

**HEAD OFFICE**

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28 August 2015

Australian Securities Exchange  
Company Announcements Platform  
**Electronic transmission**

**Results for Announcement to the Market**

The directors of Chalmers Limited provide Appendix 4E – Preliminary Final Report for release to the market which is presented in the following pages. Commentary of the year's performance can be found on page 11 – under Review of operations.

No dividend has been declared.

Yours faithfully,  
**J P FEDORKO**  
Company Secretary

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## Appendix 4E

### Preliminary final report

#### 1. Company details

### CHALMERS LIMITED

ABN

Financial year ended ('current period')

Financial year ended ('previous period')

34 004 471 032

30 JUNE 2015

30 JUNE 2014

#### 2. For announcement to the market

\$A'000

<b>2.1 Revenues from continuing operations</b>	<b>DOWN</b>	<b>2%</b>	<b>To</b>	<b>\$60,746</b>
<b>2.2 Profit (loss) from continuing operations after tax attributable to members</b>	<b>DOWN</b>	<b>168%</b>	<b>To</b>	<b>(\$739)</b>
<b>2.3 Net profit (loss) for the period attributable to members</b>	<b>DOWN</b>	<b>168%</b>	<b>To</b>	<b>(\$739)</b>
<b>2.4 Dividends</b>	Amount per security		Franked amount per security	
<b>No Final dividend declared</b>	-c		-c	
No interim dividend was declared	-c		-c	
2.5 Record date for determining entitlements to the dividend	n/a			
2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.				
Please refer to Review of Operations at 14.2 for a detailed explanation				

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### 3. Condensed consolidated Statement of Comprehensive Income

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from continuing operations	60,746	61,843
Expenses from continuing operations	(61,115)	(59,605)
Finance costs	(583)	(660)
<b>Profit (loss) from continuing operations before tax</b>	<b>(952)</b>	<b>1,578</b>
Income tax benefit / (expense)	213	(494)
<b>Profit (loss) from continuing operations after tax</b>	<b>(739)</b>	<b>1,084</b>
Profit (loss) from extraordinary items after tax	-	-
<b>Net profit (loss)</b>	<b>(739)</b>	<b>1,084</b>
Net profit (loss) attributable to outside <sup>+</sup> equity interests	-	-
<b>Net profit (loss) for the period attributable to members</b>	<b>(739)</b>	<b>1,084</b>
<b>Non-owner transaction changes in equity</b>		
Increase in revaluation reserves	-	-
Net exchange differences recognised in equity	-	-
Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
Initial adjustments from UIG transitional provisions	-	-
Total transactions and adjustments recognised directly in equity	-	-
<b>Total changes in equity not resulting from transactions with owners as owners</b>	<b>(739)</b>	<b>1,084</b>

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**Notes to condensed consolidated Statement of Comprehensive Income**

**3.1 Revenue and expenses from continuing operations**

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue from sales or services	60,724	61,704
Interest revenue	22	139
Other income:		
Profit/(Loss) on sale of non-current assets	39	(87)
Gain on asset acquisition	-	462
Details of relevant expenses:		
Employee benefits	25,580	25,163
Property	10,032	8,480
Vehicle & Equipment	8,540	8,868
Other expenses	5,376	5,228
Subcontractor	4,655	5,569
Depreciation and amortisation	3,869	3,352
Materials	3,102	3,320
Finance costs	583	660

**3.2 Significant features of operating performance**

	Current period - \$A'000	Previous corresponding period - \$A'000
<i>Revenue from continuing operations includes:</i>		
Interest Revenue	22	139

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### 3.3 Extraordinary Items

N/A
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### 3.4 Other Disclosures in accordance with AASB 101

	Current period - \$A'000	Previous corresponding period - \$A'000
Net gain/(loss) on disposal of non-current assets	39	(87)
Gain on asset acquisition	-	462
Net increment/(decrement) arising from revaluation of non-current assets		
Net revenue/(expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets:		
- depreciation of non-current assets	3,869	3,352
- doubtful and bad debts	15	9

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#### 4. Condensed consolidated Statement of Financial Position

	At end of current period \$A'000	As shown in last annual report \$A'000
<b>Current assets</b>		
Cash and cash equivalents	1,060	1,854
Trade and other receivables	9,776	10,048
Inventories	602	687
Current tax asset	308	82
<b>Total current assets</b>	<b>11,746</b>	<b>12,671</b>
<b>Non-current assets</b>		
Property, plant and equipment (net)	38,913	40,316
Intangible assets	185	301
Deferred tax assets	129	-
<b>Total non-current assets</b>	<b>39,227</b>	<b>40,617</b>
<b>Total assets</b>	<b>50,973</b>	<b>53,288</b>
<b>Current liabilities</b>		
Trade and other payables	4,066	4,011
Borrowings	2,530	3,107
Provisions exc. tax liabilities	3,297	2,692
<b>Total current liabilities</b>	<b>9,893</b>	<b>9,810</b>
<b>Non current liabilities</b>		
Borrowings	7,783	9,136
Deferred tax liabilities	-	69
Provisions exc. tax liabilities	210	257
<b>Total non-current liabilities</b>	<b>7,993</b>	<b>9,462</b>
<b>Total liabilities</b>	<b>17,886</b>	<b>19,272</b>
<b>Net assets</b>	<b>33,087</b>	<b>34,016</b>
<b>Equity</b>		
Capital/contributed equity	8,226	8,226
Retained profits / (accumulated losses)	24,861	25,790
<b>Equity attributable to members of the     parent entity</b>	<b>33,087</b>	<b>34,016</b>
<b>Total equity</b>	<b>33,087</b>	<b>34,016</b>

#### 4.1 Condensed consolidated Statement of Changes in Equity

	At end of current period \$A'000	As shown in last annual report \$A'000
Total Equity at beginning of year	34,016	33,694
Add: Net Profit/(loss) for the year	(739)	1,084
Add: Share Issue	-	-
Less: Share issue Costs	-	-
Less: Dividends paid during year	(190)	(762)
<b>Total Equity at end of year</b>	<b>33,087</b>	<b>34,016</b>

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**5. Condensed consolidated Statement of Cash Flow**

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>		
Receipts from customers	66,665	67,765
Payments to suppliers and employees	(62,258)	(62,094)
Interest and other items of similar nature received	22	157
Interest and other costs of finance paid	(583)	(646)
Income taxes paid	(209)	(689)
<b>Net operating cash flows</b>	<b>3,637</b>	<b>4,493</b>
<b>Cash flows related to investing activities</b>		
Payment for purchases of property, plant and equipment and intangible assets	(1,360)	(1,214)
Payment for assets acquired as part of business acquisition	-	(2,213)
Proceeds from sale of property, plant and equipment	166	988
<b>Net investing cash flows</b>	<b>(1,194)</b>	<b>(2,439)</b>
<b>Cash flows related to financing activities</b>		
Repayment of borrowings	-	-
Finance lease payments	(3,047)	(2,781)
Dividends paid	(190)	(762)
<b>Net financing cash flows</b>	<b>(3,237)</b>	<b>(3,543)</b>
<b>Net (decrease) increase in cash held</b>	<b>(794)</b>	<b>1,489</b>
Cash at beginning of period	1,854	(3,343)
<b>Cash at end of period</b>	<b>1,060</b>	<b>1,854</b>

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### 5.1 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

Acquisition of plant & equipment by means of hire purchase/chattel mortgage contracts (A'000).	
Current period - \$1,117	(Previous period - \$3,490)

### 5.2 Reconciliation of cash and cash equivalents

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding Period - \$A'000
Cash on hand and at bank	1,060	1,854
<b>Total cash at end of period</b>	<b>1,060</b>	<b>1,854</b>

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### 5.3. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Operating profit/(loss) after income tax</b>	(739)	1,084
Depreciation and amortisation	3,869	3,352
Net (profit)/loss on sale of non-current assets	(39)	87
Gain on asset acquisition	-	(462)
<b>Change in operating assets and liabilities</b>		
Decrease in trade debtors	345	570
Decrease/(increase) in inventories	84	(40)
(Increase) in deferred tax assets	(129)	-
(Increase) in other operating receivables	(73)	(33)
(Increase) in current tax assets	(226)	(171)
Increase/(decrease) in trade creditors	157	(228)
(Decrease)/increase in other payables	(101)	500
(Decrease) in deferred tax liabilities	(69)	(24)
Increase/(decrease) in provisions	558	(142)
<b>Net cash inflow from operating activities</b>	<b>3,637</b>	<b>4,493</b>

## 6. Dividends

### 6.1 Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b> Current year	-¢	-¢	-¢
Previous year	2.5¢	2.5¢	-¢
<b>Interim dividend:</b> Current year	-¢	-¢	-¢
Previous year	5¢	5¢	-¢

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## 6.2 Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	-¢	7.5 ¢

## 7. Dividend Reinvestment Plans

At 30 June 2015 there was no dividend reinvestment plan in operation for Chalmers Limited

Any other disclosures in relation to dividends.

N/A

## 8. Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	25,790	25,468
Net profit (loss) attributable to members	(739)	1,084
Dividends and other equity distributions paid	(190)	(762)
<b>Retained profits (accumulated losses) at end of financial period</b>	<b>24,861</b>	<b>25,790</b>

## 9. NTA backing per ordinary security

Current period	Previous corresponding Period
\$4.32	\$4.43

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**10. Control gained over entities having material effect**

Name of entity (or group of entities)

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was <sup>+</sup>acquired

\$

Date from which such profit has been calculated

Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

\$

**10.1 Loss of control of entities having material effect**

Name of entity (or group of entities)

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control

\$

Date to which the profit (loss) in item 14.2 has been calculated

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$

**11. Details of associates and joint venture entities**

N/A

**12. Other significant information**

N/A

**13. Accounting standards used in foreign entities**

N/A

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## 14. Commentary on results for the period

### 14.1 Earnings per security (EPS)

	Current period	Previous corresponding Period
Basic EPS	(9.71)	14.23
Diluted EPS	(9.71)	14.23

### 14.2 Review of Operations

The 2014 – 2015 year was difficult for Chalmers with revenues dipping from \$61.8M to \$60.7M. This reduction in revenue was shared across most operating areas and contributed to a loss before income tax of \$952K. This result contains a provision for \$357K under *onerous contracts* to cover future losses relating to leased warehouse space in Brisbane. The operating loss net of this provision was \$595K.

The following significant factors contributed to the lower result:

- Warehouse capacity in Brisbane was significantly under-utilised with the departure of a significant client early in the year. Excess warehouse capacity in the surrounding precinct meant Chalmers was unable to replace this volume other than via short-term lower volume and lower margin business.
- Freight movements were markedly lower in Brisbane reflecting reduced import traffic but also in the area of grain and beef exports where volumes were below anticipated levels.
- The Transport sector performed comparatively well in both locations with both revenues and profit performance above that for the corresponding previous period.
- The two Container Parks experienced reduced gate moves and storage compared with last year reflecting lower levels of business activity. No major clients were lost although some anticipated incremental volume did not eventuate.
- The Brisbane Tank Wash business acquired in June 2014 required significant investment to bring the equipment to an acceptable operational performance level. The delay in offering a fully operational tank wash service resulted in higher than anticipated losses although this facility has now moved into profit.

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15. This report is based on <sup>+</sup>accounts to which one of the following applies.
- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/>            | The <sup>+</sup> accounts have been audited.  | <input type="checkbox"/> | The <sup>+</sup> accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The <sup>+</sup> accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The <sup>+</sup> accounts have <i>not</i> yet been audited or reviewed. |

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

N/A

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A

*By electronic lodgement*

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Company Secretary - JP Fedorko – 28 August 2015

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