company and controlled entities in respect of bank facilities	33,680	43,040
	46,137	**58,059**

[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.

Eastern Treatment Plant Dispute

In March 2012, the Company demobilised offsite with the agreement of the client (Tenix Australia Pty Ltd or Tenix). On 19 November 2013, the Company advised the market that a claim had been received from Tenix totalling $51 million. The Company has subsequently lodged its defence and counter-claim in the Victorian Supreme Court, and legal action is continuing. Due to the nature of the contract and the number of parties involved, it is not practicable to estimate the potential liability (if any) at this stage.

Note 22. Cash flow information

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'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	26	29
Cash at bank	22,744	7,117
	22,770	**7,146**
(b) Reconciliation of cash		
Profit after income tax	1,267	3,218
Non-cash flows in profit		
Depreciation and amortisation	10,545	11,011
Provision for impairment of receivables	857	(177)
Profit on sale of non-current assets	(291)	(492)
Change in assets and liabilities		
- (Increase) decrease in trade and other receivables	23,638	6,695
- (Increase) decrease in inventories	1,474	1,694
- (Increase) decrease in prepayments	75	(19)
- (Decrease) increase in trade, other payables and accruals	(11,129)	(5,613)
- (Decrease) increase provisions	2,343	(261)
- (Decrease) increase in income taxes payable	1,172	(2,970)
- (Increase) decrease in deferred tax liabilities	(95)	(759)
- (Decrease) increase in deferred tax assets	(1,357)	927
Net cash provided by (used in) operating activities	**28,499**	**13,254**
(c) Non-cash financing and investing activities		
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	3,364	8,953

Note 23. Particulars relating to controlled entities

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

	Place of incorporation	Principal Activity	Ownership interest 2014	Ownership interest 2013
Emirates & Australia Construction Systems LLC	UAE	Construction	100%	100%
Meridian Concrete Australia Pty Ltd(1)	Victoria	Construction	100%	100%
NASA Structural Systems LLC	UAE	Construction	100%	100%
Refobar Australia Pty Ltd(1)	Queensland	Manufacturing	100%	100%
ROCK Australia Mining and Civil Pty Ltd(1)	Victoria	Mining Services	100%	100%
Structural Systems (Bridge Maintenance) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Civil) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Corporate) Pty Ltd(1)	Victoria	Corporate Services	100%	-
Structural Systems (Construction) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Northern) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Oman Branch)	Oman	Construction	100%	100%
Structural Systems (Remedial) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Southern) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems (Western) Pty Ltd(1)	Victoria	Construction	100%	100%
Structural Systems Middle East LLC	UAE	Construction	100%	100%
Total Fire Protection Pty Ltd(1)	Victoria	Dormant	100%	100%

(1) Controlled entities subject to Class Order

Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of Structural Systems Limited from the Corporations Act 2001 requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, Structural Systems Limited and the controlled entities subject to the Class Order entered into a Deed of Cross Guarantee. The effect of the deed is that Structural Systems Limited has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that Structural Systems Limited is wound up.

Note 23. Particulars relating to controlled entities (continued)

The following are the aggregate totals for the closed group relived under the deed:

	2014 $'000	2013 $'000
Financial information in relation to:		
(a) Statement of profit or loss and other comprehensive income:		
Profit before income tax	2,722	3,088
Income tax expense	(838)	(2)
Profit after income tax	**1,884**	**3,086**
Other comprehensive income	-	-
Total comprehensive income attributable to members of the parent	**1,884**	**3,086**
(b) Statement of financial position:		
Current assets		
Cash and cash equivalent	22,403	6,746
Trade and other receivables	31,111	54,272
Inventories	11,608	13,499
Current tax assets	-	52
Total current assets	**65,122**	**74,569**
Non-current assets		
Trade and other receivables	1,140	1,149
Property, plant and equipment	29,962	36,398
Intangible assets	18,297	18,297
Deferred tax assets	5,393	4,036
Total non-current assets	**54,792**	**59,880**
Total assets	**119,914**	**134,449**
Current liabilities		
Trade and other payables	22,991	33,761
Financial liabilities	7,611	8,696
Current tax liability	1,120	-
Short term provision	6,664	5,138
Total current liabilities	**38,386**	**47,595**
Non-current liabilities		
Trade and other payables	329	331
Financial liabilities	5,999	11,217
Deferred tax liabilities	1,350	1,445
Long term provisions	1,717	779
Total non-current liabilities	**9,395**	**13,772**
Total liabilities	**47,781**	**61,367**
Equity	**72,133**	**73,082**
Issued capital	40,477	40,477
Reserves	1,835	1,835
Retained earnings	29,821	30,770
Total equity	**72,133**	**73,082**
(c) Retained earnings comprise of the following:		
Opening balance	30,770	30,843
Net profit attributable to members of the entity	1,884	3,085
Dividends paid	(2,833)	(3,158)
Closing balance	**29,821**	**30,770**

Note 24. Related party information

Directors who held office during the year are:

- Ian L Fraser
- Robert W Freedman
- David W Macgeorge (appointed 12 May 2014)
- Peter J McMorrow
- David R Perry (resigned 31 May 2014)

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

Other transactions with Key Management Personnel:

Following the date of resignation, an unsecured loan of $150,000 ($147,848 outstanding as at 30 June 2014) was advanced to David Perry by the Company at market rates. As at 30 June 2014, $2,152 in interest for the period was repaid in full.

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

Note 25. Events after the reporting period

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

Note 26. 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 have inherently 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) 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 26. Segment results (continued)

Primary reporting - Business segments

	Construction		Mining		Corporate		Consolidated Group	
	30/06/14	30/06/13	30/06/14	30/06/13	30/06/14	30/06/13	30/06/14	30/06/13
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External Sales	136,347	173,106	85,347	96,577	-	-	221,694	269,683
Other revenue	899	736	-	408	532	346	1,431	1,489
Total revenue	**137,246**	**173,842**	**85,347**	**96,985**	**532**	**346**	**223,125**	**271,172**
Results								
Segment result	904	1,943	6,391	3,991	(5,190)	(2,714)	2,105	3,220
Income tax benefit / (expense)	-	-	-	-	(838)	(2)	(838)	(2)
Profit after income tax	**904**	**1,943**	**6,391**	**3,911**	**(6,028)**	**(2,716)**	**1,267**	**3,218**
Assets								
Segment assets	50,251	72,719	40,468	51,738	32,878	14,821	123,597	139,278
Total assets	**50,251**	**72,719**	**40,468**	**51,738**	**32,878**	**14,821**	**123,597**	**139,278**
Liabilities								
Segment liabilities	18,254	27,616	25,210	32,024	5,330	3,229	48,794	62,869
Total liabilities	**18,254**	**27,616**	**25,210**	**32,024**	**5,330**	**3,229**	**48,794**	**62,869**
Other								
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	953	2,654	3,575	9,825	-	-	4,528	12,479
Depreciation and amortisation of segment assets	2,171	1,427	8,296	9,502	78	82	10,545	11,011

Revenue and assets by geographical region

	Australia		United Arab Emirates		Consolidated Group	
	30/06/14	30/06/13	30/06/14	30/06/13	30/06/14	30/06/13
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenues for external customers	218,419	263,441	4,706	7,731	223,125	271,172
Carrying amount of segment assets	119,469	134,346	4,128	4,932	123,597	139,278
Acquisition of non-current segment assets	4,495	12,112	33	367	4,528	12,479

Note 27. Financing arrangements

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

	STRUCTURAL SYSTEMS GROUP	
	2014 $'000	**2013 $'000**
Total facilities available		
Bank overdraft	3,000	3,000
Commercial bill facility	-	5,000
Hire purchase facility	32,500	37,500
Other facilities	5,666	9,200
Bank guarantee facility	13,000	15,000
Surety bond facility	23,000	30,000
	77,166	**99,700**
Facilities used at the end of the reporting period:		
Bank overdrafts	-	-
Commercial bill facility	-	-
Hire purchase facility	14,576	19,504
Other facilities	93	1,600
Bank guarantee facility	8,861	11,079
Surety bond facility	3,752	7,483
	27,282	**39,666**
Facilities not used at the end of the reporting period:		
Bank overdrafts	3,000	3,000
Commercial bill facility	-	5,000
Hire purchase facility	17,924	17,996
Other facilities	5,573	7,600
Bank guarantee facilities	4,139	3,921
Surety bond facility	19,248	22,517
	49,884	**60,034**

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. Interest on bank overdrafts is charged at prevailing market rates. The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees are charged on a per guarantee basis. Other facilities include letter of credit facility to the value of AUD $5.5 million (2013: $9 million), and a corporate credit card facility of $200,000 (2013: $200,000).

Note 28. 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 and financial liability 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 raise finance for group operations. The group does not hold or trade with derivative instruments.

Treasury Risk Management

Management, consisting of Senior Executives of the Group meet on a regular basis to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. This management process is subject to board policies and directives implemented, and is 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 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.

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, and outstanding receivables. The maximum exposure to credit risk, excluding the value of any 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, in particular disclosures made in note 9.

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. In addition to the above, trade receivables are monitored on an ongoing regular basis with the result that the Group's exposure to bad debt is not significant.

Price Risk

The group is exposed to commodity price risk through its consumption of steel in its operations that use post-tensioning, 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 2014 the Group held no financial instruments that could vary according to changes in the price of steel (2013: nil).

Foreign Exchange Risk

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

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.

Note 28. Financial Instruments (continued)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within 1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2014							
Financial Assets							
Cash and cash equivalents	3.10	7,754	15,000	-	-	16	22,770
Receivables	-	-	-	-	-	33,084	33,084
		7,754	**15,000**	**-**	**-**	**33,100**	**55,854**
2014							
Financial Liabilities							
Payables	-	-	-	-	-	20,132	20,132
Lease and lease purchase liabilities	6.91	-	8,304	6,292	-	-	14,596
		-	**8,304**	**6,292**	**-**	**20,132**	**34,728**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed interest rate maturing within 1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2013							
Financial Assets							
Cash and cash equivalents	2.55	7,117	-	-	-	29	7,146
Receivables	-	-	-	-	-	57,611	57,611
		7,117	**-**	**-**	**-**	**57,640**	**64,757**
2013							
Financial Liabilities							
Payables	-	-	-	-	-	28,012	28,012
Lease and lease purchase liabilities	7.24	-	9,866	11,982	-	-	21,848
		-	**9,866**	**11,982**	**-**	**28,012**	**49,860**

	STRUCTURAL SYSTEMS GROUP 2014 $'000	2013 $'000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	20,132	28,012
	20,132	**28,012**

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

DIRECTORS' DECLARATION

STRUCTURAL SYSTEMS LIMITED ABN 57 006 413 574

AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying financial statements and notes 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 2014 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 members of the Closed Group identified in note 23 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.
4. The Directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer.

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

P J MCMORROW - DIRECTOR

David Macgeorge

D W MACGEORGE - DIRECTOR

Dated: 30 September 2014

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 of 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 2014, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 a 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

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

William Buck

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

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

Auditor's Opinion
In our opinion:

a) the financial report of 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 2014 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 contained in the directors' report for the year ended 30 June 2014. 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 2014, 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 2014 included on Structural Systems Limited's website. The company's directors are responsible for the integrity of the website. We have not been engaged to report on the integrity of the website. 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 website.

William Buck

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

J. C. Luckins
Director

Dated this 30 day of September, 2014

SHAREHOLDER INFORMATION

Distribution of shareholders and shareholdings at close of business 31 August 2014

Size of holding	Number of shareholders	Number of shares
1-1,000	209	102,913
1,001 to 5,000	346	988,179
5,001 to 10,000	213	1,659,184
10,001 to 100,000	504	17,130,377
100,001 to (MAX)	91	43,078,528
	1,363	**62,959,181**

The number of shareholders holding less than a marketable parcel ($500.00) at 31 August 2014 is 163 holding 56,996 shares.

Twenty largest shareholders	Number of shares	Percentage of issued capital
Sandhurst Trustees Ltd <JMFG Consol A/c>	6,135,301	9.74
J P Morgan Nominees Australia Limited	2,569,880	4.08
National Nominees Limited	2,491,732	3.96
Mr Peter John McMorrow <McMorrow Super Fund A/C>	1,665,487	2.65
Kingemel Pty Ltd	1,504,743	2.39
Massuk Nominees Pty Ltd	1,360,000	2.16
Sandhurst Trustees Ltd <JM MPS A/C>	1,317,729	2.09
HSBC Custody Nominees (Australia) Limited	1,107,917	1.76
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	1,105,831	1.76
Tintagel Nominess Pty Ltd <Freedman Super Fund A/C>	1,099,136	1.75
Sandlir Pty Ltd <Sandlir P/L Super Fund A/C>	1,079,743	1.71
Mr Philip Henry Hall	1,000,000	1.59
Mr Kenneth John Beer <Beer Super Fund A/C>	955,781	1.52
Kailva Pty Ltd Superannuation A/C	900,000	1.43
Onitrammas Nominees Pty Ltd	740,359	1.18
WR & MA Beischer Super Pty Ltd <WR & MA Beischer S/F A/C>	700,000	1.11
Mrs Hilary Jean Hall	600,000	0.95
Mr David Bates <Bates Super Fund A/C>	527,999	0.84
Mr Gerald Francis Pauley <Pauley Super Fund A/C>	518,348	0.82
Harg Pty Ltd	503,773	0.80
Top 20 holders of ordinary fully paid shares as at 31 August 2014	**27,883,759**	**44.29**

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 Roger Lee.

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.

Structural Systems

ROCK AUSTRALIA

REFOBAR AUSTRALIA

www.structuralsystems.com.au