



30 April 2009

The Listing Manager  
ASX Limited  
Level 8, 2 The Esplanade  
PERTH WA 6000

Dear Sir

**APPENDIX 4C – THIRD QUARTER COMMITMENTS TEST ENTITY**

Please find attached an Appendix 4C Quarterly Report for entities admitted on the basis of commitments for the quarter ended 31 March 2009.

The following developments occurred during the quarter:

The Managing Director, Mr Mark Vellacott, travelled to Asia, India, Europe and North America and held meetings with both existing and new customers, and a potential strategic partner. The purpose of these meetings was to generate new order-intake, and provide longer term security for the Company and supply of its Comparative Vacuum Monitoring (CVM™) technology.

The Company received orders for CVM™ test and evaluation products from Airbus and new customers including one from China, and has agreed to support an Airbus aircraft life extension program. A proposal for an initial installation on a US Air Force helicopter type has been made in association with Sandia National Laboratory.

The Company has been working in association with Bombardier, Sandia National Laboratory, and a North American Regional Operator, to assess the benefits and improvements to maintenance practices that CVM™ technology can deliver to the Bombardier CRJ aircraft series. In support of this program CVM™ sensors have been successfully installed on an operating CRJ100 aircraft.

Discussions with several customers and a potential partner are ongoing, and investors will be advised of the outcome of these discussions when finalised.

Yours faithfully

Colin McDonald, Company Secretary

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**ARBN 106 307 322**

A public limited liability company incorporated under the laws of England and Wales.

## Appendix 4C

**Quarterly report  
for entities admitted  
on the basis of commitments**

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Structural Monitoring Systems plc

ABN

106 307 322

Quarter ended ("current quarter")

31 March 2009

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 ... months) \$A'000
1.1 Receipts from customers	45	434
1.2 Payments for		
(a) staff costs	(179)	(785)
(b) advertising and marketing	-	(36)
(c) research and development	-	(115)
(d) leased assets	-	-
(e) other working capital	(121)	(678)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	8	19
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Grant income	-	164
Redundancy payments	-	(218)
Royalty payment	(22)	(44)
<b>Net operating cash flows</b>	<b>(271)</b>	<b>(1,265)</b>

	Current quarter \$A'000	Year to date (9... months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(271)</b>	<b>(1,265)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(271)</b>	<b>(1,265)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	1,009
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material) Cost of issues	(4)	(6)
<b>Net financing cash flows</b>	<b>(4)</b>	<b>1,003</b>
<b>Net increase (decrease) in cash held</b>	<b>(275)</b>	<b>(262)</b>
1.21 Cash at beginning of quarter/year to date	1,080	1,067
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>805</b>	<b>805</b>

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	89
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	Explanation necessary for an understanding of the transactions	
	Payments to non-executive directors resumed during the quarter at the reduced rate of \$25,000 per annum	

## Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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## Financing facilities available

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	805	1,080
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	805	1,080

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(~~Director~~/Company secretary)

Date: ...30 April 2009.....

Print name: .....Colin McDonald.....

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a)- policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.