

28 February 2018

Australian Stock Exchange
Company Announcements Platform
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Announcement of Results to the Market

The Directors of Chalmers Limited provide Appendix 4D - Half Year Information - 31 December 2017 for release to the market which is presented in the following pages. Commentary on this year's performance can be found in Part B page 1 - under Review of Operations.

No interim dividend has been declared.

Yours faithfully

Chalmers Industries Pty Ltd



Kane Harnden
CFO / Company Secretary

CHALMERS LIMITED

ABN 34 004 471 032

Appendix 4D - Half year information - 31 December 2017

Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2017 Annual Report.

Contents

(All disclosures required by ASX marked by their corresponding ASX item number)

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Total pages following – 16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Chalmers Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CHALMERS LIMITED

For the half year ended 31 December 2017

(Previous corresponding period: Half year ended 31 December 2016)

Results for Announcement to the Market

\$'000

2.1 Revenue from ordinary activities	DOWN 3% to \$31,620
2.2 Profit/(loss) from ordinary activities after tax attributable to members	DOWN 691% to (\$807)
2.3 Net profit/(loss) for the period attributable to members	DOWN 691% to (\$807)

2.4 Dividends/distributions	Amount per security	Franked amount per security
Final dividend (<i>prior year</i>)	3.5 cents	3.5 cents
Interim dividend	Nil cents	Nil cents

Interim dividend payable: N/A

2.5 Record date for determining entitlements to the interim dividend: N/A**2.6** Explanations of Revenue
Refer to "Review of Operations" per Directors' Report**2.7** Explanation of Profit/(loss) from ordinary activities after tax
Refer to "Review of Operations" per Directors' Report**2.8** Explanation of Net Profit/(loss)
Refer to "Review of Operations" per Directors' Report**2.9** Explanation of Dividends
Refer to "Review of Operations" per Directors' Report

Part B

CHALMERS LIMITED

Directors' Report

For the half year ended 31 December 2017

Your directors present their report on the consolidated entity consisting of Chalmers Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2017.

Directors

The following persons were directors of Chalmers Limited during the whole of the half year and up to the date on this report.

GD Mulligan	(Non-executive Chairman)
JP Carew	(Managing Director)
PT Brannighan	(Non-executive)
GW Chalmers	(Executive Director)
LA Daglish	(Non-executive)

Mr Murrowood was a director from the beginning of the financial year until his resignation of 29 November 2017.

Consolidated Results

	2017	Half year	2016
	\$		\$
Profit/(loss) from continuing operations after income tax expense	<u>(\$806,619)</u>		<u>(101,969)</u>

Review of Operations

The operating result before tax for the half year ended December 2017 was loss of \$1.1M on a revenue figure of \$31.6M.

This represents a significant deterioration when compared to the December 2016 pre-tax loss of \$100K. A marked reduction in revenue has been the key driver causing the half year operating result to decline. The most significant reductions in revenue were experienced at our empty container parks in both Brisbane and Melbourne. Combined, these two operations suffered a \$3M reduction in turnover, with both divisions running a mostly fixed cost operation the combined impact of this revenue reduction affected operating profit by \$2M when compared to the December 2016 result.

Causing this loss of revenue has been the loss of two key clients in Brisbane and a change in the behaviour of how the shipping lines in Melbourne are having their containers de-hired. This change has resulted in a high percentage of empty containers being de-hired at the shipping terminals, causing reduction in handling and repair work being performed at the Chalmers empty container park in Yarraville.

Partially offsetting the decline in operational performance of our empty container parks has been the improved performance in the other Chalmers operations. In particular the Queensland Tank Service business unit has seen both strong revenue and profit growth, revenue has improved year on year by nearly \$3M and profit by \$1M. This performance is expected to continue for the remainder of the year.

Additionally the Queensland Freight Station, which has experienced losses in its most recent history, has had an improvement in revenue for the December 2017 half year of \$1M with an accompanying improvement in its operating result of \$400K.

Despite the Melbourne Transport and Logistics operations having experienced a decline in revenue of \$1M, improved cost control and revenue yields has seen profitability improve by \$100K. The performance of the Melbourne operations is expected to further improve in the second half of the year.

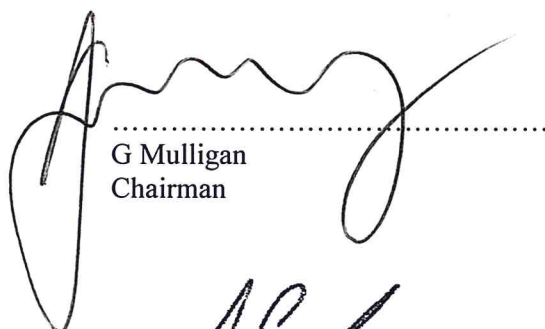
CHALMERS LIMITED**Directors' Report (continued)**

For the half year ended 31 December 2017

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is attached as part of this report.

Signed at Yarraville this 28th day of February 2018,
in accordance with a resolution of the directors.



.....

G Mulligan
Chairman



.....

J Carew
Director



Grant Thornton

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Auditor's Independence Declaration to the Directors of Chalmers Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Chalmers Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 28 February 2018

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CHALMERS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2017

	Half year	
	2017	2016
	\$	\$
Revenue from continuing operations	31,620,141	32,668,869
 Other Income	83,610	-
Employee benefits expense	(12,236,782)	(13,282,443)
Property expense	(5,588,710)	(5,591,689)
Vehicle and equipment expense	(4,646,703)	(4,275,346)
Other expenses	(3,835,789)	(3,071,834)
Subcontractor expense	(1,988,241)	(2,458,538)
Depreciation and amortisation expense	(1,710,788)	(1,804,909)
Material expense	(2,612,497)	(2,088,037)
Finance costs	(186,405)	(161,263)
Net loss on disposal of non-current assets	-	(34,510)
 Profit/(Loss) from continuing operations before income tax expense	 (1,102,164)	 (99,700)
 Income tax (expense)/benefit	 295,545	 (2,269)
 Profit/(loss) for the half year	 (806,619)	 (101,969)
 Total comprehensive income for the half year attributable to owners of the parent entity	 (806,619)	 (101,969)
 Basic earnings per share (cents per share)	 (0.11)	 (0.01)
Diluted earnings per share (cents per share)	(0.11)	(0.01)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Statement of Financial Position

As at 31 December 2017

	Notes	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		1,841,737	2,974,806
Trade and other receivables		10,165,374	11,910,014
Inventories		346,787	301,930
Current tax assets		94,681	-
		<u>12,448,579</u>	<u>15,186,750</u>
NON-CURRENT ASSETS			
Property, plant & equipment		35,896,689	36,293,773
Intangible assets		16,500	25,500
Deferred tax assets		667,337	371,791
		<u>36,580,526</u>	<u>36,691,064</u>
<u>TOTAL ASSETS</u>		<u>49,029,105</u>	<u>51,877,814</u>
CURRENT LIABILITIES			
Trade and other payables		3,657,410	5,640,532
Borrowings		1,642,414	1,803,977
Current tax liabilities		-	104,070
Provisions		3,055,172	2,934,618
		<u>8,354,996</u>	<u>10,483,197</u>
NON-CURRENT LIABILITIES			
Borrowings		7,331,797	7,155,661
Provisions		596,306	419,841
		<u>7,928,103</u>	<u>7,575,502</u>
<u>TOTAL LIABILITIES</u>		<u>16,283,099</u>	<u>18,058,699</u>
<u>NET ASSETS</u>		<u>32,746,006</u>	<u>33,819,115</u>
EQUITY			
Contributed equity		8,225,847	8,225,847
Retained Profits		24,520,159	25,593,268
<u>TOTAL EQUITY</u>		<u>32,746,006</u>	<u>33,819,115</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Statement of Changes in Equity

For the half year ended 31 December 2017

	<u>Attributable to owners of Chalmers Limited</u>		
	Contributed equity	Retained earnings	Total
	\$	\$	\$
<u>Half Year ended December 2017</u>			
Balance at 1 July 2017	8,225,847	25,593,268	33,819,115
Net (loss) for the half year	-	(806,619)	(806,619)
Total comprehensive income for the half year	<u>8,225,847</u>	<u>24,786,649</u>	<u>33,012,496</u>
Transactions with owners in their capacity as owners:			
Dividend provided for or paid	-	266,490	266,490
Balance at 31 December 2017	<u><u>8,225,847</u></u>	<u><u>24,520,159</u></u>	<u><u>32,746,006</u></u>
<u>Half Year ended December 2016</u>			
Balance at 1 July 2016	8,225,847	25,112,548	33,338,395
Net profit for the half year	-	(101,969)	(101,969)
Total comprehensive income for the half year	<u>-</u>	<u>(101,969)</u>	<u>(101,969)</u>
Transactions with owners in their capacity as owners:			
Dividend provided for or paid	-	-	-
Balance at 31 December 2016	<u><u>8,225,847</u></u>	<u><u>25,010,579</u></u>	<u><u>33,236,426</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Statement of Cash Flows

For the half year ended 31 December 2017

	Half-year	
	2017	2016
	\$	\$
<u>Cash flows from operating activities</u>		
Receipts from customers (inc GST)	35,404,197	34,814,785
Payments to suppliers and employees (inc GST)	(34,903,458)	(32,914,173)
	<u>500,739</u>	<u>1,900,612</u>
Interest received	34,306	32,321
Finance costs paid	(185,225)	(158,193)
Income taxes recovered/ (paid)	(198,751)	224,900
	<u>151,069</u>	<u>1,999,640</u>
Net cash inflow from operating activities		
	<u>151,069</u>	<u>1,999,640</u>
<u>Cash flows from investing activities</u>		
Payments for property, plant and equipment	(373,565)	(762,855)
Proceeds from sale of property, plant and equipment	307,240	198,981
	<u>(66,325)</u>	<u>(563,874)</u>
Net cash inflow/(outflow) from investing activities		
	<u>(66,325)</u>	<u>(563,874)</u>
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(951,323)	(1,074,893)
Dividends paid	(266,490)	-
	<u>(1,217,813)</u>	<u>(1,074,893)</u>
Net cash outflow from financing activities		
	<u>(1,217,813)</u>	<u>(1,074,893)</u>
Net increase/(decrease) in cash and cash equivalents		
	<u>(1,133,069)</u>	<u>360,873</u>
Cash and cash equivalents at the beginning of the half year		
	<u>2,974,806</u>	<u>1,205,316</u>
Cash and cash equivalents at the end of the half year		
	<u><u>1,841,737</u></u>	<u><u>1,566,189</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Notes to the Financial Statements

For the half year ended 31 December 2017

1. BASIS OF PREPARATION OF HALF YEAR REPORT

These general purpose financial statements for the interim half year reporting period ended 31 December 2017 have been prepared in accordance with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the Corporations Act 2001.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Chalmers Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. SEGMENT INFORMATION

AASB 8 *"Operating Segments"* requires operating segments to be identified on the basis of internal reports about components of a company that are regularly reviewed by the chief operating decision makers, being the board of Chalmers Limited, in order to allocate resources to, and assess the performance of each segment.

Transport consists of road transport, predominantly import/export FCL containers and the interface with logistics/warehousing/hubbing services.

Containers represent the empty container park operations concerned with handling, storage, repairs, upgrades, pretrips and so on of empty containers on behalf of shipping and leasing company customers and tank services.

Administration was introduced from 1 July 2017, this segment represents administrative overheads not directly related to operational activity.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, being the board of Chalmers Limited.

No single customer represents more than 10% of revenue.

Some revenue is derived from customers overseas, predominantly shipping companies and container leasing companies.

Segment results include profit on sale of assets.

	Transport \$	Containers \$	Administration \$	Total \$
Half-year ended 31 December 2017				
Total segment revenue	20,804,955	10,780,880	-	31,585,835
External revenue	20,804,955	10,780,880	-	31,585,835
Segment results	743,255	512,081	(2,391,808)	(1,136,472)

CHALMERS LIMITED

Notes to the Financial Statements

For the half year ended 31 December 2016

2. SEGMENT INFORMATION (continued)

	Transport	Containers	Administration	Total
	\$	\$	\$	\$
Half-year ended 31 December 2016				
Total segment revenue	21,460,113	11,176,435	-	32,636,548
External revenue	21,460,113	11,176,435	-	32,636,548
Segment results	584,267	1,299,961	(2,016,249)	(132,021)

No information is disclosed for segment assets as no measure of segment assets is regularly provided to the board.

	Half-year 2017 \$	2016 \$
Reconciliation of adjusted segment revenue from continuing operations:		
Total segment revenue	31,585,835	32,636,548
Inter-segment eliminations	-	-
Other revenue	-	-
Interest revenue	34,306	32,321
Total revenue from continuing operations	31,620,141	32,668,869

Reconciliation of adjusted segment results to profit from continuing operations before income tax is provided as follows:

	Half-year 2017 \$	2016 \$
Total segment results	(1,136,472)	(132,021)
Interest revenue	34,306	32,321
Profit/(loss) from continuing operations before income tax expense	(1,102,166)	(99,700)

CHALMERS LIMITED

Notes to the Financial Statements

For the half year ended 31 December 2017

	Half-year	
	2017	2016
	\$	\$
3. DIVIDENDS		
Ordinary shares		
Dividends provided for or paid during the half year	266,490	-
Dividends not recognised at the end of the half year		
Since the end of the half year directors have agreed not to pay an interim dividend out of retained profits at 31 December 2017	-	-

4. CONTINGENCIES

Contingent Assets and Liabilities

Since the last annual reporting date, there has been no significant change of any contingent assets or contingent liabilities.

5. EVENTS OCCURRING AFTER THE REPORTING DATE

At the date of this report, there is no matter or circumstance which has arisen since 31 December 2017 that has significantly affected the state of affairs of the consolidated entity.

CHALMERS LIMITED

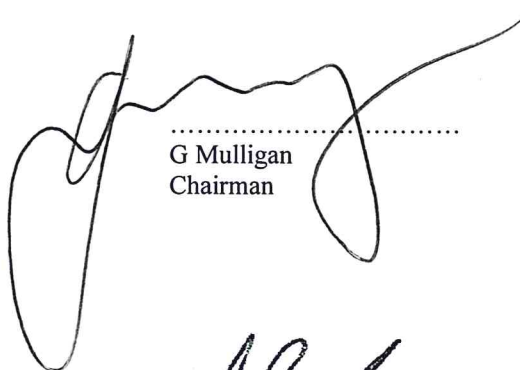
Directors' Declaration

For the half year ended 31 December 2017


In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Chalmers Limited will be able to pay its debts as and when they become due and payable.

Signed at Yarraville this 28th day of February 2018,
in accordance with a resolution of the Board of Directors.



.....
G Mulligan
Chairman



.....
J Carew
Director

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Independent Auditor's Review Report to the Members of Chalmers Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Chalmers Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Chalmers Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Chalmers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B L Taylor
Partner - Audit & Assurance

Melbourne, 28 February 2018

3 NTA Backing

	31 Dec 2017	31 Dec 2016
Net tangible asset backing per ordinary share (Current: 7,614,000 shares – Prior: 7,614,000 shares)	\$4.30	\$4.36

4 Controlled entities acquired or disposed of

Acquired	N/A
-----------------	-----

Disposed of	N/A
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5 Additional dividend/distributions information

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 31 December 2017 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
20 Sept 2017	4 Oct 17	Final	3.5 cents	\$266,490	3.5 cents	-
N/A	N/A	Interim	Nil cents	\$Nil	Nil cents	-

6 Dividend/distribution reinvestment plans

At 31 December 2017 there was no dividend reinvestment plan in operation for Chalmers Limited.

7 Associates and Joint Venture entities

Name	Ownership interest		Aggregate share of profits/(losses), where material		Contribution to net profit, where material	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$
N/A						

8 Foreign Accounting standards

N/A

9 Audit Alert

N/A

This report is based on ⁺accounts to which one of the following applies.

- | | | | |
|--------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | The ⁺ accounts have been audited. | <input checked="" type="checkbox"/> | The ⁺ accounts have been subject to review. |
| <input 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. |

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

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

.....

Kane Harnden
CFO / Company Secretary

28 February 2018