CLOVER
CORPORATION

Clover Corporation Limited
ABN 85 003 622 866

ASX ANNOUNCEMENT **24 October 2017**

The Manager
Company Announcements Office
ASX limited
20 Bridge Street
SYDNEY NSW 2000

2017 ANNUAL REPORT & AGM NOTICE OF MEETING

Enclosed are the following documents relating to Clover Corporation Limited, which were mailed to shareholders today:

- Notice of Meeting and Proxy Form for the 2017 Annual General Meeting;
- 2017 Annual Report

A copy of the 2017 Annual Report will also be placed in the 'ASX Announcements' section of the Clover website at the following URL:

http://www.clovercorp.com.au/en/invest-our-business/asx-announcements/

Signed for and on behalf of Clover Corporation Ltd

Paul Sherman

Company Secretary

Clover Corporation Limited
ABN 85 003 622 866

Unit 35E
1 International Drive
Westmeadows VIC 3049

Telephone + 61 3 8347 5000
Facsimile + 61 3 8347 5055

NOTICE OF ANNUAL GENERAL MEETING
Friday 24 November 2017

Notice is hereby given that the Annual General Meeting of Clover Corporation Limited will be held on Friday 24 November 2017 at 11:00am at Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney N.S.W. 2000.

ORDINARY BUSINESS

1. Annual Report

To receive and consider the financial report and the reports of the directors and of the auditor for the year ended 31 July 2017.

2. Remuneration Report

To adopt the Remuneration Report for the year ended 31 July 2017 (ordinary resolution).

Note: Pursuant to section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors of the Company.

Please refer to the attached Explanatory Notes for information regarding voting by key management personnel.

3. Election of Director

To re-elect as a director Ms C L Hayman, who retires by rotation in accordance with article 16 of the Company's constitution and, being eligible, offers herself for re-election (ordinary resolution).

4. Election of Director

To elect as a director Mr I D Glasson, who having been appointed by the Board to fill a casual vacancy subsequent to the previous Annual General Meeting, retires in accordance with Article 15.5(b) of the Company's constitution and, being eligible, offers himself for election (ordinary resolution).

By order of the Board

P Sherman
Company Secretary
24 October 2017

Voting Entitlements

For the purpose of the Corporations Act, the Company has determined that all securities of the Company that are quoted securities at 7.00pm Australian Eastern Standard Time on Wednesday 22 November 2017 will be taken, for the purpose of the Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

PROXIES
A Member entitled to vote at the Meeting may appoint a Proxy to attend and vote in their place.

Clover Corporation Limited
ABN 85 003 622 866

Unit 35E
1 International Drive
Westmeadows VIC 3049

Telephone + 61 3 8347 5000
Facsimile + 61 3 8347 5055

ANNUAL GENERAL MEETING EXPLANATORY NOTES

Item 1: Receive and consider the financial and other reports for the year ended 31 July 2017

This item does not require voting by shareholders. It is intended to provide an opportunity for shareholders to raise questions on the reports themselves and on the performance and management of the Company.

The auditors of the Company will be present at the meeting and will also be available to answer questions.

Item 2: Adopt the Remuneration Report for the year ended 31 July 2017 (ordinary resolution)

The Corporations Act requires that the Remuneration Report be presented to the shareholders of the Company for consideration and adoption.

The Directors' Report includes a separate and clearly identified section which contains the Remuneration Report.

The vote on this resolution is advisory only and does not bind the Directors of the Company. Shareholders will also be given a reasonable opportunity, as a whole, to ask questions about, and make comments on, the Remuneration Report.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on item 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
b) a closely related party of such a member.

However, a person described above may cast a vote on item 2 if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on item 2; and
- The vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

The Chairman of the meeting intends to vote all proxies available to him in favour of this item of business.

Item 3: Election of Director (ordinary resolution)

Ms Cheryl L Hayman, B.Com, FAICD

Ms Hayman was appointed as an independent non-executive director of Clover Corporation Limited on 9 July 2008. Ms Hayman is Chair of the Nomination Committee, a member of the Remuneration Committee and a member of the Audit Committee.

Ms. Hayman has extensive consumer goods, packaged food and functional food industry experience including being former Marketing Director for the Baking Division of George Weston Foods (Australia/NZ) where she was largely responsible for leading the successful launch of the Hi-DHA Tip Top Up bread range.

Ms. Hayman contributes significant strategic and marketing expertise derived from a corporate career which spanned local and global organisations. Her skills include developing marketing and business strategy across diverse industry segments, driving innovation, stimulating new product development, and business planning and branding across social media platforms.

Today Cheryl is a professional Non-Executive Director across public, government and not-for-profit company directorships:
Non-Executive Director, HGL Ltd (ASX: HNG) since Dec 2016

Non–Executive Director, AIFST since 2016
Non-Executive Director, Peer Support Australia since 2007.

Ms Hayman's initial appointment as a Director was in July 2008, and she was most recently re-elected by shareholders at the 2014 Annual General Meeting. At the end of September 2017 Ms Hayman had been a Director for just over nine years. In accordance with the Company's rotation policy, Ms Hayman is eligible to stand for re-election at this year's Annual General Meeting, her fourth term of office.

After appropriate consideration, the Board's members (excluding Ms Hayman) unanimously resolved that Ms Hayman's distinct set of skills and experience, including in marketing and new product commercialisation, is of obvious and on-going benefit to the Board, and that Ms Hayman's independence has not been impaired during her tenure.

The Chairman of the meeting intends to vote all proxies available to him in favour of this item of business.

Item 4: Election of Director (ordinary resolution)

Mr Ian D Glasson BEng (Hons) MIE Aust GAICD

Mr Glasson most recently has been CEO of Gold Coin Group / Zuellig Agriculture which managed a portfolio of animal feed operations and farming ventures throughout South East Asia. Prior to that he was CEO for seven years of Sucrogen (formerly the sugar business of listed entity CSR and now owned by Wilmar) which generated revenues of nearly $2 billion and had extensive contacts across the local and international food and beverage sector and retail market.

He has also had extensive agribusiness experience with Goodman Fielder and Gresham Rabo, as well as spending the first sixteen years of his career in the oil and gas sector with Esso.

Other current company directorships include Ricegrowers Ltd, appointed 2016

The Chairman of the meeting intends to vote all proxies available to him in favour of this item of business.

Admission to meeting

Shareholders who will be attending the meeting, and who will not be appointing a proxy, are asked to bring their proxy form to the meeting to facilitate the admission process.

Shareholders who do not plan to attend the meeting are encouraged to complete and return their proxy form to Computershare Investor Services in the prepaid envelope provided. Alternatively, shareholders can return the proxy form by facsimile as detailed on the proxy form.

Questions and comments by shareholders at the meeting

A reasonable opportunity will be given to shareholders, as a whole, to ask questions about or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to shareholders, as a whole, to ask the Company's external auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the auditor if the question is relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the meeting.

Relevant written questions to the auditor must be received no later than 5:00pm (Sydney time) on Friday 17 November 2017. A list of those relevant written questions will be made available to shareholders attending the meeting.

If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

Please send any written questions for the auditor to:
Clover Corporation Limited
PO Box 2521
Gladstone Park VIC 3043
or by facsimile to +61 3 8347 5055

CLOVER
CORPORATION

Clover Corporation Limited
ABN 85 003 622 866

CLV

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am (AEDT) Wednesday, 22 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Clover Corporation Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Clover Corporation Limited to be held at Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney N.S.W. 2000 on Friday, 24 November 2017 at 11:00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
2	Remuneration Report	☐	☐	☐
3	Re-Election of Director - Ms C L Hayman	☐	☐	☐
4	Election of Director - Mr I D Glasson	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ________________ Contact Daytime Telephone ________________ Date ____ / ____ / ____

ANNUAL REPORT 2017

CLOVER
CORPORATION

ABN 85 003 622 866

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VISION

TO **OPTIMISE**
THE **HEALTH AND**
DEVELOPMENT
OF ADULTS, INFANTS
AND CHILDREN.

MISSION STATEMENT

TO DELIVER **SCIENCE-BASED BIOACTIVES** WHICH PROVIDE **HEALTH BENEFITS** TO ADULTS, INFANTS, CHILDREN AND TO THE MEDICAL FOOD MARKETS.

CHAIRMAN'S REPORT

Clover Corporation Limited (Clover) reported a net profit after tax (NPAT) for the 12 months ended 31 July 2017 of $3.6m (2016: profit of $2.2m).

Sales revenue in FY2017 was $47.9m (2016: $42.9m) an increase of 11.5%.

	2017 Statutory $000's	2016 Statutory $000's
Sales Revenue	47,864	42,920
EBIT	5,488	2,830
Profit before tax	5,012	3,108
Profit after tax	3,639	2,213

Revenue for the year increased by 11.5% due to improved orders to existing customer base and the successful diversification of our customer base. Improved product mix, good plant efficiencies, and tight cost control combined to deliver improved gross margin and as a result, much improved profit result.

Commercial

The revitalised commercial team has been in place for most of the financial year and is focused on business development into new territories, markets and products. Clover has worked with its distributors to introduce its unique products and collaborated with potential customers on product applications to meet their specific market requirements. Whilst some of these opportunities have already delivered revenues, the longer term work of product development, shelf life and market testing has created a good pipeline of opportunities that have the potential to deliver the next phase of Clover's growth plans.

China

Chinese demand for infant formula had flattened in the first half of the financial year, with uncertainty in the market around new Chinese infant formula regulations. In March 2017 it was clarified that the Cross Border Electronic Commerce (CBEC) channel would remain in place. As a result, demand improved markedly in the second half of the year.

Europe

In the EU new regulations require that all infant formula in the EU must contain a minimum of 20 mg of DHA (docosahexaenoic acid) per 100k/cal (an increase from the previous requirement which averages 10mg) by the year 2020, continue to drive collaboration with our customers. This has started to translate into increased demand for our products, with sales in this region improving by 65% as compared to the prior year, albeit from a low base.

Australia & New Zealand

Clover has benefited from changed Chinese regulations allowing the CBEC to continue, which has provided Australian and New Zealand manufacturers the opportunity to deliver improved trade with China. The Waikato facility is now fully operational with batch production on a regular basis. This facility has enabled the production of Clover's new products in niche applications such as the hypoallergenic and concentrated DHA product for sports nutrition and health applications.

Both Australia and New Zealand have benefited from infant formula company investment in increased capacity, focused on Asian market supply from the high quality dairy inputs. Clover is working with these suppliers to secure future business.

Americas

Clover has developed a strong relationship with a new distributor in the USA with a focus on opportunities into the growing sports nutrition, food and wellbeing markets. There is long lead time on commercialising these opportunities, however we are encouraged by the collaborative engagement to date. Our underlying infant formula business in this region has shown consistent growth.

Research & Development

Clover has resourced its Research & Development team with an in-house bench top spray dryer to accelerate the development of new products and technology. Clover continues to be a leader in global lipid research, applying for a patent on new technology to encapsulate polar lipids in April 2017 that allows phospholipids from krill and tuna to be encapsulated. Phospholipids are lipids in a more bioavailable form to increase the take up in the human body.

Expenditure

Clover has contained operating expenses in 2017 to $6.1 million (2016 $5.8 million) despite the increase in production levels. The new commercial and research teams are now well established and are developing the platform for future success.

Working Capital

Inventories at 2017 year end were $18.8m (2016: $13.6m), with the company building up stock levels upon improved customer order patterns. Receivables are also up on the prior year, in line with the year on year improvement in sales. The business continues to review investment opportunities for expansion into aligned markets, processes and products.

Dividend

Based on the performance of Clover in FY17 the Directors have declared a fully franked final dividend for FY17 of 0.75 cent per share. The record date for this dividend will be 30 October 2017, with payment due on 20 November 2017.

The outlook for FY18 remains positive, with order patterns for the first quarter consistent with the second half of last year and business development activities in new markets and segments delivering positive testing results.

Mr Peter Robinson
Chairman

Date: 20 September 2017

ABOUT CLOVER

Company Focus

Clover seeks to improve human nutrition and quality of life by developing value-added nutrients for use in foods or as nutritional supplements. In doing so, Clover provides a competitive advantage for its customers, value to shareholders and a working environment in which employees can fully utilise and develop their respective skills.

Company History

Clover was formed in 1988 as a family-owned Australian company providing lipid-based ingredients for the food industry. Clover was listed on the ASX in November, 1999.

In November 2002, Clover entered into a joint venture with the Queensland-based Food Spectrum Group of companies. The incorporated joint venture, Nu-Mega Ingredients Pty Limited (Nu-Mega), was 70% owned by Clover. The joint venture ceased in November 2007 when Clover acquired the remaining 30% of Nu-Mega to make it a wholly owned subsidiary. Nu-Mega has significantly expanded its markets, introducing new products with a focus on encapsulation technology and the delivery of bioactive nutritional ingredients.

Company Operations

Clover operates from 3 sites;

- The Company's registered office and head office is located in Westmeadows, Victoria.
- A manufacturing plant for tuna oils and related products, Customer Service and Quality Assurance, and Sales and Marketing departments are located in Altona, Victoria.
- Innovation, Research & Development, Product Development, Technical Support departments are located in Brisbane, Queensland.

Company Technology and Products

The major focus of the Company is on the delivery of bioactive ingredients using proprietary encapsulation technology to produce ready-to-blend products containing tuna oil and/or other nutritional lipids. The health benefits of omega-3 fatty acids in the diet have been well documented and this has assisted in developing the expanding global market for products containing these nutritionally important dietary components. One material that Clover uses is tuna oil, which is high in DHA (docosahexaenoic acid), an essential fatty acid, which is recognized for its importance in brain, nerve and eye tissue development in babies and infants. Clover, through its subsidiary Nu-Mega, supplies refined tuna oil and a range of other encapsulated ingredients for use in infant formula.

In addition to its own internally developed intellectual property, Clover has licensed patented technology from the Commonwealth Scientific Industrial Research Organisation (CSIRO) for the encapsulation of marine and algal oils to protect them from oxidation and degradation. Nu-Mega's Driphorm® range of microencapsulated powders enables the addition of Hi-DHA® tuna and/or algal oils to a broad spectrum of products in a convenient and stable dry powder form. These ingredients are marketed globally.

Clover continues to seek other nutritional and medical applications for its products, as well as developing new types of products, often in conjunction with customers.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Clover Corporation Limited ("the Company") and the entities it controlled ("the consolidated entity") at the end of, or during, the year ended 31 July 2017.

Directors

The following persons were directors of Clover Corporation Limited during the financial year and up to the date of this report:

Mr Peter R Robinson, B.Com. (UNSW), FAICD
Appointed Chairman 13 December 2002
Non-Executive Director since August 1997

Experience and special responsibilities

Mr Robinson has held both executive and non-executive directorships for a period of 30 years. Mr Robinson has over 30 years' experience at general management and chief executive officer level. During this period Mr Robinson has had extensive experience in the pharmaceutical industry.

Mr Robinson joined Washington H. Soul Pattinson and Company Limited (WHSP) in 1978 and was appointed an Executive Director of WHSP in 1984. Mr Robinson retired from WHSP March 31 2015.

Other current listed company directorships:

Australian Pharmaceutical Industries Limited, Chairman appointed 2000.
CPL Limited, appointed 2015.
TPI Enterprises Limited, Chairman appointed 2013.

Former listed company directorships in the past three years:

WHSP appointed 1984, retired March 2015.
New Hope Corporation Limited appointed 1997, retired March 2015.

Mr Graeme A Billings, BCom, FCA, MAICD
Non-Executive Director since 14 May 2013
Chair of the Audit Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Experience and special responsibilities

Mr Billings has been a Chartered Accountant since 1980. Mr Billings was a partner at Coopers and Lybrand and then PricewaterhouseCoopers (PwC) for 24 years.

Mr Billings was head of PwC's Melbourne Assurance practice for a number of years as well as Global Leader of PwC's Industrial Products and Manufacturing industry group.

Mr Billings brings a range of financial, corporate governance, internal control, commercial and corporate transactional skills to the Company.

Other current listed company directorships:

GUD Holdings Limited, appointed 2011.
Korvest Limited, appointed 2013.
Korvest Limited, Chairman appointed 2014.
Azure Healthcare, Chairman appointed 2015.
DomaCom Ltd, appointed 2014.

Mr Peter J Davey, MBA, GradDip Bus., Dip.Art (Design), GAICD.
Executive Director since 11 November 2014

Experience and special responsibilities

Mr Davey has a track record of building businesses across a diverse range of industry sectors. He has held senior management positions within a number of manufacturing and distribution companies operating in competitive and diverse markets. Mr Davey has particular strengths in sales and marketing, and development and implementation of strategies for growth.

Mr Davey was formerly Executive Manager AgriProdcuts and a director of Viterra Australia Limited, responsible for the AgriProducts division that traded in agricultural inputs, fertilizer, seed and wool. In earlier roles, Mr Davey headed the Sales and Marketing divisions of FMP Products and Hi Fert Pty Ltd.

During his career, Mr Davey has had a particular focus on marketing based businesses operating in the Asia and Oceania regions.

Mr Ian D Glasson, BEng (Hons) MIE Aust GAICD
Non-Executive Director since 1 February 2017
Member of the Audit Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Experience and special responsibilities

Mr Glasson most recently has been CEO of Gold Coin Group / Zuellig Agriculture which managed a portfolio of animal feed operations and farming ventures throughout South East Asia. Prior to that he was CEO for seven years of Sucrogen (formerly the sugar business of listed entity CSR and now owned by Wilmar) which generated revenues of nearly $2 billion and had extensive contacts across the local and international food and beverage sector and retail market.

He has also had extensive agribusiness experience with Goodman Fielder and Gresham Rabo, as well as spending the first sixteen years of his career in the oil and gas sector with Esso.

Other current company directorships:

Ricegrowers Ltd, appointed 2016.

Mr Rupert A Harrington, BTech, MSc, CDipAF, MAICD.
Non-Executive Director since 1 July 2015
Member of the Audit Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Experience and special responsibilities

Mr Harrington is a major shareholder and Executive Chairman of Advent, a leading Australian private equity manager. Mr Harrington has been involved in private equity since 1987 and is considered to be one of the founders of the Australian industry. Prior to Advent, Mr Harrington had 8 years' general management experience at both corporate and operational management levels.

During Mr Harrington's years at Advent he has been either a Director or Chairman of 26 investee companies, including businesses operating in the manufacturing, services and high-technology sectors spanning many facets of the investment process at all stages of the growth cycle.

Other current listed company directorships:

Integral Diagnostics Limited, appointed 2015.
Bradken Ltd, appointed 2015.

Ms Cheryl L Hayman, B.Com, FAICD
Non-Executive Director since 9 July 2008
Member of the Audit Committee
Member of the Remuneration Committee
Chair of the Nomination Committee

Experience and special responsibilities

Ms. Hayman has extensive consumer goods, packaged food and functional food industry experience including being former Marketing Director for the Baking Division of George Weston Foods (Australia/NZ) where she was largely responsible for leading the successful launch of the Hi-DHA Tip Top Up bread range.

Ms. Hayman contributes significant strategic and marketing expertise derived from a corporate career which spanned local and global organisations. Her skills include developing marketing and business strategy across diverse industry segments, driving innovation, stimulating new product development, and business planning and branding across social media platforms.

Today Cheryl is a professional Non-Executive Director across public, government and not-for-profit company directorships:
Non-Executive Director, HGL Ltd (ASX: HNG) since Dec 2016.
Non-Executive Director, AIFST since 2016.
Non-Executive Director, Peer Support Australia since 2007.

Dr Merilyn J Sleigh, B.Sc, PhD, DipCorp Man, FTSE, FAICD.
Non-Executive Director since 9 July 2008
Member of the Audit Committee
Chair of the Remuneration Committee
Member of the Nomination Committee

Experience and special responsibilities

Dr Sleigh was trained as a Biochemist and was formerly CEO & Managing Director of EvoGenix Limited, an ASX-listed biotechnology company; Dean, Faculty of Life Sciences, University of NSW; Director, Research & Development at Peptech Limited and Scientist & Senior Manager, CSIRO.

She currently serves as a director of Relationships Australia (NSW) and is Chair of its social enterprise RASE Pty Ltd. She is also a member of the Council of the University of Technology Sydney.

Dr Sleigh contributes extensive experience in strategic management of ASX-listed SMEs both as a director, and as a CEO. She also provides scientific research and development expertise relevant to Clover's Innovations program and commercialisation of its products.

Former listed company directorships in the last three years:

Tyrian Diagnostics Limited, appointed December 2008, resigned 25 August 2016.

Company Secretary

Mr Jaime Pinto, B.Com, CA
Resigned effective 25 November 2016

Experience and special responsibilities

Mr Pinto is a Chartered Accountant with over 20 years' experience in both professional practice and in senior commercial roles across a broad range of industries, and is currently Company Secretary of a number of listed and unlisted Companies.

Mr Paul Sherman, B.Bus, CA, MBA
Appointed 25 November 2016

Experience and special responsibilities

Mr Sherman is a Chartered Accountant with over 20 years' experience in executive finance roles across a broad range of industries.

Principal Activities

The principal activities of the consolidated entity during the course of the financial year were the refining and sale of natural oils, the production of encapsulated powders and the research and product development of functional food and infant nutrition ingredients. There were no significant changes in the nature of the principal activities of the consolidated entity during the financial year.

Operating Results

The results for this report are for the financial year ended 31 July 2017, the comparative period being the financial year ended 31 July 2016. Total revenue from sale of goods increased 11.5% to $47,864,000. Net profit after tax is $3,639,000 (2016: profit of $2,213,000).

Review of Operations

A full review of operations is included in the Chairman's Report appearing on pages 4 and 5 of this Annual Report.

Employees

The consolidated entity had 33 employees as at 31 July 2017 (2016: 33 employees).

Events Subsequent to Reporting Date

No events have occurred subsequent to balance date that would materially affect the results for the financial year.

Significant changes in the State of the Affairs

Other than as stated above, and in the accompanying Financial Report, there were no significant changes in the state of the affairs of the consolidated entity during the financial year.

Likely Developments

The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its operating businesses during the next financial year.

Dividends

A fully franked final dividend of 0.5 cent per share for the 12 months ended 31 July 2016 was paid on 22 November 2016. The total final 2016 dividend paid was $1,238,863.

The Directors have declared a fully franked final dividend of 0.75 cent per share ($1,238,863) in respect of the year ended 31 July 2017. The record date for this dividend will be 30 October 2017 with payment due on 20 November 2017. An interim dividend of 0.25 cent per share was paid for FY2017. The total dividend declared in respect to FY2017 is 1.00 cent per share, an increase of 0.25 cent per share compared with the total dividend declared for FY2016.

Environmental Regulations

The consolidated entity's operations are subject to environmental regulations under the laws of the Commonwealth and State. The consolidated entity complies with all applicable environmental regulations.

Directors' Meetings

The number of directors' meetings (including meetings of sub-committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Directors Meetings		Nomination Committee Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
P R Robinson	13	13	-	-	-	-	-	-
G A Billings	12	12	3	3	4	4	2	2
P J Davey	13	13	-	-	-	-	-	-
I D Glasson	6	6	0	0	3	3	0	0
R A Harrington	11	11	3	3	4	4	2	2
C L Hayman	11	11	3	3	4	4	2	2
Dr M J Sleigh	11	10	3	3	4	4	2	2

Insurance of Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring its directors and officers against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving lack of good faith. The contract covers any past, present or future director, secretary, executive officer or employee of the Company and its controlled entities. Further details have not been disclosed due to confidentiality provisions of the contract of insurance.

Rounding Off of Amounts

The Company is of a kind referred to in ASIC Corporations Instrument (Rounding in Financial/ Directors' Reports) 2016/191, and accordingly amounts in the Financial Report and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

REMUNERATION REPORT

The Remuneration Report outlines the director and executive remuneration arrangements of the Company for the 2017 financial year in accordance with the requirements of the Corporations Act 2001 and its Regulations. It has been audited in accordance with section 300(A) of the Corporations Act 2001 (as amended).

i. Key Management Personnel

Key Management Personnel (KMP) in this report are those individuals having responsibility for planning, directing and controlling the major activities of the Company during the financial year. They include Non-Executive Directors, Executive Directors, and Executive KMP. The Directors and Chief Executive Officer determined that those persons having authority and responsibility for planning, directing and controlling activities are as listed below.

Directors

P R Robinson	Non-Executive Chairman
G A Billings	Non-Executive Director
P J Davey	Chief Executive Officer and Managing Director
I D Glasson	Non-Executive Director
R A Harrington	Non-Executive Director
C L Hayman	Non-Executive Director
Dr M J Sleigh	Non-Executive Director

Executive KMP

P J Davey	Chief Executive Officer and Managing Director
P A Sherman	Chief Financial Officer and Company Secretary

ii. Remuneration Policy

The Company operates from three locations in Australia and markets its products internationally. All Executive KMP are based in Australia.

Through an effective remuneration framework, the Company aims to:

- Provide fair and equitable rewards;
- Align rewards to business outcomes that are linked to creation of shareholder value;
- Stimulate a high performance culture;
- Encourage the teamwork required to achieve business and financial objectives;
- Attract, retain and motivate high calibre employees; and
- Ensure that remuneration is competitive in relation to peer companies in Australia.

iii. Remuneration Framework Responsibilities

The Board has established a Remuneration Committee to assist it in establishing a suitable remuneration framework for the Company. Responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the following issues:

- The structure of the total remuneration package (TRP) including base salary, other benefits, short term incentive (bonus) and share-based long term incentive for the CEO;
- The mechanism to be used to review and benchmark the competitiveness of this TRP;
- The Key Performance Indicators (KPIs) to be set for the CEO;
- Changes in the amounts of different components of the TRP following annual performance review of the CEO;
- Decision on whether the Long Term Incentive Plan will be offered for any year; the number of performance rights to be awarded to the CEO and specified Executives under this plan when offered; and setting of associated performance indicators for future assessment;
- Determination of the number of performance rights vesting at the end of each three year assessment period of the Long Term Incentive Plan, based on financial performance indicators previously established; and
- The remuneration and any other benefits of the Non-Executive Directors.

The Remuneration Committee consists of five independent Non-Executive directors, Dr Merilyn Sleigh (Chair), Cheryl Hayman, Rupert Harrington, Ian Glasson and Graeme Billings. The Company Secretary may act as secretary of the Remuneration Committee. The Board Chairperson and any other Non-Executive Directors may attend committee meetings in an *ex officio* capacity. Executives including the CEO, and any advisors retained by the Committee may attend by invitation. More information on Remuneration Committee meetings held during the year and Directors' attendance at these meetings can be found on page 10 of this report.

The Board is responsible for reviewing and resolving on recommendations from the Remuneration Committee. In addition it:

- considers matters relating to remuneration of Executives reporting to the CEO;
- approves the establishment of or amendment to employee share, performance rights and any other deferred incentive plan;
- considers matters related to Executive succession planning; and
- considers recommendations from the Nomination Committee in relation to Board succession planning, to ensure an appropriate mix of skills, experience, expertise and diversity (subject to the power of shareholders in General Meeting to elect or re-elect directors).

iv. Non-Executive Directors' Remuneration

A remuneration pool of $500,000 for the payment of Non-Executive directors was approved by shareholders at the Annual General Meeting held in November, 2011. Total Non-Executive Directors remuneration including superannuation paid at the statutory prescribed rate for the year ended 31 July 2017 was $380,337 which is within the approved amount.

The Board believes that the remuneration approved for Non-Executive Directors must:

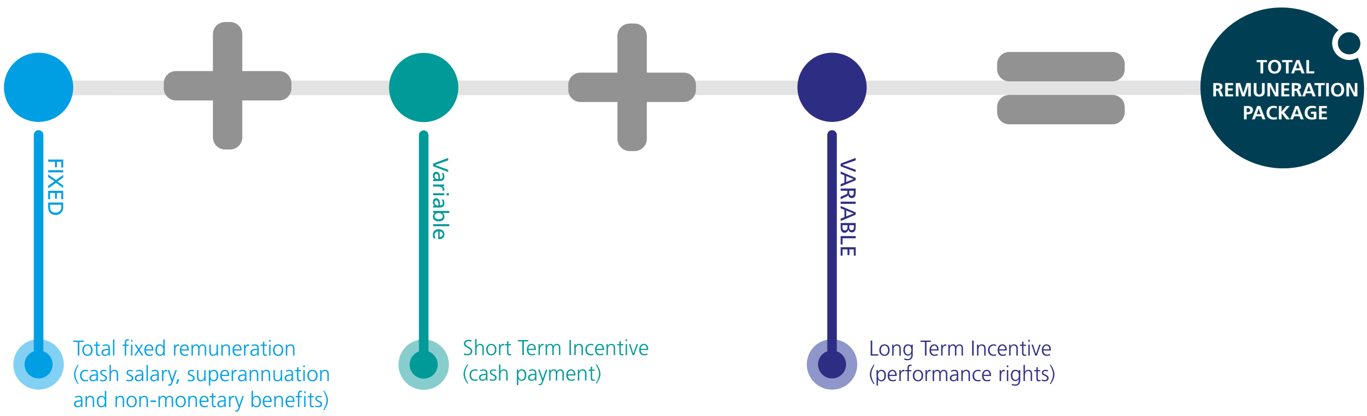
- enable the Company to attract and retain suitably qualified directors with appropriate experience and expertise;
- recognise that given the small size of the Board, all Directors contribute extensively to the work of committees. As such, current policy is that no additional fees apply to Directors for their participation on Board committees; and
- must be appropriate in the context of the overall financial performance of the company.

The Remuneration Committee reviews fees for Non-Executive directors annually, utilising data on and trends in Director and Chairperson remuneration in the relevant group of the top 500 ASX-listed companies in Australia (from published reports), as well as data obtainable on director remuneration in a number of peer companies either from the same industry or with similar market capitalisation and financial performance. Director fees are set at or below the 50th percentile for the relevant comparator group of companies. Remuneration consultants have been used every three years to assist in this process but none have been engaged for this purpose in the past two financial years.

The Board has to date selected a simple remuneration policy whereby only fees and statutory superannuation benefits are payable. The table on page 14 of this report shows fees paid to Non-Executive Directors for the 2017 and 2016 financial years. Non-Executive Directors do not participate in any share or performance rights plans. Non-Executive Directors are entitled to reimbursement of travel or other reasonable expenses incurred by them in the course of discharging their duties.

v. Executive Remuneration and Link to Business Strategy

The diagram below outlines components which may be included as part of the TRP for Executives.



The Managing Director and specified Executives (Executives) are eligible for Short Term Incentive (STI) payments, while the Managing Director and Executives may also have access to a Long Term Incentive in the form of Performance Rights. The most recent LTI was made to the CEO and Executives in November 2016. No Performance Rights were eligible for vesting as at 31 July 2017.

The total fixed remuneration of the Managing Director is set against market benchmarks by use of a remuneration consultant. The Company seeks this benchmark information every 2-3 years. At other times, increases in fixed remuneration are determined by consideration of CPI salary increases applied across the whole company, and use of published information on CEO/MD salaries in the top 500 ASX-listed companies and in companies from related industries of similar market capitalisation and financial status, as described for review of fees for Non-Executive Directors. The benchmark used for review of the Managing Director's fixed remuneration is the 50th percentile for equivalent companies, taking into account different mixes between fixed and at-risk consideration among these companies.

The Company's Executive remuneration is directly linked to its business strategy. The Board engages in an annual strategy review with management, identifying key goals and challenges for the year and the longer term. Following this, business plans and an annual budget are prepared and approved, with Key Performance Indicators (KPIs) (both financial and non-financial) established for the business.

These are the basis for KPIs for the CEO, set by the Board, and for other Executives, set by the CEO according to the area of responsibility of each Executive.

A formal review of the achievement of each Executive is conducted by the CEO annually and proposed changes in fixed remuneration and the Short Term Incentive (STI) to be paid are submitted to the Board for approval. As noted in section (iii) above, the performance of the CEO against agreed KPI's is reviewed by the Remuneration Committee, and recommendations on adjustment to total fixed remuneration and payment of the Short Term Incentive are made to the Board, for approval.

The STI is a variable cash payment with the maximum payment based on a percentage of the Executive's total fixed remuneration. For the Managing Director 30% applied in both years, while for other Executives, 10% applied in both years. The Company awards STI payments on evidence that the Executives have achieved stretching work plan objectives and dealt with unexpected challenges in a way that contributes to both short-term performance and long term prospects of the Company. The Board retains discretion to vary STI payments outside of the set formula to recognise overall company performance, changes in the Company's circumstances during the year and exceptional contributions by particular Executives.

KPIs set for the CEO each year include financial, strategic and operational targets as summarised in the table below. KPIs for individual Executives reporting to the CEO include the overall financial goals for the Company, and may otherwise focus principally on operational goals in areas contributing to the overall goals for the Company and for which the Executive are responsible.

KPI type	Percent contribution to STI	Description – Examples	Link to Company Strategy
Financial	40-60%	Achievement of revenue, profit and free cash flow targets set for the year in the annual budget.	Sets target for growth in sales and profits for each year, contributing to increasing shareholder value. Net free cash flow provides for further investment in the business and capacity to pay increasing dividends each year.
Strategic	20-50%	Establishment of agreed strategic plans and progress towards their implementation.	Strategic KPI's address the medium term prospects for the company, including new products, markets, customers and alliances.
Operational	20-50%	Commercial development of new products from the R&D team; expansion of sales – new products, new customers; meeting regulatory challenges; manufacturing efficiencies and cost effective sourcing of raw materials; effective management of inventory, debtors and creditors (working capital requirements).	Operational KPIs address particular challenges identified each year (but often on-going) for continued growth of the business for the future, in the key management areas of Sales and Marketing, R&D output, Manufacturing, Regulatory and Cash Management. Examples include turning the output from the R&D team into profitable products attracting new sales. Adjustment to the changing nature of the market, raw material availability and manufacturing efficiency are all required to maintain both short term performance of the Company, and long term growth.

vi. Long Term Incentive Plan

A Long Term Incentive (LTI) may be offered each year to the CEO at the discretion of the Board. The incentive, when offered, is in the form of Performance Rights which are delivered according to the Terms of the Clover Corporation Long Term Incentive Plan (established in 2006) and an annual Letter of Invitation from the Board to the CEO, setting out the terms for vesting of performance rights at the end of the three year period from the date of offer (the assessment period). Performance Rights are issued for nil consideration and entitle the recipient to receive one Clover Corporation share at no cost for each Performance Right that vests at the end of the assessment period.

The number of Performance Rights offered at the start of each financial year is determined from a percentage of the CEO's total fixed remuneration for that year. This dollar value is converted into a number of Performance Rights based on the Volume Weighted Average Price of Clover Corporation shares on the ASX for the two week period up to and including the last day of the previous financial year. Hurdles for vesting of Performance Rights are set for each year of the 3 year assessment period, with vesting of Rights determined after the annual results for the company are released to the market at the end of the third year. For example, performance against hurdles set for an LTI offer if it were made in August 2017 would be assessed in September 2020, examining achievement in each of the three years since the offer date. Hurdles for vesting of Performance Rights reflect long term growth and financial performance of the Company relevant to growth in shareholder value, including such parameters as Earnings per Share growth over the three year period, Share Price and Return on Equity over the same period.

Executives may also be invited to participate in the Company's Long Term Incentive Plan. Performance Rights offered are on the same basis as for the CEO with the number calculated by taking a percentage of the Executive's total fixed remuneration for that year and converting this value to the number of Performance Rights granted using the same methodology as for the CEO, as described above.

Shares vesting as a result of assessment of achievements against hurdles are purchased on-market by the Company on behalf of the CEO and Executives. Any Performance Rights not vesting at the end of the assessment period lapse. Unvested shares are not eligible for receipt of dividends.

vii. Remuneration of Non-Executive Directors and Executive KMP

The following tables disclose details of the remuneration of the Directors and Executive KMP of the consolidated entity.

2017	Salary and Fees $	Superannuation Contributions $	STI Remuneration $	Non-cash Benefits $	LTI Remuneration $	Total $
Directors						
P R Robinson	93,681	8,900	-	-	-	102,581
G A Billings	56,451	5,363	-	-	-	61,814
P J Davey[1]	345,799	44,502	140,615	33,221	-	564,137
I D Glasson[2]	27,854	2,646	-	-	-	30,500
R A Harrington	56,451	5,363	-	-	-	61,814
C L Hayman	56,451	5,363	-	-	-	61,814
Dr M J Sleigh	56,451	5,363	-	-	-	61,814
	693,138	**77,500**	**140,615**	**33,221**	-	**944,474**
Executive KMP						
P A Sherman[3]	208,973	19,852	9,430	-	-	238,255
	208,973	**19,852**	**9,430**	-	-	**238,255**

[1] P Davey STI consists of $89,427 paid in respect of 2016 and $51,188 accrued in respect of 2017

[2] I Glasson appointed as Non Executive Director on 1 February 2017

[3] P Sherman STI consists of $9,430 accrued in respect of 2017

2016	Salary and Fees $	Superannuation Contributions $	STI Remuneration $	Non-cash Benefits $	LTI Remuneration $	Total $
Directors						
P R Robinson	86,789	8,245	-	-	-	95,034
G A Billings	46,789	4,445	-	-	-	51,234
P J Davey	341,029	35,224	-	32,189	-	408,442
R A Harrington	46,789	4,445	-	-	-	51,234
C L Hayman	46,789	4,445	-	-	-	51,234
Dr M J Sleigh	46,789	4,445	-	-	-	51,234
	614,974	**61,249**	-	**32,189**	-	**708,412**
Executive KMP						
D Callahan[4]	72,234	4,224	-	5,001	-	81,459
P A Sherman[5]	20,735	1,970	-	-	-	22,705
	92,969	**6,194**	-	**5,001**	-	**104,164**

[4] D Callahan resigned as Chief Financial Officer on 25 September 2015

[5] P Sherman was appointed as Chief Financial Officer on 16 May 2016

viii. Employment Contracts

There are no specific employment contracts with Non-Executive Directors. Non-Executive Directors are appointed under a letter of appointment and are subject to election and rotation requirements as set out in the ASX listing rules and the Company's constitution.

Managing Director Mr Peter Davey was employed by the Company under a contract of employment. The length of the contract is 3 years from 11 November 2014 and an extension of the contract is currently being finalised.

Other Executives (standard contract)

All other Executives have rolling contracts. The Company may terminate the Executive's employment agreement by providing between one and three months' written notice or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration), together with statutory termination entitlements. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

Directors' interests

The relevant interest of each director in the share capital of the Company, as notified by the directors to the Australian Stock Exchange in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares
P R Robinson	1,396,441
G A Billings	50,000
P J Davey	23,454
I D Glasson	-
R A Harrington	57,748
C L Hayman	200,000
Dr M J Sleigh	257,397
	1,985,040

Auditor's Independence and Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the APES110 Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2017:

	$
Taxation services	19,763
	19,763

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received by the Directors, and a copy is attached at page 49.

Signed in accordance with a resolution of the Board of Directors.

Peter Robinson
Chairman
Melbourne

Date: 20 September 2017

CORPORATE GOVERNANCE

The Board of Clover Corporation Limited is committed to ensuring its policies and practices reflect good corporate governance and recognises that for the success of the Company an appropriate culture needs to be nurtured and developed throughout all levels of the Company.

This statement outlines the Company's Corporate Governance practices in place throughout the year, unless otherwise stated, and has been summarised into sections in line with the 8 core principles set out in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 3rd Edition".

Principle 1 – Lay solid foundations for management and oversight

The Board is ultimately responsible for the operations, management and performance of the Company. In discharging this responsibility, the Board delegates to senior management whose role it is to manage the Company in accordance with the directions and policies set by the Board. The Board monitors the activities of senior management in the performance of their delegated duties.

It is the responsibility of the Board to determine policies, practices, management and the operations of the Company and to ensure that the Company is compliant with statutory, legal and other regulatory obligations.

Responsibilities of the Board include the following:

- Determining corporate strategies, policies and guidelines for the successful performance of the Company in the present and in the future;
- Monitoring the performance and conduct of the Company;
- Accountability to shareholders;
- Ensuring that risk management procedures and compliance and control systems are in place and operating effectively;
- Monitoring the performance and conduct of senior management, and ensuring adequate succession plans are in place; and
- Ensuring the Company continually builds an honest and ethical culture.

The Board has delegated responsibility for the following to management:

- Day to day management of the Company;
- Production of performance measurement reports;
- Managing the compliance and risk management systems; and
- Management of staff including, appointment, termination, staff development and performance measurement.

The CEO is responsible for ensuring that the responsibilities delegated by the Board to management are properly discharged.

The performance of the CEO is evaluated by the Board with reference to the overall performance of the Company, its subsidiaries and associates in which the CEO represents the Company. Both qualitative and quantitative measures are used to evaluate performance.

The CEO evaluates the performance of the other senior executives and reports to the Board. The Board also reviews the performance of these executives via their attendance at Board meetings and the monthly Board reports.

The performance of the senior executives of the Company was assessed, as set out above, during the reporting period.

The Board is responsible for evaluating candidates and recommending individuals for appointment as Directors. The Company undertakes appropriate background and screening checks prior to nominating a Director for election by shareholders.

The Company maintains written agreements with each Director and senior Executives that sets out the terms of their appointment and outlines all relevant roles and obligations.

The Company Secretary is accountable to the Board, through the Chairman, and is responsible for advising the Board and its Committees on governance matters, monitoring the Board and ensuring Committee policies and procedures are followed, and coordinating the timely completion of Board and Committee papers.

Diversity

The Company values and respects the skills that people with diverse backgrounds, experiences and perspectives bring to the organisation. The Company is committed to rewarding performance and providing opportunities that allow individuals to reach their full potential irrespective of background or difference. When appointing or promoting people within the organisation the most suitably qualified candidates are selected. As a result, diversity is promoted throughout the organisation.

In March 2012, the Company established a Diversity Policy to formalise its commitment to providing equal access to opportunities irrespective of background or difference. The policy may be viewed in the Corporate Governance section of the Company's web site at www.clovercorp.com.au. The policy governs the conduct of the Company, its wholly owned subsidiaries and all Directors and employees of those entities.

The Company has adopted the ASX Corporate Governance Principles and Recommendations on diversity. As at 31 July 2017 the organisation had 33 employees. The proportion of women employees in the whole organisation as at 31 July 2017 was 39%. While the Company believes that this represents a good level of gender diversity, it will continue to ensure that neither gender nor any other differences interfere with the employment of individuals based on their suitability for the position available.

The proportion of women in senior executive positions as at 31 July 2017 was 17%. The Company's objective is to incrementally grow this as vacancies allow and suitably qualified candidates are available. The aim is to achieve female representation of 30% or more. The small number of senior executive positions within the organisation and the low turnover rate limits the opportunity to increase female representation in this area.

Two of the six Non-Executive Directors are women. The Board will continue to assess candidates on their skills, knowledge and experience and on the relevance of these to the Company's needs.

Principle 2 – Structure the Board to add value

The Company's constitution states that its Board is to comprise no less than three and no more than ten Directors. The names and details of the Directors of the Company at the date of this statement are set out in the Directors' Report.

At the date of this report the Board consisted of six Non-Executive Directors and one Executive Director. Each Director has undertaken to provide the Board with all information that is relevant to the assessment of his/her independence in a timely manner. The Board has assessed the independence of its members and is of the view that the following Directors are independent:

Mr G A Billings – Non-Executive

Mr I D Glasson – Non-Executive

Mr R A Harrington – Non-Executive

Ms C L Hayman – Non-Executive

Dr M J Sleigh – Non-Executive

Under the ASX Corporate Governance Principles and Recommendations Mr P R Robinson does not qualify as independent as he was a Director of Washington H. Soul Pattinson and Company Limited, a major shareholder of the Company, during the 2015 financial year.

Although Mr Robinson does not meet the criteria for independence in accordance with the ASX Corporate Governance Principles and Recommendations, all Directors are committed to bring their independent views and judgement to the Board and, in accordance with the Corporations Act 2001, must inform the Board if they have any interest that could conflict with those of the Company. Where the Board considers that a significant conflict exists it may exercise its discretion to determine whether the Director concerned may be present at the meeting while the item is considered. As a result of such consideration, the Board believes that Mr Robinson can be considered to be acting independently in the execution of his duties.

The Company has established a Nomination Committee which currently consists of five independent Non-Executive Directors, and is chaired by one of the independent Non-Executive directors. The Committee periodically reviews the Board's membership having regard to the Company's particular needs, both present and future. Where a committee member is due for re-election at the next Annual General Meeting, that Director abstains from consideration of their nomination for re-election.

The Company has a Board Nomination Policy that sets out the process by which candidates are identified and selected, the use of professional intermediaries and the requirement for a diverse range of candidates to be considered. This policy may be viewed in the Corporate Governance section of the Company's web site at www.clovercorp.com.au.

The Nomination Committee considers the structure, balance and skills of the Board in making decisions regarding appointment, retirement and nominations for re-election. When a vacancy occurs, the necessary and desirable skills, expertise and experience required to complement the Board are identified and a process to identify the most appropriate candidates is implemented. The committee engages recruitment consultants and other independent experts to undertake research and assessment as required.

Directors are initially appointed by the full Board, subject to election by the shareholders of the Company at the next Annual General Meeting. Under the Constitution, one third of the Board is required to retire from office each year. Retiring Directors may stand for re-election subject to approval by the Board.

The company has an established induction procedure which allows new Board appointees to participate fully and actively in Board decision making at the earliest opportunity.

The Board considers that the current Directors bring an appropriate mix of skills, breadth and depth of knowledge and experience and diversity to meet the Board's responsibilities and objectives. The range of skills and experience possessed by the each of the Directors is set out in the Directors' Report.

In the discharge of their duties and responsibilities the Directors, either individually or jointly, have the right to seek independent professional advice at the Company's expense. In respect of advice to individual Directors, the prior approval of the Chairman is required; such approval is not to be unreasonably withheld. The Chairman is entitled to receive a copy of any such advice obtained.

The Chairman is responsible for monitoring and assessing the performance of individual Directors, each Board committee and the Board as a whole. The Chairman interviews each Director and provides feedback regarding their performance. Each Director independently completes a confidential assessment of the performance of the Board. The results of the assessments are compiled into a written report which is presented to the Board and discussed. The performance of each Director of the Company was assessed during the reporting period.

Principle 3 – Act ethically and responsibly

Code of Conduct

The Company has an established code of conduct dealing with matters of integrity and ethical standards. The Board recognises the need for the Directors and employees to adhere to the highest standards of behaviour and business ethics.

All Directors and employees are expected to abide by the code of conduct which covers a number of areas including the following:

- Professional conduct and ethical standards;
- Compliance with laws and regulations;
- Relationships with shareholders, customers, suppliers and competitors;
- Confidentiality and continuous disclosure;
- Standards of workplace behaviour and equal opportunity;
- Privacy and anti-discrimination;
- Proper use of Company assets;
- The environment; and
- Investigation and reporting of breaches of the code.

Share Trading

The Company has established a share trading policy which may be viewed in the Corporate Governance section of the Company's web site at www.clovercorp.com.au.

Principle 4 – Safeguard integrity in financial reporting

The Company has an established Audit Committee, which has a formal charter outlining the committee's function, composition, authority, responsibility and reporting. The Audit Committee charter may be viewed in the Corporate Governance section of the Company's web site at www.clovercorp.com.au.

There are currently five members of the Audit Committee, all of whom are non-executive Directors and are considered to be independent (refer to principle 2 above).

Mr Billings, who is the Chair of the Audit Committee, is not the Chairman of the Board. The Chairman of the Board is not a member of the Audit Committee. The details of the Audit Committee members at the date of this statement and their attendance at meetings are set out in the Directors' Report.

The Non-Executive Chairman, CEO, and Company Secretary may attend Audit Committee meetings by invitation. The external auditors, PKF, are requested by the Audit Committee to attend appropriate meetings to report on the results of their half-year review and of their planning for and result of the full year audit.

The function of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- The external reporting of financial information, including the selection and application of accounting policies;
- The independence and effectiveness of the external auditors;
- The effectiveness of internal control processes and management information systems;
- Compliance with the Corporations Act, ASX Listing Rules and any other applicable requirements; and
- The application and adequacy of risk management systems within the Company.

The CEO and the Chief Financial Officer are required to state in writing to the Board, by submission to the Audit Committee, that the Company's financial statements present a true and fair view, in all material respects, of the Company's financial position and operational results and that they are in accordance with relevant accounting standards. A declaration under Section 295A of the Corporations Act from the CEO and Chief Financial Officer has been received in respect of the current reporting period.

Principle 5 – Make timely and balanced disclosure

The Board recognises the need to ensure that all investors have equal and timely access to material information regarding the Company and for announcements to be factual, clear, balanced and complete.

The Company has established a Continuous Disclosure Policy to ensure compliance with the ASX and Corporations Act continuous disclosure requirements. The policy requires timely disclosure through the ASX company announcements platform of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities or which would materially influence the decision making of investors. Internal procedures are in place to ensure that relevant information is communicated promptly.

The Chairman and CEO are responsible for determining disclosure obligations and the Company Secretary is the nominated continuous disclosure officer for the Company.

Principle 6 – Respect the rights of security holders

The Board is committed to ensuring that shareholders are fully informed of all material matters affecting the Company in a timely manner.

The dissemination of information is mainly achieved as follows:

- An Annual Report is distributed (electronically if preferred) to shareholders in November each year;
- A newsletter is periodically distributed to shareholders;
- Announcements to the ASX and press releases advising of events which are of particular significance to the progress and prospects of the Company; and
- Significant information is also posted on the Company's website.

In addition, shareholders are encouraged to attend and participate in the Annual General Meeting (AGM) of the Company. The external auditor attends the AGM to answer shareholders' questions with regard to the conduct of the audit and the content of the Auditor's Report.

Principle 7 – Recognise and manage risk

The Company is committed to identifying and managing areas of significant business risk to protect shareholders, employees, earnings and the environment. Arrangements in place include:

- Regular detailed financial, budgetary and management reporting;
- Procedures to manage financial and operational risks;
- Established organisational structures, procedures and policies dealing with the areas of health and safety, environmental issues, industrial relations and legal and regulatory matters;
- Comprehensive insurance and risk management programs;
- Procedures requiring Board approval for all borrowings, guarantees and capital expenditure beyond minor levels;
- Where applicable, the utilisation of specialised staff and external advisors; and
- Regular operational audits undertaken by major customers.

Management is responsible for the design and implementation of a risk management and internal control system which manages the material business risks of the Company and reporting to the Board on whether those risks are being managed efficiently. Management reported to the Board on an ongoing basis during the current reporting period.

The Board of Directors regularly reviews the external risks to the Company. The Board reviews and approves management's plans to reduce the impact of potential risks and monitors progress against these plans.

The Company does not have an internal audit function. Management is responsible for the design and implementation of a risk management and internal control system which manages the material business risks of the Company and reporting to the Board on whether those risks are being managed efficiently. Management reported to the Board on an ongoing basis. The Board of Directors regularly reviews the external risks of the Company. The Board reviews and approves management's plans to reduce the impact of potential risks and monitors progress against these plans.

The Company does not have any exposure to economic, environmental and social sustainability risks to disclose during the reporting period.

The CEO and the Chief Financial Officer are required to state in writing to the Board, by submission to the Audit Committee, that the risk management and internal control compliance systems are operating efficiently and effectively. In their declaration under section 295A of the Corporations Act the CEO and Chief Financial Officer have made this statement in respect of the current reporting period.

Principle 8 – Remunerate fairly and responsibly

The Company has established a Remuneration Committee which currently consists of five independent, non-executive Directors. The Committee makes recommendations to the full Board on remuneration matters and other terms of employment for Executive Directors and Non-Executive Directors.

Senior executive performance is continually monitored by the CEO and the CEO's performance is subject to continuous monitoring by the full Board.

The remuneration of the CEO is reviewed annually by the Remuneration Committee, which consists of only Non-Executive Directors. The remuneration of the senior executive staff is reviewed annually by the full Board after taking into consideration the recommendations of the Remuneration Committee and the CEO.

The CEO and senior executive staff are remunerated by way of salary, performance incentive payments, non monetary benefits, and superannuation contributions.

Non-Executive Director's fees are reviewed periodically by the full Board after taking into consideration the Company's performance, market rates, level of responsibility and the recommendations of the Remuneration Committee. Non-Executive Directors are remunerated by way of fees in the form of cash and superannuation contributions and are not entitled to receive bonus payments or any equity based remuneration.

Remuneration is set so as to attract and retain suitable personnel and to motivate them to pursue the long term growth and success of the Company.

Further information of Directors' and Executive remuneration is set out in the Remuneration Report.

For further information concerning the corporate governance practices of the Company refer to the corporate governance section of the Company's web site at www.clovercorp.com.au.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2017

	Notes	2017 $'000	2016 $'000
Revenue	2	**47,864**	42,920
Cost of goods sold		**(36,279)**	(34,257)
Gross profit		**11,585**	8,663
Other income / (expenses)	2	**(476)**	278
Marketing and sales expenses		**(2,163)**	(2,217)
Administration and corporate expenses		**(2,821)**	(2,454)
Research and development expenses		**(1,113)**	(1,162)
Profit before income tax	3	**5,012**	3,108
Income tax (expense)/credit	4	**(1,373)**	(895)
Profit after tax for the period attributable to members of the parent entity		**3,639**	2,213
Other comprehensive (loss)/profit			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(38)**	(148)
Other comprehensive (loss)/profit for the period		**(38)**	(148)
Total comprehensive (loss)/income for the period		**3,601**	2,065
Earnings per share (EPS)			
Basic earnings per share (cent per share)	18	**2.20**	1.34
Diluted earnings per share (cent per share)	18	**2.20**	1.34

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017

	Notes	2017 $'000	2016 $'000
Current assets			
Cash and cash equivalents	6	**5,916**	8,230
Trade and other receivables	7	**12,125**	10,865
Inventories	8	**18,811**	13,632
Other current assets – prepayments	9	**763**	374
		37,615	33,101
Non-current assets			
Available for sale listed investment		**5**	7
Property, plant and equipment	10	**2,262**	2,695
Deferred tax assets	4	**852**	2,111
Intangible assets	11	**1,907**	1,907
		5,026	6,720
Total assets		**42,641**	39,821
Current liabilities			
Trade and other payables	12	**9,243**	8,453
Current tax liabilities		**148**	468
Short-term provisions	13	**526**	505
		9,917	9,426
Non-current liabilities			
Deferred tax liabilities	4	**120**	146
Long-term provisions	13	**28**	35
		148	181
Total liabilities		**10,065**	9,607
Net assets		**32,576**	30,214
Equity			
Issued capital	14	**32,920**	32,920
Foreign currency reserves	15	**(204)**	(166)
Accumulated losses		**(140)**	(2,540)
Total equity		**32,576**	30,214

This 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 2017

	Issued Capital $'000	Retained Profits/ (Accumulated Losses) $'000	Foreign Currency Reserves $'000	Total $'000
Balance at 1 August 2015	32,920	(3,514)	(18)	29,388
Profit attributable to members of the entity	-	2,213	-	2,213
Dividend paid	-	(1,239)	-	(1,239)
Foreign currency translation reserve	-	-	(148)	(148)
Balance at 31 July 2016	32,920	(2,540)	(166)	30,214
Balance at 1 August 2016	32,920	(2,540)	(166)	30,214
Profit attributable to members of the entity	-	3,639	-	3,639
Dividend paid	-	(1,239)	-	(1,239)
Foreign currency translation reserve	-	-	(38)	(38)
Balance at 31 July 2017	32,920	(140)	(204)	32,576

This 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 2017

	Notes	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers		46,081	37,338
Payments to suppliers and employees		(46,270)	(37,397)
Interest received		47	76
Income tax received/(paid)		(453)	(80)
Net cash inflow/ (outflow) from operating activities	17	(595)	(63)
Cash flows from investing activities			
Purchases of plant and equipment		(480)	(19)
Net cash outflow from investing activities		(480)	(19)
Cash flows from financing activities			
Dividends paid	5A	(1,239)	(1,239)
Net cash outflow from financing activities		(1,239)	(1,239)
Net increase/(decrease) in cash held		(2,314)	(1,321)
Cash and cash equivalents at the beginning of the period		8,230	9,551
Cash and cash equivalents at the end of the period	6	5,916	8,230

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

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Clover Corporation Limited ("the Company") and controlled entities ("the consolidated entity"). Clover Corporation Limited is a listed public company, incorporated and domiciled in Australia.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the consolidated entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated entity has applied the relief available to it in ASIC Corporations Instrument (Rounding in Financial/ Directors' Reports) 2016/191 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The financial report was authorised for issue on 20 September 2017 by the Board of Directors.

A. (i) Changes in accounting policy and disclosures, standards and interpretations

This Note 1 details the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

The accounting policies adopted are consistent with those of the previous financial year.

There are no new or revised Accounting Standards and Interpretations issued by the AASB in respect of the reporting period beginning 1 August 2016 that have any significant impact on the consolidated entity in the current year or could impact on future periods.

A. (ii) Early adoption of standards

The consolidated entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 August 2016.

A. (iii) New accounting standards for application in future periods

The following Standards and Interpretations issued or amended are applicable to the consolidated entity but are not yet effective and have not been adopted in preparation of the financial statements at the reporting date. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 11 Construction Contracts, AASB 18 Revenue and related Interpretations.

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. Accordingly, revenue will be recognised through application of the following steps:

a. Identify the contract(s) with a customer.
b. Identify the performance obligations in the contract.
c. Determine the transaction price.
d. Allocate the transaction price to the performance obligations in the contract
e. Recognise revenue when (or as) the entity satisfies a performance obligation.

AAAS 15 is effective for annual reporting periods beginning on or after 1 January 2018, and it is available for early adoption. It is not anticipated that the Group will apply the standard until the year commencing 1 August 2018. The Group has assessed that application of the standard is not expected to have any material impact on the point at which revenue is recognised, as its principles embody an approach consistent with the Group's current policy to align recognition with performance obligation satisfaction.

AASB 9 Financial Instruments

AASB 9 (December 2014) replaces AASB 139, and is effective for annual reporting periods beginning on or after 1 January 2018. While AASB 9 is available for early adoption, it is not anticipated that the Group will apply the standard until the year commencing 1 August 2018. Considering limited current exposure to the following key aspects of the new standard, its application is not believed to be of significant impact unless circumstances change.

The application version of AASB 9:

a. Introduces a new expected loss impairment model that will require more timely recognition of expected credit losses;
b. Confirms previous amendments relating to new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures;
c. Includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139; and
d. Provides that where the fair value option is used for financial liabilities the change in fair value is to be accounted for by presenting that part attributable to change in credit risk in other comprehensive income, and the remainder in profit or loss.

AASB 16 Leases.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Standard requires lessees to initially recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

Though the standard can be early adopted that cannot be prior to the adoption of AASB 15. It is not anticipated that the Group will apply the standard until the year commencing 1 August 2019. Considering the group's current portfolio of leased assets, the application of AASB 16 is not believed to be of significant impact unless circumstances change.

B. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Clover Corporation Limited and entities controlled by the Company and its subsidiaries. Control is achieved when the Company is exposed or has rights to variable returns for its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 July.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the consolidated entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

C. Income tax

The income tax expense (credit) for the period comprises current income tax expense (credit) and deferred tax expense (credit).

Current income tax expense (credit) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense (credit) reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (credit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Clover Corporation Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

D. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

E. Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less where applicable any accumulated depreciation and impairment losses.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rates		
Leasehold improvements, at cost	6.66%	-	15.00%
Plant and equipment, at cost	5.00%	-	33.33%
Furniture and equipment, at cost	4.80%	-	40.00%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of comprehensive income.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

De-recognition

An item of plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

F. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

G. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Those financial instruments entered into by the consolidated entity are classified and measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, prices quoted in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method;* and

c. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a consolidated entity of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Trade debtors and other receivables are recognised at the amount due. The consolidated entity establishes a provision for any doubtful debts based on a review of all outstanding amounts at period end. Bad debts are written off when they are identified.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the consolidated entity sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

H. Impairment of assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

I. Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of the consideration transferred and the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the consolidated entity's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

J. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the consolidated entity's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

K. Cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and in at-call deposits with banks or financial institutions, net of bank overdrafts, and investments in money market instruments with less than 14 days to maturity.

L. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

M. Trade and other payables

Trade and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid. Amounts are unsecured and are presented as current liabilities. They are normally settled in accordance with the terms agreed with the respective creditors.

N. Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages, salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

O. Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, from which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

P. Goods & services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Q. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

R. Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers.

S. Comparative figures

Where required by the Accounting Standards comparative figures have been adjusted to conform with changes in presentation in the current financial period.

T. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data; obtained both externally and within the consolidated entity.

Key estimate

Impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations performed. In assessing recoverable amounts a number of key estimates are made.

Key judgements

Impairment of goodwill:

Goodwill is allocated to the tuna oil cash-generation units which are based on the controlled entity's' principal activities.
The Company assessed the recoverable amount of goodwill and determined that no impairment was required at reporting date. Recoverable amounts of relevant assets are reassessed using value-in-use calculations that incorporate various key assumptions.

Refer to Note 11 for further details on the assumptions used in these calculations.

Inventory realisation:

The measurement of inventory at the lower of cost and net realisable value requires judgements to be made in respect of the forecast demand for the consolidated entity's products and the matching of raw material purchasing and the manufacturing process to meet forecasts. The possibility that inventory lines may exceed optimum levels or be obsolete is factored into adjustments necessary to measure inventory at net realisable value, should it be determined to be lower than cost.

Certain lines of inventory are carried at net realisable value, that being lower than cost (refer to Note 8). The impact of net realisable value adjustments on the financial result for the year is disclosed in Note 3.

Income tax:

Deferred tax assets are recognised for unused tax losses and tax offsets to the extent that it is probable that taxable profit will be available against which the losses and offsets can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

	Consolidated	
	2017 $'000	2016 $'000
2. REVENUE AND OTHER INCOME		
Operating activities:		
Sales of goods	**47,864**	42,920
	47,864	42,920
Other income / (expenses):		
Interest revenue	**47**	76
Net exchange gains / (losses)	**(523)**	202
	(476)	278
Total revenue	**47,388**	43,198
3. EXPENSES		
Profit before income tax includes the following items:		
Employee benefits expense:	**4,496**	3,903
Inventory impairment charge:	**(32)**	808
Depreciation and amortisation:		
– leasehold improvements	**163**	164
– plant and equipment	**369**	239
– office furniture and equipment	**36**	28
	568	431
Minimum lease payments:		
– operating lease	**399**	387
4. INCOME TAX EXPENSE/(CREDIT):		
A. The components of tax expense/(credit) comprise:		
Current tax	**140**	1,029
Deferred tax liability	**(26)**	(26)
Deferred tax asset	**1,259**	(27)
Under/(over) provision	**-**	(81)
	1,373	895
B. Reconciliation of income tax expense/(credit):		
The aggregated amount of income tax expense attributable to the period differs from the amounts prima facie payable on profits from ordinary activities. The difference is reconciled as follows:		
Prima facie tax payable on profit before income tax at 30%	**1,504**	932
Tax effect amounts:		
– Research and development claim	**(39)**	(38)
– Sundry other	**(92)**	82
– (Over) Provision in prior years	**-**	(81)
Income tax expense/(credit) attributable to profit	**1,373**	895

	Consolidated 2017 $'000	2016 $'000
C. Deferred tax assets		
Deferred tax asset	**852**	2,111
The deferred tax assets balance comprises the following temporary differences:		
Impairment of inventory	**355**	409
Provisions	**227**	242
Income tax losses and tax offsets	-	813
Other temporary differences	**270**	647
	852	2,111
Reconciliation:		
Opening balance	**2,111**	2,084
Charges / (credits) to income statement	**(1,259)**	27
Closing balance	**852**	2,111
D. Deferred tax liabilities		
The deferred tax liability balance comprises the following timing differences:		
Unrealised exchange gains	-	(14)
Depreciating assets	**120**	160
	120	146
Reconciliation:		
Opening balance	**146**	172
Charge / (benefit) to income statement	**(26)**	(26)
Closing balance	**120**	146

5. DIVIDENDS

A. Dividend paid during the period

	2017 $'000	2016 $'000
Final dividend for the year ended 31 July 2016 of 0.50 cent per share (2015FY: 0.50 cent per share) fully franked at the tax rate of 30%, paid 21 November 2016	**826**	826
Interim dividend for the year ended 31 July 2017 of 0.25 cent per share (2016FY: 0.25 cent per share) fully franked at the tax rate of 30%, paid 1 May 2017	**413**	413
	1,239	1,239
Franking account balance		
Franking credits available for subsequent financial years	**4,545**	4,797

The above available amounts are based on the balance of the dividend franking account at the period end adjusted for franking credits that will arise from the payment of the current tax liability; franking debits that will arise from payment of dividends recognised as a liability at period end. franking credits that will arise from dividends recognised as a receivable at period end.

There were no dividend or distribution reinvestment plans operating during the financial period.

B. Dividends declared after balance date

The Directors have declared a final dividend for the financial year ended 31 July 2017 of 0.75 cent per share (2016: final 0.5 cent per share) fully franked at 30%, payable on 20 November 2017, but not recognised as a liability at the end of the financial period. The record date for this dividend will be 30 October 2017.

	Consolidated 2017 $'000	Consolidated 2016 $'000
6. CASH AND CASH EQUIVALENTS		
Cash at bank	**4,890**	7,223
Cash on deposit, at call	**1,026**	1,007
	5,916	8,230
7. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	**11,655**	10,219
Other debtors	**470**	646
Total current trade and other receivables	**12,125**	10,865

Provision for impairment of receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement between 60 and 120 days and therefore are classified as current. Other receivables generally arise from transactions outside the usual operating activities of the consolidated entity. Settlement timeframes may vary, though their classification is current.

A provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. These amounts are included in impairment expense in the statement of profit or loss.

Refer to Note 22 for more information on credit risk of trade and other Receivables.

	Consolidated 2017 $'000	Consolidated 2016 $'000
8. INVENTORIES		
Raw materials, at lower of cost & net realisable value	**10,258**	4,066
Goods in transit	**3,605**	2,404
Finished goods, at lower of cost & net realisable value	**4,948**	7,162
Total inventories	**18,811**	13,632
9. OTHER CURRENT ASSETS		
Prepayments	**413**	374
Deposit on proposed acquisition of property	**350**	-
Total other current assets	**763**	374

	Consolidated 2017 $'000	2016 $'000
10. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements, at cost	1,632	1,632
Less: accumulated depreciation	(843)	(680)
Total leasehold improvements	789	952
Plant and equipment, at cost	7,330	7,210
Less: accumulated depreciation	(5,867)	(5,500)
Total plant and equipment	1,463	1,710
Furniture and equipment, at cost	207	194
Less: accumulated depreciation	(197)	(161)
Total furniture and equipment	10	33
Total property, plant and equipment	2,262	2,695

Reconciliation of the carrying amounts of each class of asset at the beginning and the end of the current financial period:

	2017 $'000	2016 $'000
Leasehold improvements		
Balance at beginning of the period	952	1,116
Additions, net of disposals	-	-
Depreciation expense	(163)	(164)
Carrying amount at the end of the period	789	952
Plant and equipment		
Balance at beginning of the period	1,710	1,906
Additions, net of disposals	120	19
Foreign Currency Translation	2	24
Depreciation expense	(369)	(239)
Carrying amount at the end of the period	1,463	1,710
Furniture and equipment		
Balance at the beginning of the period	33	65
Additions, net of disposals	13	(4)
Depreciation expense	(36)	(28)
Carrying amount at the end of the period	10	33

	2017 $'000	2016 $'000
11. INTANGIBLE ASSETS		
Goodwill on acquisition, at cost	1,907	1,907
Total intangible assets	1,907	1,907

There were no acquisitions of controlled entities in 2017 (2016: None). Goodwill has an indefinite life.

A. Impairment assessment

Goodwill is allocated to the tuna oil cash-generating unit which is based on the controlled entities' principal activities.

During the 31 July 2017 financial year, the Company assessed the recoverable amount of goodwill relating to the tuna oil segment and determined that goodwill is not impaired. The recoverable amount of the cash-generating unit, being the assets of the cash-generating unit and goodwill, was assessed by reference to the cash-generating unit's value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period approved by the Board of Directors. The cash flows are discounted using a rate of 12% and 2% annual growth rates. Management believes that any reasonable possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of the cash generating unit to exceed its recoverable amount.

	Consolidated	
	2017 $'000	2016 $'000
12. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	**8,916**	5,096
Sundry creditors and other accruals	**327**	3,357
	9,243	8,453
13. PROVISIONS		
Aggregate employee entitlements:		
Current	**526**	505
Non-current	**28**	35
Total employee entitlements	**554**	540
14. ISSUED CAPITAL		
A. Issued and paid up capital		
165,181,696 (2016:165,181,696) fully paid ordinary shares	**32,920**	32,920
Total contributed equity	**32,920**	32,920

The Company has issued share capital amounting to 165,181,696 ordinary shares of no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

B. Movement in ordinary shares

There were no movements in issued capital during the financial period.

Options

There are no options over the unissued capital of the Company at the end of the financial period.

C. Capital management

The Company's objective in managing capital is to continue to provide shareholders with attractive investment returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's capital consists of shareholders' equity plus net debt. The movement in equity is shown in the Consolidated Statement of Changes in Equity. At 31 July 2017 net debt was $ nil (2016: $ nil).

There are no externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or raise debt.

15. RESERVES

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of foreign subsidiaries.

Foreign currency translation	**(204)**	(166)
Total	**(204)**	(166)

	2017 $'000	2016 $'000
16. PARENT COMPANY INFORMATION		
Current assets	605	9,540
Non-current assets	22,481	17,288
Total assets	23,085	26,828
Current liabilities	177	2,267
Non-current liabilities	120	146
Total liabilities	297	2,413
Net assets	22,789	24,415
Equity		
Issued capital	32,920	32,920
Accumulated losses	(10,131)	(8,505)
Total equity	22,789	24,415
Net profit for the period before other comprehensive income	(386)	1,841
Total comprehensive income for the period	(386)	1,841
Earnings per share (cents per share)	(0.23)c	1.11c

		Percentage Owned	
Controlled entities:	**Country of Incorporation**	**2017 %**	**2016 %**
Nu-Mega Lipids Pty Limited	Australia	100	100
Nu-Mega Ingredients Pty Limited	Australia	100	100
Subsidiaries:			
– Nu-Mega Ingredients Limited	United Kingdom	100	100
– Nu-Mega Ingredients Limited	United States of America	100	100
– Nu-Mega Ingredients (NZ) Limited	New Zealand	100	100

Contingent liabilities

There are no contingent liabilities at the reporting date.

	Consolidated 2017 $'000	Consolidated 2016 $'000
17. RECONCILIATION OF CASH FLOW		
Reconciliation of cash flow from operating activities to operating profit		
Profit for the period	3,639	2,213
Non cash items:		
– Amortisation and depreciation	568	431
Change in assets and liabilities, net of the effects of purchase of subsidiaries		
(Increase)/Decrease in receivables	(1,260)	(5,442)
(Increase)/Decrease in other assets	(39)	(422)
(Increase)/Decrease in inventories	(5,179)	543
(Decrease)/Increase in payables	746	1,965
(Decrease)/Increase in deferred tax liabilities	(23)	(26)
Decrease/(Increase) in deferred tax assets	1,259	(27)
(Decrease)/Increase in current tax liabilities	(320)	840
(Decrease)/Increase in employee entitlements	14	(138)
Net cash inflow/(outflow) from operating activities	(595)	(63)

18. EARNINGS PER SHARE

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	2017 $'000	2016 $'000
A. Reconciliation of earnings to net profit or loss		
Profit attributable to members of the parent entity	3,639	2,213
Earnings used to calculate basic and diluted EPS	3,639	2,213
B. Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share	165,181,696	165,181,696
C. Basic and Diluted earnings per share (cents per share)	2.20c	1.34c

	2017 $	2016 $
19. AUDITOR'S REMUNERATION		
Remuneration of the auditor of the parent entity in respect of:		
– Auditing and reviewing the financial reports of the Company and the controlled entities	94,000	105,000
– Taxation services	19,763	18,273
	113,763	123,273

20. RELATED PARTY TRANSACTIONS

A. Ultimate parent entity:

Clover Corporation Limited is the ultimate parent entity of the consolidated entity.

B. Ownership interests:

Information in relation to ownership interest in controlled entities is provided in Note 16.

21. KEY MANAGEMENT PERSONNEL COMPENSATION

A. Names and positions held in the consolidated entity of key management personnel in office at any time during the period were:

Name	Position
Directors	
P R Robinson	Non-Executive Chairman
G A Billings	Non-Executive Director
P J Davey	Chief Executive Officer and Managing Director
I D Glasson	Non-Executive Director
R A Harrington	Non-Executive Director
C L Hayman	Non-Executive Director
Dr M J Sleigh	Non-Executive Director
Executive KMP	
P A Sherman	Chief Financial Officer and Company Secretary

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. The table below summarises the total compensation:

	2017 $	2016 $
Short-term benefits	**1,182,729**	812,576

B. Performance rights:

There were no Performance Rights offers that remained unfulfilled as 31 July 2017.

C. Shareholding:

	Balance 31 July 2016	Exercise of Rights	Shares Purchased & Sold	Balance 31 July 2017
Directors				
P R Robinson	1,396,441	-	-	1,396,441
G A Billings	50,000	-	-	50,000
P J Davey	23,454	-	-	23,454
I D Glasson	-	-	-	-
R A Harrington	57,748	-	-	57,748
C L Hayman	200,000	-	-	200,000
Dr M J Sleigh	257,397	-	-	257,397
	1,985,040	-	-	**1,985,040**

22. MANAGEMENT OF FINANCIAL RISK

The consolidated entity's principal financial instruments consist of cash, deposits with bank, accounts receivable and payables.

Financial risk management policies

The consolidated entity manages its exposure to key financial risks, including interest rate and currency risk in accordance with the consolidated entity's financial risk management policies. The majority of sales are transacted in Australian dollars. The objective of the policies is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of financial risks rests with the audit and risk committee under the authority of the board. The board reviews and agrees policies for managing each of the risks identified below, including the review of credit risk policies and future cash flow requirements.

Specific financial risk exposures and management

The main risks arising from the consolidated entity's financial instruments are interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk. Interest rate risk is not significant given the consolidated entity has no borrowings, though the opportunity to achieve the most advantageous rates of deposit interest is considered in conjunction with managing exposures to other financial risks. The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange risk and assessments of market forecasts for foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

A. Foreign currency risk

As a result of the consolidated entity having cash balances, trade receivables and trade payables denoted in foreign currency, the consolidated entity's balance sheet can be affected by movements in the relevant exchange rates relative to the Australian dollar. The consolidated entity utilises foreign exchange hedges to manage its exposure to currency fluctuations arising from the purchase of goods and services in foreign currency.

At 31 July 2017, the consolidated entity had the following financial assets and liabilities denominated in foreign currency.

	2017 $'000	2016 $'000
Financial assets		
Cash and cash equivalents	1,347	666
Trade and other receivable	9,049	2,749
Total financial assets	10,396	3,415
Financial liabilities		
Trade and other payables	(4,603)	(2,984)
Total financial liabilities	(4,603)	(2,984)

At 31 July 2017, had the Australian Dollar moved as illustrated in the table below with all other variables held constant, profit after tax and equity would have been affected as follows:

Foreign exchange movement	Post Tax Profit Higher/(Lower)		Change in Equity Higher/(Lower)	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Change in Profit				
USD/AUD + 5%	(240)	3	(240)	3
USD/AUD - 5%	265	(3)	265	(3)
EURO/AUD + 5%	(28)	(19)	(28)	(19)
EURO/AUD - 5%	31	21	31	21
GBP/AUD + 5%	(5)	(1)	(5)	(1)
GBP/AUD - 5%	6	1	6	1
NZD/AUD + 5%	(2)	(3)	(2)	(3)
NZD/AUD - 5%	3	3	3	3

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonable estimates of movements in foreign exchange rates were determined based on a review of the last two years' historical movements and economic forecasters' expectations.
- The reasonable movement of 5% was calculated by taking the spot rates for each currency as at balance date, moving this spot rate by 5% and then re-converting the foreign currency into Australian dollars at the revised spot rate.
- The net exposure at balance date is representative of what the consolidated entity was, and is expecting, to be exposed to in the next twelve months from balance date.

B. Price risk

The consolidated entity's exposure to commodity and price risk is considered minimal. There are annual fixed price purchase contracts in place for forecast raw material requirements. From time to time it may be necessary to purchase raw materials from outside of the agreements.

C. Credit risk

Credit risk arises from the financial assets of the consolidated entity, which comprise cash and cash equivalents, trade and other receivables. The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets.

The consolidated entity trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the consolidated entity's policy to securitize its trade and other receivables.

It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters monitored by the CEO.

These risk limits are regularly monitored. A breakdown of receivables showing those within/out of terms is shown below. Receivable balances are monitored on an ongoing basis to minimize the occurrence of bad debts.

Trade receivables as at 31 July 2017

	Consolidated	
	2017 $'000	**2016 $'000**
Trade receivables :		
Within terms	**11,654**	10,219
Over terms	-	-
Total	**11,654**	10,219

For the remaining financial assets there are no significant concentrations of credit risk within the consolidated entity and financial instruments are spread amongst a number of AAA rated financial institutions.

D. Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet these obligations to repay their financial liabilities and other obligations as and when they fall due.

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of cash balances, working capital and leasing.

Maturity analysis of financial assets and liability based on management's expectations

The risk implied from the values shown in the tables below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the consolidated entity's ongoing operations such as plant, equipment and investments in working capital.

Consolidated	Balance as at 31 July 2017 $'000	Less than 1 year $'000	1-5 years $'000	Over 5 years $'000
Realisable cash flows from financial assets				
Cash and cash equivalents	5,916	5,916	-	-
Trade and other receivables	12,125	12,125	-	
Anticipated cash inflows	18,041	18,041	-	-
Financial liabilities and obligations due for payment				
Trade and other payables	(9,243)	(9,243)	-	-
Leasing commitments	(371)	(371)	-	-
Anticipated cash outflows	(9,614)	(9,614)	-	-
Net inflow/(outflow)	8,427	8,427	-	-

E. Fair value

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value, unless otherwise stated in the applicable notes.

The carrying amounts of cash and bank balances, other receivables and other payables approximate their fair values due to their short term nature.

23. OPERATING SEGMENTS

Identification of reportable segments

The consolidated entity operates in the industry of manufacturing tuna oil and encapsulated products in Australia. Whereas in the previous financial year, a treasury segment was separately disclosed, the Chief Executive Officer and the Board of Directors consider that there is no true separation of the treasury function from the primary business and operating segment of the Group, nutritional oil and microencapsulated powders. 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	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Australia / New Zealand	**24,032**	22,596	**4,169**	4,602
Asia	**18,260**	16,198	-	-
Europe	**3,195**	1,933	-	-
Americas	**2,377**	2,193	-	-
Total	**47,864**	42,920	**4,169**	4,602

During the financial year there were 2 customers who represented 31% and 15% of total sales respectively.

Greater than 90% of total sales revenue is generated by the export market.

	Consolidated	
	2017 $'000	2016 $'000
24. CAPITAL AND LEASING COMMITMENTS		
A. Operating lease commitments		
Operating leases primarily related to premises, contracted for but not capitalised in the financial statements:		
Payable:		
Not later than 1 year	**371**	445
Later than 1 year but not later than 5 years	-	371
Total operating leases	**371**	816

B. Capital expenditure commitments:

The company has entered into a conditional contract to purchase the land and buildings of the Altona production facilities from the landlord, with the intention to fully fund from debt. A $0.35m deposit on the facility was paid prior to 31 July 2017, with the $3.15m balance to be paid subsequent to 31 July 2017, subject to meeting regulatory approval.

25. EVENTS SUBSEQUENT TO REPORTING DATE

No events have occurred subsequent to balance date which would materially affect the results for the financial year.

26. CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

DIRECTORS' DECLARATION

The Directors of Clover Corporation Limited declare that in their opinion:

a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001,* including:
   i. giving a true and fair view of the consolidated entity's financial position as at 31 July 2017 and of its performance for the period ended on that date; and
   ii. (complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;*

b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1; and

c. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 31 July 2017.

This declaration is made in accordance with a resolution of the Board of Directors.

Peter Robinson
Chairman
Melbourne

Date: 20 September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOVER CORPORATION LIMITED

REPORT ON THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of Clover Corporation Limited (the Company), which comprises the consolidated statement of financial position as at 31 July 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company and the consolidated entity (the Group) comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001,* including:

a. giving a true and fair view of the Group's consolidated financial position as at 31 July 2017 and of its consolidated financial performance for the year ended on that date; and
b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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Key audit matter – Inventory existence and valuation

As at 31 July 2017, the carrying value of inventory was $18,811,000 (2016: $13,632,000) as disclosed in note 8 of the financial report. Inventory is the most significant of the Group's assets, and accordingly we considered it a Key Audit Matter.

The Group's manufacturing planning processes consider forecast customer demand and access to materials from a range of suppliers.

These factors impact on the quantity of raw material and finished goods inventory on hand, and necessitate minimum inventory levels to ensure that the Group's sales objectives continue to be met.

A standard cost system is used to account for inputs to inventory. Management conducts regular analysis to actualise the cost of inventory, and to determine whether adjustment to the carrying amount is required to reflect net realisable value, if that is lower than cost.

How our audit addressed this matter

Our procedures included but were not limited to:

- Attending and observing year-end inventory counts performed by management at locations of significance;
- Testing the accuracy of perpetual inventory records for a sample of products to check descriptions, quantities and the recording of inventory movements;
- Evaluating the design of processes to capture the costs of purchase and conversion and those other costs incurred in bringing inventories to their present location and condition;
- Testing on a sample basis the reasonableness of standard costs compared to actual costs of purchase and production;
- Considering the turnover cycle of inventory, assessing the allocation of purchase price and efficiency variances;
- Challenging the adequacy of adjustments made to inventory for it to be measured at the lower of cost and net realisable value on the basis of actual and forecast sales activity, and Management's assessment of qualitative factors; and
- Evaluating the cut-off process and its reliability to fairly account for dispatches not yet delivered to customers at the reporting date and the recognition of revenue in accordance with the accounting standards and Group accounting policy.

Key audit matter – Assessment of the carrying amount of goodwill

As at 31 July 2017, the carrying value of goodwill was $1,907,000 (2016: $1,907,000) as disclosed in note 11 of the financial report.

The Group's goodwill arose from a business combination in 2007 relating to the then tuna oil segment, which remains fundamental to the Group's primary business and operating segment, nutritional oil and microencapsulated powders. Determination as to whether or not there is an impairment relating to an asset or Cash Generating Unit (CGU) involves significant judgement about the future cash flows and plans for the asset or CGU.

Further disclosure regarding the Group's impairment assessment is contained in Note 11.

How our audit addressed this matter

Our procedures included but were not limited to:

- Evaluating the impairment calculations including the testing of the recoverable amount of the CGU;
- Assessing the reasonableness of the cash flow projections prepared by Management and approved by the Board and used in the impairment model;
- Evaluating the reasonableness of key assumptions including the discount rate, forecast growth and terminal value assumptions;
- Testing the arithmetic accuracy of the impairment model;
- Reviewing Management's sensitivity analysis around the key drivers of the cash flow projections, and assessing the likelihood of such movements occurring sufficient to give rise to an impairment; and
- Assessing the appropriateness of the disclosures included in Note 11.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the financial report and our Auditor's Report thereon. The directors are responsible for the other Information in the annual report.

Our opinion on the financial report does not cover the other Information and, accordingly, we do not express any form of assurance conclusion thereon, with the exception of our opinion on the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we obtained prior the date of the Auditor's Report, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit.

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion on the financial report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those that were of most significance in the audit of the financial report of the current year and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion

We have audited the Remuneration Report included in pages 11 to 15 of the Directors' Report for the year ended 31 July 2017. In our opinion, the Remuneration Report of Clover Corporation Limited for the year then ended complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Melb Audit & Assurance

PKF Melbourne Audit & Assurance Pty Ltd
Melbourne, 20 September 2017

Steven Bradby
Director

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CLOVER CORPORATION LIMITED

PKF

In relation to our audit of the financial report of Clover Corporation Limited for the year ended 31 July 2017, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

PKF Melbourne Audit & Assurance Pty Ltd

Steven Bradby
Director

Melbourne, 20 September 2017

PKF Melbourne
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ADDITIONAL ASX INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report.

Shareholdings as at 31 August 2017

Substantial shareholders

The number of shares held by substantial shareholders and their associates is set out below:

Washington H. Soul Pattinson and Company Limited	37,411,939 ordinary shares
Brickworks Limited[1]	37,411,939 ordinary shares
Farjoy Pty Ltd	12,254,300 ordinary shares

[1] Details included on substantial shareholder notice dated 18 November 2013. Shares held by Brickworks Limited represent a technical relevant interest as a result of Brickworks Limited's shareholding in Washington H. Soul Pattinson & Company Limited.

Distribution of shareholders as at 31 July 2017

Category	Number of holders of ordinary shares
1 – 1,000	141
1,001 – 5,000	558
5,001 – 10,000	383
10,001 – 100,000	627
100,001 and over	118
Total Number of Holders	1,827
Total number of holders of less than a marketable parcel, being 1,087 shares @ 0.46	148

Voting rights

On a show of hands every Shareholder present in person or by proxy at a general meeting shall have one vote.

Where a poll is demanded, every Shareholder present in person or by proxy at a general meeting shall have one vote for every ordinary share held.

Twenty largest shareholders as at 31 July 2017*

Rank	Name	Number of Fully Paid Ordinary Shares	Percentage of Issued Ordinary Shares (%)
1	Washington H Soul Pattinson and Company Ltd	37,411,939	22.65
2	Farjoy Pty Ltd	12,254,300	7.42
3	HSBC Custody Nominees (Australia) Ltd – A/C 2	10,275,738	6.22
4	Evelin Investments Pty Ltd	7,550,000	4.57
5	UBS Nominees Pty Ltd	7,235,388	4.38
6	National Nominees Ltd	6,302,213	3.82
7	BNP Paribas Noms Pty Ltd	5,809,351	3.52
8	Moggs Creek Pty Ltd	3,939,736	2.39
9	Citicorp Nominees Pty Ltd	3,803,000	2.30
10	HSBC Custody Nominees (Australia) Ltd	2,967,561	1.80
11	JP Morgan Nominees Australia Ltd	2,375,429	1.44
12	Citicorp Nominees Pty Ltd	2,152,500	1.30
13	Incani & Papadopoulos Super Pty Ltd	2,150,000	1.30
14	Lawn Views Pty Ltd	2,000,000	1.21
15	Bega Cheese Limited	1,998,100	1.21
16	Connaught Consultants (Finance) Pty Ltd	1,665,600	1.01
17	Mr Peter Howells	1,608,138	0.97
18	Mr Garrie Ellice	1,153,138	0.70
19	Mr Charles Neil Hamish Drummond	1,101,685	0.67
20	Mr Carl Anthony Oesterheld	1,050,000	0.64
Total top 20 shareholders		**114,803,816**	**69.50**
Total number of shares on issue		**165,181,696**	

* As shown on the register, beneficial holdings may differ.

Securities quoted by the ASX

All of the Company's issued ordinary shares are quoted by the ASX under the code CLV.

Register of securities

New South Wales
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000
Telephone: 1300 850 505

CORPORATE DIRECTORY

Directors

Mr Peter R Robinson	Non-Executive Director and Chairman
Mr Graeme A Billings	Non-Executive Director
Mr Peter J Davey	Chief Executive Officer and Managing Director
Mr Ian D Glasson	Non-Executive Director
Mr Rupert A Harrington	Non-Executive Director
Ms Cheryl L Hayman	Non-Executive Director
Dr Merilyn J Sleigh	Non-Executive Director

Secretary

Mr Paul A Sherman

Registered Office

Unit 35E
1 International Drive
Westmeadows VIC 3049

Telephone: (03) 8347 5001
Facsimile: (03) 8347 5055

Auditors

PKF Melbourne Audit & Assurance Pty Ltd
Level 12
440 Collins Street
Melbourne VIC 3000

Share Registry

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

Telephone: 1300 850 505

Australian Securities Exchange Code

Ordinary Shares CLV

Website

http://www.clovercorp.com.au