



ABN 85 003 622 866
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Clover Corporation Limited

ASX Appendix 4E
Preliminary Final Report
31st July 2019

Lodged with the ASX under Listing Rule 4.3A

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The reporting period is the financial year ended 31 July 2019 with the corresponding period being the financial year ended 31 July 2018.

Results for Announcement to the Market

- Total revenue increased 21.8% to \$76.7m;
- Net profit after tax is \$10.1m (2018: profit of \$7.6m);

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Up	21.8%	13,721	to	76,682
Profit/(Loss) from ordinary activities after tax attributable to members	Up	33.1%	2,513	to	10,101
Net profit/(loss) for the period attributable to members	Up	32.2%	2,459	to	10,093

Dividends/distributions	Amount per security	Franked %
This Period		
Final dividend	1.75 cent	100%
Interim dividend	0.625 cent	100%
Previous corresponding period		
Final dividend	1.25 cent	100%
Interim dividend	0.50 cent	100%

Record date for determining entitlements to the final dividend: **30 October 2019**

Payment date for the final dividend: **20 November 2019**

Dividend reinvestment plans

There is no dividend reinvestment plan as at 31 July 2019.

Explanation of Operating Results

For a further explanation of the financial period operating result, please refer to the Review of Operations.

NTA Backing

	2019	2018
Net tangible asset backing per ordinary share after tax	27.21 cents	22.41 cents

EPS

	2019	2018
Basic Earnings per Share	6.12 cent	4.59 cent
Diluted Earnings per Share	6.07 cent	4.59 cent

Explanation of Profit after tax

For an explanation of the financial year operating results, please refer to the Review of Operations.

Explanation of Net Profit

For an explanation of the financial year operating results, please refer to the Review of Operations.

Explanation of Dividends

For an explanation of the dividend declared, please refer to the Review of Operations.

Other information

This report is based on accounts which are in the process of being audited, and an unqualified audit opinion is expected to be issued.



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**PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

**Clover Corporation Limited
Financial year ended 31 July 2019**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

	Notes	31-Jul-19 \$'000	31-Jul-18 \$'000
Sale of goods	1	76,682	62,961
Other income / (expenses)	1	732	665
Raw materials, consumables & conversion costs		(52,762)	(44,714)
Sales and marketing expenses		(3,595)	(2,594)
Administration and corporate expenses		(5,319)	(4,184)
Research and development expenses		(1,750)	(1,518)
Share of net profit of investments accounted for under the equity method		(24)	-
Profit before income tax		13,964	10,616
Income tax credit/(expense)		(3,863)	(3,028)
Profit after tax for the period		10,101	7,588
Other comprehensive (loss)/profit			
Foreign currency translation adjustment, net of 30% tax		(8)	46
Other comprehensive (loss)/profit for the period		(8)	46
Total comprehensive profit for the period		10,093	7,634
Earnings per share (EPS)			
Basic earnings per share (cent per share)		6.12	4.59
Diluted earnings per share (cent per share)		6.07	4.59

Weighted average number of shares used in calculating basic and diluted earnings per share is 165,181,696 and 166,498,972 respectively (FY18: 165,181,696 shares for basic and diluted).
The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	31-Jul-19	31-Jul-18
Current Assets	\$'000	\$'000
Cash and cash equivalents	8,271	7,894
Trade and other receivables	18,446	15,257
Inventories	27,681	19,768
Other current assets - prepayments	958	656
	55,356	43,575
Non-Current Assets		
Available for sale financial assets	0	4
Property, plant and equipment	5,777	6,062
Investments in Associates	10,461	0
Deferred tax assets	1,250	502
Intangible assets	1,907	1,907
	19,395	8,475
Total Assets	74,751	52,050
Current Liabilities		
Trade and other payables	12,517	7,821
Interest bearing liabilities	1,473	450
Current tax liabilities	2,970	1,278
Short-term provisions	603	599
	17,563	10,148
Non-Current Liabilities		
Interest bearing liabilities	11,986	3,737
Long-term provisions	61	20
	12,047	3,757
Total Liabilities	29,610	13,905
Net Assets	45,141	38,145
Equity		
Issued capital	32,920	32,920
Foreign currency translation reserve	(166)	(158)
Retained earnings	12,387	5,383
	45,141	38,145
Total Equity	45,141	38,145

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

Consolidated	Issued Capital \$'000	Retained earnings / (Accumulated Losses) \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 August 2017	32,920	(140)	(204)	32,576
Profit for the period	-	7,588	-	7,588
Dividend paid	-	(2,065)	-	(2,065)
Foreign currency translation reserve	-	-	46	46
Balance at 31 July 2018	32,920	5,383	(158)	38,145
Balance at 1 August 2018	32,920	5,383	(158)	38,145
Profit for the period	-	10,101	-	10,101
Dividend paid	-	(3,097)	-	(3,097)
Foreign currency translation reserve	-	-	(8)	(8)
Balance at 31 July 2019	32,920	12,387	(166)	45,141

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

	31-Jul-19 \$ '000	31-Jul-18 \$ '000
Cash flows from operating activities		
Receipts from customers	73,493	60,413
Payments to suppliers and employees	(65,464)	(54,475)
Interest paid	(318)	(189)
Income tax paid	(2,920)	(1,668)
	4,791	4,081
Cash flows from investing activities		
Purchases of plant and equipment	(108)	(4,226)
Proceeds from sale of investments	4	-
Investment in Associates	(10,485)	-
	(10,589)	(4,226)
Cash flows from financing activities		
Dividends paid	(3,097)	(2,065)
Repayment of interest bearing liabilities	(5,058)	(312)
Issue of interest bearing liabilities	14,330	4,500
	6,175	2,123
Net cash inflow from operating activities	4,791	4,081
Net cash outflow from investing activities	(10,589)	(4,226)
Net cash outflow from financing activities	6,175	2,123
Net increase in cash held	377	1,978
Cash at the beginning of the year	7,894	5,916
Cash at the end of the year	8,271	7,894

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

	31-Jul-19 \$'000	31-Jul-18 \$'000
1. Operating Result		
Profit before income tax includes the following items of income and expense which, together with other disclosures in this report are relevant in explaining the financial performance for the year:		
Revenue		
Sale of goods	76,682	62,961
Net exchange gains	716	645
Proceeds on sale of investments	4	
Interest revenue	12	20
Total Revenue	77,414	63,626
Depreciation and Amortisation expenses	(409)	(701)
Interest Expense	(330)	(209)
Loss on asset disposal	-	(60)

2. Dividends

		Amount per security CPS
Final dividend		
Final dividend not recognised in accumulated profits expected to be paid on 20 November 2019	\$2,890,680	1.75c
Final dividend for previous corresponding year paid on 21 November 2018	\$2,064,772	1.25c
Interim dividend		
Interim dividend paid on 2 May 18	\$ 1,032,386	0.625c
Interim dividend for previous corresponding year paid on 2 May 17	\$ 825,910	0.50c

Dividend declared after balance date

The Directors have declared a final dividend for the financial year ended 31 July 2019 of 1.75 cent per share (2018: final 1.25 cent per share) fully franked at 30%, payable on 20 November 2019, but not recognised as a liability at the end of the financial period. The record date for this dividend will be 30 October 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019 (continued)**

3. Segment information

Identification of reportable segments

The consolidated entity operates in the industry of processing tuna oil and manufacturing encapsulated products in Australia. Financial information about the business as a whole is reported to and reviewed by the Chief Executive Officer and Board of Directors on a monthly basis, in order to assess performance and determine the allocation of resources.

Geographical information

Revenues from external customers by domestic and export location of operations and information about its non-current assets by location of assets is shown in the following table.

	Revenue from external customers		Non-current assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Australia / New Zealand	38,713	37,650	18,145	7,970
Asia	28,101	18,485	-	-
Europe	5,944	4,111	-	-
Americas	3,924	2,715	-	-
Total	76,682	62,961	18,145	7,970

4. Audit

This report is based on financial statements that have been audited by Company auditors PKF, who have issued an unqualified audit report.