



30 April 2010

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 2010.

The following developments occurred during the quarter:

Strategic Partnership

The Company (“SMN”) announced subsequent to the end of the quarter that the partnership it had entered into with a large international company to develop and commercialise the CVM™ technology specifically for the aerospace industry had been terminated. The company required changes to the licence agreement that would have severely disadvantaged SMN and could not provide adequate assurance to SMN that future revenues would be sufficient.

SMN will continue the commercial development of CVM™ technology for the aerospace industry in conjunction with its established customers in the aircraft manufacturing industry.

Capital Requirements

On 23 April 2010 it was announced that a placement would be made to clients of Mac Equity Partners Pty Ltd to raise approximately \$400,000, which will be used to fund working capital requirements.

The Share Purchase Plan announced during the quarter has been cancelled.

Bridge Monitoring

During the quarter it was announced that the first monitoring system was to be installed on a road bridge across the Mississippi River in the United States, which was completed successfully in April. SMN won this contract in competition against other monitoring technologies and it represents an important commercial break-through to a potentially significant long term and large market for CVM™ technology. The application is not a trial,

Australian Office

Unit 5, 15 Walters Drive Osborne Park, WA 6017
Telephone: +61 8 9204 4844 ~ Fax: +61 8 9204 4866

United Kingdom Office

4 Elwick Road, Ashford, Kent TN23 1PF, United Kingdom ~ Telephone: +44 (0) 1233 666795 ~ Fax: +44 (0) 1233 646840

ARBN 106 307 322

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

and the CVM™ system will be the primary means used to continuously monitor this structure. A marketing campaign to address this large market will be undertaken.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Colin McDonald', written in a cursive style.

Colin McDonald
Company Secretary

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 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 ... months) \$A'000
1.1 Receipts from customers	16	112
1.2 Payments for		
(a) staff costs	(192)	(569)
(b) advertising and marketing	-	(2)
(c) research and development	(18)	(23)
(d) leased assets	-	-
(e) other working capital	(100)	(507)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid		
1.7 Other (provide details if material) Tax rebate	-	271
Partnership income	216	499
Royalty	-	(22)
Net operating cash flows	(79)	(241)

	Current quarter \$A'000	Year to date (9 ... months) \$A'000
1.8 Net operating cash flows (carried forward)	(79)	(241)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-	(2)
(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)		
	-	(2)
Net investing cash flows		
1.14 Total operating and investing cash flows	(79)	(243)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	1
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	-	-
	-	1
Net financing cash flows		
Net increase (decrease) in cash held	(79)	(242)
1.21 Cash at beginning of quarter/year to date	184	347
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	105	105

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	68
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	

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

--

- 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

--

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	105	184
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		105	184

Acquisitions and disposals of business entities

		Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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 2010.....

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.