

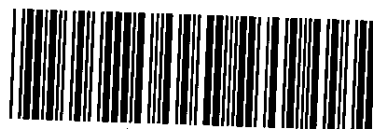
**REGISTERED NUMBER: FCO32484 (England and Wales)**

**CLOVER EU, LLC**

**Strategic Report, Report of the Directors and**

**Unaudited Financial Statements for the Year Ended 31 December 2017**

TUESDAY



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COMPANIES HOUSE

# **CLOVER EU, LLC**

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**CLOVER EU, LLC**

**Company Information  
for the year ended 31 December 2017**

**DIRECTORS:**

P J Freshwater  
R Edwardes  
M Gordon  
M Perry  
W Saracco

**SECRETARY:**

P J Freshwater

**REGISTERED OFFICE:**

Units 8/9 First Quarter  
Blenheim Road  
Epsom  
Surrey  
KT19 9QN

**REGISTERED NUMBER:**

FCO32484 (England and Wales)

**ACCOUNTANTS:**

Tudor John LLP  
Nightingale House  
46-48 East Street  
Epsom  
Surrey  
KT17 1HQ

**CLOVER EU, LLC**

**Strategic Report  
for the year ended 31 December 2017**

The directors present their strategic report for the year ended 31 December 2017.

**REVIEW OF BUSINESS**

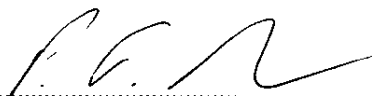
In 2017 there were no acquisitions or disposals nor are any planned for the foreseeable future.

There were distributions received by the company in 2017.

- TRS AG - £301k
- Clover Serbia - £2.6m

Business in Clover Europe's trading subsidiaries has faced Industry wide challenges again in 2017. From the influx of cheap, IP infringing Chinese clones into the European market place, to the ongoing efforts of the OEM's to impede the remanufacture of their cartridges and the remanufacturing industry as a whole, both Sales and Profitability has been adversely affected. As a result, Clover Europe has planned a series of cost cutting operational changes to increase profitability. These changes should be in place before the end of 2018 and we should see the benefits at the point.

**ON BEHALF OF THE BOARD:**



.....  
P J Freshwater - Director

Date: *6<sup>th</sup> September 2018*  
.....

**CLOVER EU, LLC**

**Report of the Directors  
for the year ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**DIVIDENDS**

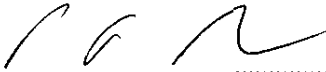
No dividends will be distributed for the year ended 31 December 2017.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P J Freshwater  
R Edwardes  
M Gordon  
M Perry  
W Saracco

**ON BEHALF OF THE BOARD:**



.....  
P J Freshwater - Director

Date: 6<sup>th</sup> September 2018

**CLOVER EU, LLC**

**Income Statement  
for the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
<b>TURNOVER</b>		63,885	34,959
Administrative expenses		<u>3,070,388</u>	<u>596,430</u>
<b>OPERATING LOSS</b>	4	(3,006,503)	(561,471)
Income from shares in group undertakings		3,635,310	-
Income from fixed asset investments		1,982,297	-
Interest receivable and similar income		<u>140,857</u>	<u>140,848</u>
		5,758,464	140,848
		<u>2,751,961</u>	<u>(420,623)</u>
Interest payable and similar expenses	5	<u>19,823</u>	<u>36,556</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		2,732,138	(457,179)
Tax on profit/(loss)	6	<u>132,320</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>2,599,818</u></u>	<u><u>(457,179)</u></u>

The notes form part of these financial statements

**CLOVER EU, LLC**

**Other Comprehensive Income  
for the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
<b>PROFIT/(LOSS) FOR THE YEAR</b>		2,599,818	(457,179)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>2,599,818</u></u>	<u><u>(457,179)</u></u>

The notes form part of these financial statements

**CLOVER EU, LLC (REGISTERED NUMBER: FCO32484)**

**Balance Sheet  
31 December 2017**

	Notes	2017 \$	2016 \$
<b>FIXED ASSETS</b>			
Investments	7	25,164,332	25,164,332
<b>CURRENT ASSETS</b>			
Debtors	8	466,688	3,451,104
Cash at bank		3,730,962	-
		<u>4,197,650</u>	<u>3,451,104</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>1,613,351</u>	<u>3,466,623</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>2,584,299</u>	<u>(15,519)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>27,748,631</u>	<u>25,148,813</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	50,094,162	50,094,162
Retained earnings	11	<u>(22,345,531)</u>	<u>(24,945,349)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>27,748,631</u>	<u>25,148,813</u>

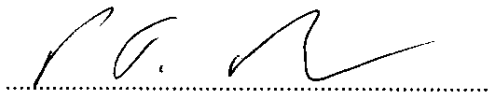
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 6<sup>th</sup> September 2018 and were signed on its behalf by:



P J Freshwater - Director

The notes form part of these financial statements



**CLOVER EU, LLC**

**Statement of Changes in Equity  
for the year ended 31 December 2017**

	Called up share capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 January 2016</b>	50,094,162	(24,488,170)	25,605,992
<b>Changes in equity</b>			
Total comprehensive income	-	(457,179)	(457,179)
<b>Balance at 31 December 2016</b>	<u>50,094,162</u>	<u>(24,945,349)</u>	<u>25,148,813</u>
<b>Changes in equity</b>			
Total comprehensive income	-	2,599,818	2,599,818
<b>Balance at 31 December 2017</b>	<u><u>50,094,162</u></u>	<u><u>(22,345,531)</u></u>	<u><u>27,748,631</u></u>

The notes form part of these financial statements

**CLOVER EU, LLC**

**Cash Flow Statement  
for the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	232,651	694
Tax paid		(137,008)	(695)
Net cash from operating activities		<u>95,643</u>	<u>(1)</u>
<b>Cash flows from investing activities</b>			
Interest received		9	-
Dividends received		<u>3,635,310</u>	<u>-</u>
Net cash from investing activities		<u>3,635,319</u>	<u>-</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>3,730,962</u>	<u>(1)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	-	1
<b>Cash and cash equivalents at end of year</b>	2	<u><u>3,730,962</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

# CLOVER EU, LLC

## Notes to the Cash Flow Statement for the year ended 31 December 2017

### 1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	\$	\$
Profit/(loss) before taxation	2,732,138	(457,179)
Loss on disposal of fixed assets	3,120,293	-
Exchange loss re investments and loans	164,906	563,565
Finance costs	19,823	36,556
Finance income	(5,758,464)	(140,848)
	<u>278,696</u>	<u>2,094</u>
Decrease/(increase) in trade and other debtors	4,970	(24,637)
(Decrease)/increase in trade and other creditors	(51,015)	23,237
	<u>232,651</u>	<u>694</u>
<b>Cash generated from operations</b>	<b>232,651</b>	<b>694</b>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

#### Year ended 31 December 2017

	31.12.17	1.1.17
	\$	\$
Cash and cash equivalents	<u>3,730,962</u>	<u>-</u>

#### Year ended 31 December 2016

	31.12.16	1.1.16
	\$	\$
Cash and cash equivalents	<u>-</u>	<u>1</u>

The notes form part of these financial statements

## **CLOVER EU, LLC**

### **Notes to the Financial Statements for the year ended 31 December 2017**

#### **1. STATUTORY INFORMATION**

Clover EU, LLC is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### **2. ACCOUNTING POLICIES**

##### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **TURNOVER**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **TAXATION**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **FOREIGN CURRENCIES**

The functional currency of the entity has been determined as US Dollars.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

#### **3. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2017 nor for the year ended 31 December 2016.

	2017	2016
	\$	\$
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

**CLOVER EU, LLC**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**4. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2017	2016
	\$	\$
Other operating leases	7,863	7,947
Loss on disposal of fixed assets	3,120,293	-
Foreign exchange differences	(114,431)	559,453
	<u>                    </u>	<u>                    </u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	\$	\$
Interest payable	19,823	36,556
	<u>                    </u>	<u>                    </u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2017	2016
	\$	\$
Current tax:		
UK corporation tax	132,320	-
	<u>                    </u>	<u>                    </u>
Tax on profit/(loss)	132,320	-
	<u>                    </u>	<u>                    </u>

**RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	\$	\$
Profit/(loss) before tax	2,732,138	(457,179)
	<u>                    </u>	<u>                    </u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	519,106	(91,436)
Effects of:		
Expenses not deductible for tax purposes	592,856	91,032
Income not taxable for tax purposes	(1,067,536)	-
Utilisation of tax losses	(44,426)	-
Tax losses carried forward	-	404
Tax arising on distribution received	132,320	-
	<u>                    </u>	<u>                    </u>
Total tax charge	132,320	-
	<u>                    </u>	<u>                    </u>

**CLOVER EU, LLC**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**7. FIXED ASSET INVESTMENTS**

	Unlisted investments \$
<b>COST</b>	
At 1 January 2017	25,164,332
Additions	3,120,294
Disposals	(3,120,294)
At 31 December 2017	<u>25,164,332</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u><u>25,164,332</u></u>
At 31 December 2016	<u><u>25,164,332</u></u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 \$	2016 \$
Amounts owed by group undertakings	55,137	2,622,071
Other debtors	399,068	824,775
VAT	12,483	4,258
	<u>466,688</u>	<u>3,451,104</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 \$	2016 \$
Amounts owed to group undertakings	755,979	2,626,980
Tax	(4,489)	199
Other creditors	854,263	824,020
Accrued expenses	7,598	15,424
	<u>1,613,351</u>	<u>3,466,623</u>

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	\$	\$
34,746,499	Common Equity Stock	\$1	<u>50,094,162</u>	<u>50,094,162</u>

**11. RESERVES**

	Retained earnings \$
At 1 January 2017	(24,945,349)
Profit for the year	<u>2,599,818</u>
At 31 December 2017	<u><u>(22,345,531)</u></u>

**CLOVER EU, LLC**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2017**

**12. ULTIMATE PARENT COMPANY**

4L Topco Corporation (incorporated in United States of America) is regarded by the directors as being the company's ultimate parent company.

**13. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Clover EU, LLC**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Clover EU, LLC for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Clover EU, LLC, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Clover EU, LLC and state those matters that we have agreed to state to the Board of Directors of Clover EU, LLC, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Clover EU, LLC and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Clover EU, LLC has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Clover EU, LLC. You consider that Clover EU, LLC is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Clover EU, LLC. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Tudor John LLP*

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46-48 East Street  
Epsom  
Surrey  
KT17 1HQ

Date: 16/9/2018