

HEAD OFFICE

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30 August 2016

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 of page 11 – under Review of operations.

No dividend has been declared.

Yours faithfully,
Kane Harnden
Company Secretary

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Appendix 4E

Preliminary final report

1. Company details

CHALMERS LIMITED

ABN

34 004 471 032

Financial year ended ('current period')

30 JUNE 2016

Financial year ended ('previous period')

30 JUNE 2015

2. For announcement to the market

\$A'000

2.1 Revenues from continuing operations	DOWN	4%	To	\$58,502
2.2 Profit (loss) from continuing operations after tax attributable to members	UP	134%	To	\$251
2.3 Net profit (loss) for the period attributable to members	UP	134%	To	\$251
2.4 Dividends	Amount per security	Franked amount per security		
No Final dividend declared	-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				

3. Condensed consolidated Statement of Comprehensive Income

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from continuing operations	58,502	60,746
Expenses from continuing operations	(57,615)	(61,115)
Finance costs	(409)	(583)
Profit (loss) from continuing operations before tax	478	(952)
Income tax (expense) / benefit	(227)	213
Profit (loss) from continuing operations after tax	251	(739)
Profit (loss) from extraordinary items after tax	-	-
Net profit (loss)	251	(739)
Net profit (loss) attributable to outside ⁺ equity interests	-	-
Net profit (loss) for the period attributable to members	251	(739)
Non-owner transaction changes in equity		
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	-	-
Total changes in equity not resulting from transactions with owners as owners	251	(739)

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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	58,427	60,724
Interest revenue	74	22
Other income:		
Profit/(Loss) on sale of non-current assets	(25)	(39)
Proceeds from Insurance	247	-
Details of relevant expenses:		
Employee benefits	(24,100)	(25,580)
Property	(9,219)	(10,032)
Vehicle & Equipment	(7,799)	(8,540)
Other expenses	(5,253)	(5,376)
Subcontractor	(4,398)	(4,655)
Depreciation and amortisation	(3,842)	(3,869)
Materials	(3,225)	(3,102)
Finance costs	(409)	(583)

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	74	22

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3.3 Extraordinary Items

N/A

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	(25)	39
Proceeds from Insurance	247	-
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	(3,842)	(3,869)
- doubtful and bad debts	(20)	(15)

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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
Current assets		
Cash and cash equivalents	1,205	1,060
Trade and other receivables	10,322	9,776
Inventories	405	602
Current tax asset	85	308
Total current assets	12,017	11,746
Non-current assets		
Property, plant and equipment (net)	36,387	38,913
Intangible assets	69	185
Deferred tax assets	158	129
Total non-current assets	36,614	39,227
Total assets	48,631	50,973
Current liabilities		
Trade and other payables	3,818	4,066
Borrowings	1,992	2,530
Provisions exc. tax liabilities	2,846	3,297
Total current liabilities	8,656	9,893
Non current liabilities		
Borrowings	6,264	7,783
Deferred tax liabilities	-	-
Provisions exc. tax liabilities	373	210
Total non-current liabilities	6,637	7,993
Total liabilities	15,293	17,886
Net assets	33,338	33,087
Equity		
Capital/contributed equity	8,226	8,226
Retained profits / (accumulated losses)	25,112	24,861
Equity attributable to members of the parent entity	33,338	33,087
Total equity	33,338	33,087

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	33,087	34,016
Add: Net Profit/(loss) for the year	251	(739)
Add: Share Issue	-	-
Less: Share issue Costs	-	-
Less: Dividends paid during year	-	(190)
Total Equity at end of year	33,338	33,087

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5. Condensed consolidated Statement of Cash Flow

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
Receipts from customers	63,087	66,665
Payments to suppliers and employees	(59,297)	(62,258)
Interest and other items of similar nature received	74	22
Interest and other costs of finance paid	(403)	(583)
Income taxes paid	(34)	(209)
Net operating cash flows	3,427	3,637
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment and intangible assets	(641)	(1,360)
Payment for assets acquired as part of business acquisition	-	-
Proceeds from sale of property, plant and equipment	36	166
Net investing cash flows	(605)	(1,194)
Cash flows related to financing activities		
Repayment of borrowings	-	-
Finance lease payments	(2,677)	(3,047)
Dividends paid	-	(190)
Net financing cash flows	(2,677)	(3,237)
Net increase (decrease) in cash held	145	(794)
Cash at beginning of period	1,060	1,854
Cash at end of period	1,205	1,060

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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 - \$620	(Previous period - \$1,117)

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	1,205	1,060
Total cash at end of period	1,205	1,060

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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
Operating profit/(loss) after income tax	251	(739)
Depreciation and amortisation	3,842	3,869
Net (profit)/loss on sale of non-current assets	25	(39)
Change in operating assets and liabilities		
(Increase)/decrease in trade debtors	(209)	345
Decrease in inventories	198	84
(Increase) in deferred tax assets	(29)	(129)
(Increase) in other operating receivables	(337)	(73)
Decrease/(Increase) in current tax assets	223	(226)
Increase in trade creditors	217	157
(Decrease) in other payables	(823)	(101)
(Decrease) in deferred tax liabilities	-	(69)
Increase in provisions	69	558
Net cash inflow from operating activities	3,427	3,637

6. Dividends

6.1 Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend: Current year	-¢	-¢	-¢
Previous year	-¢	-¢	-¢
Interim dividend: Current year	-¢	-¢	-¢
Previous year	-¢	-¢	-¢

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

	Current year	Previous year
Ordinary securities	-¢	-¢

7. Dividend Reinvestment Plans

At 30 June 2016 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	24,861	25,790
Net profit (loss) attributable to members	251	(739)
Dividends and other equity distributions paid	-	(190)
Retained profits (accumulated losses) at end of financial period	25,112	24,861

9. NTA backing per ordinary security

Current period	Previous corresponding Period
\$4.37	\$4.32

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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 ⁺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

14. Commentary on results for the period

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14.1 Earnings per security (EPS)

	Current period	Previous corresponding Period
Basic EPS	3.30	(9.71)
Diluted EPS	3.30	(9.71)

14.2 Review of Operations

The 2015/16 year showed a significant improvement in performance from the previous year. While revenue fell from \$60,746k to \$58,502k, Chalmers performance improved markedly delivering a pre-tax profit of \$479k. This represented an improvement over the preceding year of \$1,431k although it did include a \$357k write-back for a previously booked onerous contract provision.

The following factors contributed to the improved result:

- During the year the company renegotiated a number of its property leases, effective from 1 July 2015. The renegotiated property leases gave rise to a consideration of \$450,600 in return for the surrender of a lease option which has been brought to account as revenue in the year ended 30 June 2016.
- During the year, management drove improved operational efficiencies across all areas of the business in order to grow margin in an environment of reduced revenues. This focus together with more effective fleet utilisation reduced cartage costs and labour costs by \$200k and \$600k respectively. This continuous improvement focus will continue in 2016/17 as the business contends with strong price pressures in a very competitive marketplace.
- The Brisbane Container Park had significantly higher gate moves during the year resulting in an improved financial performance of around \$700k. Repair revenue and margin both improved markedly from the preceding period. Several new clients contributed to this healthy increase in gate moves.
- Brisbane Transport had a difficult year although signs of real improvement started to emerge during the 4th quarter of 2015/16, particularly for existing clients in beef but also with new clients in the timber sector. The breaking of the drought in Queensland is expected to help all primary products exports.
- The Brisbane Warehousing & Logistics business had an extremely difficult year with general activity levels across most sectors down significantly. The most significant negative impact on this sector was the excess warehousing capacity throughout most of last year. All excess warehouse capacity has now been filled.
- The Brisbane Tank Wash & Storage operation continued to improve and following significant management attention and capital improvements, the business moved into profit. Strong gains have been made in securing clients for Tanktainer storage and repairs and management attention is being directed towards growing the tanker wash side of the business. While slower than anticipated, this business is expected to grow steadily during 2016/17.
- The Melbourne Transport and Logistics business lifted revenue slightly but strong price competition kept downward pressure on margins. A disappointing grain season also adversely affected the transport business. During the 4th quarter of 2015/16, warehousing volumes increased significantly necessitating the short-term use of external warehousing facilities to meet customer demand.

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- The Melbourne Container Park saw lower gate moves during the year although this was partially offset by improved efficiencies driving better margins. The lower gate moves were not caused by any loss of business but by lower activity levels among existing Park customers.

- 15.** This report is based on +accounts to which one of the following applies.
- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | The +accounts have been audited. | <input type="checkbox"/> | The +accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +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 - Kane Harnden – 30 August 2016

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