CLARTON HORN, S.A. (Sociedad Unipersonal)

Annual Accounts and Directors' Report for the financial year ended 31 March 2017 along with the Auditors' Report on the Annual Accounts





CLARTON HORN, S.A. (Single Shareholder Company)

Annual Accounts and Directors' Report for the financial year ended 31 March 2017 along with the Auditors' Report on the Annual Accounts

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017:

Balance Sheets at 31 March 2017 and 31 March 2016

Profit and Loss Accounts for the financial year ended 31 March 2017 and 31 March 2016

Statement of Changes in Net Equity for the financial year ended 31 March 2017 and 31 March 2016

Cash Flow Statement for the financial year ended 31 March 2017 and 31 March 2016

Report for the financial year ended 31 March 2017

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017



CLARTON HORN, S.A. (Single Shareholder Company)

Auditors' Report on the Annual Accounts



Tel: +34 954 98 82 82 Fax: +34 954 53 88 46 www.bdo.es

Calle Balbino Marrón, nº 3 Edf. Viapol, 2ª pta., módulos 15 y 16 41018 Sevilla España

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the sole shareholder of CLARTON HORN, S.A. (Single Shareholder Company),

Report on the annual accounts

We have audited the attached annual accounts of the company **CLARTON HORN, S.A.U.**, comprising the balance sheet at 31 March 2017, the profit and loss account, the statement of changes in net equity, the cash flow statement and the report on the annual accounts corresponding to the financial year ended on that date.

The responsibility of the directors in respect of the annual accounts

Directors are responsible for drawing up the attached annual accounts, so as to give a true and fair view of the net worth, financial situation and results of **CLARTON HORN, S.A.U.**, in accordance with the financial reporting framework applicable to the entity in Spain, which is identified in note 2.a) of the attached report, and for the internal control they consider to be necessary to allow for the preparation of the annual accounts free of material misstatement due to fraud or error.

The auditor's responsibility

Our responsibility is to express an opinion on the attached annual accounts based on our audit work. We have performed our audit in accordance with the regulatory standards currently applicable to the auditing of accounts in Spain. These standards require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance that the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence for the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts as a result of fraud or error. In making these risk assessments the auditor considers the internal control relevant to the entity's preparation of the annual accounts 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

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



Opinion

In our opinion, the attached annual accounts give, in every significant way, a true and fair view of the net worth and financial position of the company **CLARTON HORN**, **S.A.U.** at 31 March 2017, and of the results of its operations and of its cash flows for the financial year ended on that date, in accordance with the financial reporting requirements applicable to it and, in particular, with the accounting principles and criteria contained therein.

Report on other legal and regulatory requirements

The attached directors' report for the financial year 2017 contains the explanations considered necessary by the directors on the company's situation, its business development and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned directors' report is consistent with that contained in the annual accounts for the financial year 2017. Our work as auditors is limited to verifying the directors' report with the scope referred to in this paragraph and does not include the review of information other than that obtained from the company's accounting records.

BDO Auditores, S.L.P.

3 May 2017

CLARTON HORN, S.A. (Sole Shareholder Company)

ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

This version of the Annual report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Annual report takes precedence over this translation.

Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company) - financial year ended 31 March 2017_

CLARTON HORN, S.A. (Sole Shareholder Company)

BALANCE SHEETS AT 31 MARCH 2017 AND 31 MARCH 2016

(Stated in thousand euros)

ASSETS	Notes to the Report	31,03,2017	31.03.2016
A- NON-CURRENT ASSETS		- 1	
I - INTANGIBLE ASSETS			
- Computer applications		82	92
TOTAL INTANGIBLE ASSETS	Notes 5	82	92
II - TANGIBLE FIXED ASSETS			
 Land and buildings Technical installations and other tangible fixed assets Fixed assets in the course of construction and advances 		229 3,269 517	245 3,715 135
TOTAL TANGIBLE FIXED ASSETS	Note 6	4,015	4,095
III - LONG-TERM INVESTMENTS IN GROUP AND AFFILIATED COMPANIES			
- Equity Instruments		1,906	981
TOTAL LONG-TERM INVESTMENTS IN GROUP AND AFFILIATED COMPANIES.	Note 8.3	1,906	981
IV - LONG-TERM FINANCIAL INVESTMENTS			
- Other financial assets		26 25	8
TOTAL LONG-TERM FINANCIAL INVESTMENTS	Note 8		
V - DEFERRED TAX ASSETS	Note 16	1,145	1,011
TOTAL NON-CURRENT ASSETS		7,148	6,179
B - CURRENT ASSETS			
I-STOCKS			
- Raw materials and other supplies - Work in progress - Finished products		2,181 364 1,241	1,719 385 1,092
TOTAL STOCKS	Note 14	3,786	3,196

Notes to the ASSETS 31.03.2017 31.03.2016 Report II - DEBTORS - Customers for sales and services Note 8.2 9,149 7,154 Notes 8.2 & - Customers - group and associate companies 689 723 23 Note 8.2 115 - Sundry debtors 154 - Personnel 15 Note 8.2 11 23 - Current taxation assets Note 16 23 2,030 - Other receivables from Public Administration 2,214 Note 16 TOTAL DEBTORS 12,056 10,244 III - CURRENT INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES Notes 8.2 & 23 4,438 814 Loans to companies TOTAL INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES 4,438 814 IV - SHORT-TERM FINANCIAL INVESTMENTS 200 - Other financial assets Note 8.2 TOTAL SHORT-TERM INVESTMENTS 200 V. SHORT-TERM ACCRUALS 6 10 VI - CASH AND OTHER EQUIVALENT LIQUID ASSETS 134 526 - Cash and banks TOTAL CASH AND OTHER EQUIVALENT LIQUID 134 ASSETS Note 8.1 526 TOTAL CURRENT ASSETS 20,420 14,990 TOTAL ASSETS 27,568 21,169

The Company's Annual Accounts, which form a single unit, consist of these Balance Sheets, the attached Profit and Loss Accounts, Statement of Changes in Net Equity, Cash Flow Statements and the attached Annual Report, which consists of 25 Notes.

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CLARTON HORN, S.A. (Sole Shareholder Company)

BALANCE SHEETS AT 31 MARCH 2017 AND 31 MARCH 2016

(Stated in thousand euros)

EQUITY AND LIABILITIES	Notes to the report	31.03.2017	31.03.2016
A – EQUITY			
I – CAPITAL			
- Stated capital		962	962
TOTAL CAPITAL	Note 13.1	962	962
II - ISSUE PREMIUM		5,975	5,975
III - RESERVES			
- Legal and statutory		2,726	789
- Other reserves		(703)	(703)
- Capital reserves		25	-
TOTAL RESERVES	Note 13.2	2,048	86
VI - YEAR-END RESULTS		3,101	1,962
TOTAL SHAREHOLDERS' EQUITY	Note 13	12,086	8,985
A.3 - GRANTS, DONATIONS AND LEGACIES RECEIVED			
<u>I – GRANTS</u>	Note 20	34	54
TOTAL GRANTS, DONATIONS AND LEGACIES			
RECEIVED	the Silver Day	34	54
TOTAL EQUITY		12,120	9,039
II - NON-CURRENT PAYABLES			
II - NON-CURRENT PAYABLES			
- Other financial liabilities		786	908
TOTAL NON-CURRENT PAYABLES	Note 9	786	908
IV - DEFERRED TAX LIABILITIES	Note 16	11	18
TOTAL NON-CURRENT LIABILITIES		797	926
C - CURRENT LIABILITIES			
I. SHORT-TERM PROVISIONS		27	22

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CLARTON HORN, S.A. (Sole Shareholder Company)

BALANCE SHEETS AT 31 MARCH 2017 AND 31 MARCH 2016

(Stated in thousand euros)

POLITY AND LIABILITIES	Notes to the	24.02.204	21 02 201
EQUITY AND LIABILITIES	report	31.03.2017	31.03.2016
II - CURRENT PAYABLES			
- Short-term liabilities by disposed loan	Note 9.2	4,609	3,430
- Short-term liabilities	Note 9.3	122	79
TOTAL- CURRENT PAYABLES		4,731	3,509
III - SHORT TERM DEBTS WITH GROUP AND			
AFFILIATED COMPANIES	Note 9.1	584	290
TOTAL SHORT TERM DEBTS WITH GROUP AND		(A) (1.5.8)	
AFFILIATED COMPANIES		584	290
IV - TRADE AND OTHER ACCOUNTS PAYABLES			
- Suppliers	Note 9	7,606	5,996
- Suppliers - group and associate companies	Note 9	438	158
- Sundry creditors	Note 9	8	74
- Personnel (salaries outstanding)	Note 9	911	836
- Other liabilities with public administrations	Note 16	346	319
TOTAL TRADE AND OTHER ACCOUNTS PAYABLE		9,309	7,383
TOTAL CURRENT LIABILITIES		14,651	11,204
TOTAL NET EQUITY AND LIABILITIES		27,568	21,169

The Company's Annual Accounts, which form a single unit, consist of these Balance Sheets, the attached Profit and Loss Accounts, Statement of Changes in Net Equity, Cash Flow Statements and the attached Annual Report, which consists of 25 Notes.

CLARTON HORN, S.A. (Sole Shareholder Company)

PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2017 AND THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2016

(Stated in thousand euros)

	Notes to the report	2016-17	2015-16
A - ONGOING OPERATIONS			
1 - NET SALES			
- Sales		51,307	44,106
TOTAL NET SALES	Note 25	51,307	44,106
2 - VARIANCES IN INVENTORY OF FINISHED			
PRODUCTS AND WORK-IN-PROCESS		154	214
3 - WORK PERFORMED BY THE COMPANY FOR			
ACTIVE		95	155
4 - SUPPLIES			
- Consumption of raw materials and other materials		(28,504)	(25,264)
- Works realized by other companies		(3,058)	(2,673)
- Good losses, raw materials and other supplies		(69)	(50)
TOTAL SUPPLY EXPENSES	Note 17.a	(31,631)	(27,987)
5 - OTHER OPERATING PROFITS			
- Incomes and other current actions		614	1,267
TOTAL OTHER OPERATING INCOMES	Note 25	614	1,267
6 - EXPENDITURE ON PERSONNEL			
- Wages, salaries and others		(7,738)	(7,270)
- Social Security Contributions		(2,531)	(2,341)
TOTAL EXPENDITURE PERSONNEL	Note 17.b	(10,269)	(9,611)
7 - OTHER OPERATING EXPENSES			
- External services		(5,232)	(4,512)
- Taxes		(60)	(78)
- Losses and variances provisional commercial operations		2	(30)
- Other current action expenses		7.8	(1)
TOTAL OTHER OPERATING EXPENSES		(5,290)	(4,621)
8 – DEPRECIATION	Notes 5 &	(1,738)	(1,780)
9 - GRANTS AND OTHER NON-FINANCIAL ASSETS	Note 20	28	38

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Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company) - financial year ended 31 March 2017_____

	Notes to the report	2016-17	2015-16
11 - LOSS AND RESULT FROM FIXED ASSETS	the report	2010-17	2015-10
- Results on disposals and others		(1)	ŝ
TOTAL LOSSES AND RESULTS FROM FIXED ASSETS		(1)	
OTHER RESULTS			80
A.1 - YEAR-END OPERATING		3,269	1,861
12 NEGOTIABLE VALUES AND OTHER FINANTIAL INSTRUMENTS			
- Group and associated companies - Others		49 1	26 10
FOTAL NEGOTIABLE VALUES AND OTHER FINANCIAL INSTRUMENTS		50	36
TOTAL FINANCIAL INCOMES		50	36
13 - FINANCIAL EXPENSES			
- Other debts		(63)	(105)
FOTAL FINANCIAL EXPENSES	- 14 m	(63)	(105)
15 - EXCHANGE RATES	Note 15	5	(3)
A.2 - FINACIAL RESULTS		(8)	(72)
A.3 - PRE-TAX RESULTSX		3,261	1,789
7 - TAX ON PROFITS	Note 16	(160)	173
A.4 - YEAR-END RESULT OF ONGOING FRANSACTIONS		3,101	1,962
A.5 - YEAR-END RESULTS		3,101	1,962

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CLARTON HORN, S.A. (Sole Shareholder Company)

STATEMENT OF CHANGES IN NET EQUITY

A) STATEMENT OF REVENUES AND EXPENSES RECOGNISED ENDED 31 MARCH 2017 AND ENDED 31 MARCH 2016

(Stated in thousand euros)

		31.03.2017	31,03,2016
RESULT FROM THE PROFIT AND LOSS ACCOUNT		3,101	1,962
Revenues and expenses attributed directly to net equity:			
IV. Grants, donations and legacies received	(Note 20)		40
V. Tax effect	(Note 20)	8	(10)
TOTAL REVENUES AND EXPENSES ATTRIBUTED		1 1 1 2 1 0 2	30
Transfers to the profit and loss account			
IV. Grants, donations and legacies received	(Note 20)	(28)	(38)
X. Tax effect	(Note 20)	8	13
TOTAL TRANSFERS TO THE PROFIT AND LOSS		(20)	(25)
TOTAL RECOGNISED REVENUES AND EXPENSES		3,081	1.967

CLARTON HORN, S.A. (Sole Shareholder Company)

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY ENDED 31 MARCH 2017 AND THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2016

(Stated in thousand euros)

	Authorised capital	Issue premiuim	Reserves	Current year results	Grants	Total
Balance at year-end 31.3.15	962	5,975	(585)	692	49	7,093
Total recognised revenues and expenses				9995	25	975000
for the year			,,3*	1,962	5	1,967
Other changes in equity	8#8	929	671	(692)	*0	(21)
Balance at year-end 31.3.16	962	5,975	86	1,962	54	9,039
Total recognised revenues and expenses		_		3,101	(20)	3,081
for the year Other changes in equity	2	2 2	1,962	(1,962)	3.007	-
Balance at year-end 31.3.17	962	5,975	2,048	3,101	34	12,120

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CLARTON HORN, S.A. (Single Shareholder Company)

CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2017 AND THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2016

(Stated in thousand euros)

	Notas a la Memoria	31.03.17	31.03.10
CASH FLOW FROM OPERATING ACTIVITIES			
Financial year's pre tax earnings		3.261	1.789
Adjustments to earnings		1.723	
Amortization of fixed assets	(note 5 6)		1.63
Allocation of grants	(nota 5 y 6)	1.738	1.78
Financial income	(nota 20)	(28)	(38
Financial expenses		(50) 63	
Exchange differences		0.00	10:
Change in fair value of financial instruments		(5)	1
Provision change		1 4	-
Other income and expense		250	30
Other income and expense		-7/	(212
Changes in current capital		(301)	(2.568)
Inventories		(590)	(476
Trade and other receivables		(1.810)	(2.139)
Other current assets		(4)	(38
Trade and other payables		2.103	4
Other current liabilities			81
Other cash flow from operating activities		(62)	(68)
Interest payments		(63)	(77
Receipts from interest		1	9
Cash flow for operating activities		4.621	785
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments for investments		(6.320)	(2.031)
Group and affiliated companies - Equity instruments	Notas 8.4 y 23.1	(925)	(300)
Group and affiliated companies - Credit	Notas 8.4 y 23.1	(3.575)	72
Intangible fixed assets	Nota 5	(56)	(68)
Γangible fixed assets	Nota 6	(1.764)	(1.663)
Proceeds from disposal		200	72
Other financial assets	Nota 8.2	200	12
Cash flow from investment activities		(6.120)	(2.031)
CASH FLOW FROM FINANCING ACTIVITIES			

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Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company) – financial year ended	31 March 2017	10
Receipts and payments for financial liability instruments	1.102	1.562
Issuing of debts with group and affiliated companies		1.950
Issuing of debts with credit institutions	1.400	1.246
Debts with credit institutions	(220)	
Debts with group and affiliated companies		(1.634)
Others	(78)	- 2
Receipts and payments for financial liability instruments		40
Grants, donations and legacies received	15	40
Cash flow from financing activities	1.102	1.602
EFFECT OF CHANGES IN EXCHANGE RATES	5	-
NET REDUCTION OF CASH AND CASH		
EQUIVALENTS	(392)	356
Cash or cash equivalents at start of financial year	526	170
Cash or cash equivalents at end of financial year	134	526

CLARTON HORN, S.A. (Single Shareholder Company)

REPORT FOR THE FINANCIAL YEAR OF TWELVE MONTHS ENDED 31 MARCH 2017

NOTE 1. THE COMPANY'S INCORPORATION, BUSINESS AND LEGAL REGIME

a) Company Incorporation and Registered Office

CLARTON HORN, S.A. (Sole Shareholder Company), (hereinafter the Company) was incorporated on 14 September 1994 under the name of ROBERT BOSCH ESPAÑA FABRICA LA CAROLINA, S.A. (Sole Shareholder Company) and changed by decision of the Extraordinary General Meeting of Shareholders held on 15 December 2008 to the name of CLARTON HORN, S.A. (Sole Shareholder Company).

The Company's current registered office is at AVD. JUAN CARLOS I, S/N de LA CAROLINA (JAÉN).

The Company is registered at Jaén Companies' Register folio 107, volume 485, 1st and 2nd entries, sheet J-18,581. Its Tax Identity Number is A80974371.

b) Business activity

Its activity consists of the import, export, purchase, sale, manufacture, installation and repair of components for electrical and electronic equipment for the automotive sector, mainly horns.

Other professional, scientific and technical activities. The acquisition, holding, enjoyment and disposal of shares, company participations and/or any share participation in national or foreign companies, whether commercial or civil.

The Company's financial year starts on 1 April 2016 and ends on 31 March 2017. In the remaining Notes to this Report whenever reference is made to the financial year ended 31 March 2017 this is simplified to "financial year 2016-17".

c) Legal Regime

The Company is governed by its articles of association and by the current Capital Companies Act.

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NOTE 2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

a) Fair view and applicable legal framework for financial information

The annual accounts for the financial year 2016-17 have been obtained from the Company's accounting records and drawn up in accordance with current company legislation and the regulations established in the Spanish General Accounting Plan as approved by Royal Decree 1514/2007 of 16 November, with the application of the amendments introduced by Royal Decree 1159/2010 of 17 September, and by Royal Decree 602/2016 of 2 December, so as to give a true and a fair view of the Company's net assets, financial situation and results, as well as the veracity of the flows incorporated in the cash flow statements.

b) Accounting Principles Applied

The annual accounts have been drawn up applying the accounting principles established in the Commercial Code and the Spanish General Accounting Plan, as approved by Royal Decree 1514/2007, which was modified by Royal Decree 1159/2010 of 17 September, and by the Royal Decree 602/2016 of 2 December.

c) Presentation currency

In accordance with current legal regulations on accounting matters, the annual accounts are stated in thousand euros.

d) Critical Aspects in the Valuation and Estimation of Uncertainty

There are no relevant uncertainties or aspects regarding the future, that could have an important risk associated that might suppose significant changes in the value of assets and liabilities in the following year.

e) Comparative Information

In accordance with company legislation the Directors present, for comparative purposes, for each of the items presented in the Balance Sheet, Profit and Loss Account, Statement of Changes in Net Equity and Cash Flow Statement, the figures for the financial year of twelve months ended 31 March 2017 in addition to those for the twelve month financial year ended 31 March 2016. The items for both financial years are comparable and homogenous.

During the financial year, for the first time, the following modifications established by the Royal Decree 602/2016 have been taken into account in the comparison with the previous financial year:

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According to the Second Additional provision of the aforementioned Royal Decree, in the first year of application of the amendments relating to the new information that is introduced in the standard memory model, it will not be mandatory for comparative information. The Company provides exclusively the information relating to the year 2016 and does not present comparative information corresponding to this new obligation, the annual accounts being classified as initial, to these exclusive effects, as regards the application of the principle of uniformity and of the requirement of comparability.

f) Corrections and errors

No corrections or errors for regularization were identified in this financial year 2016-17.

g) Responsibility for the Information and Estimations Made

The information contained in these annual accounts is the responsibility of the Company's Directors. Estimates have been used in these annual accounts in order to evaluate some of the assets, liabilities, revenues, expenses and commitments that are recorded therein, with these estimates being referred basically to the evaluation of impairment losses on certain assets, the useful lives of non-current assets and the probability of occurrence of provisions.

Despite these estimates being made on the basis of the best information available at the date of formulation of the annual accounts, it is possible that future events might make it necessary to modify these in coming years. In such case, any modification will be made in a prospective manner, recognising the effects of the change in the estimation in the corresponding profit and loss accounts.

h) Consolidated annual accounts

As indicated in note 8.3 of this report, Clarton Horn, S.A.U. is the lead company of a group of companies. However, it is not under the obligation to draw up consolidated annual accounts as it forms, in turn, part of a higher group which has its sole shareholder and parent company is Global Mazinkert, S.L.U.. This company lodges its consolidated annual accounts in Madrid Mercantile Registry. In turn, Global Mazinkert S.L.U. is part of a listed Indian group, Minda Industries Limited.

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NOTE 3. DISTRIBUTION OF RESULTS

The proposal for the distribution of the results for the financial years 2016-17 and 2015-16, as drawn up by the Directors and the Sole Administrator, respectively, are as shown below, in thousand euros:

	2016-17
Basis for distribution	
Profit obtained in the year	3,101
Distribution to:	
Prior year losses	
Voluntary reserves	2,946
Capital reserves	155

NOTE 4. ACCOUNTING AND VALUATION POLICIES

The main valuation policies used by the Company in drawing up its annual accounts for the financial year 2016-17 are in accordance with those established by the Spanish General Accounting Plan and are as follows:

a) Intangible fixed assets

The assets included under intangible assets are measured at cost, either acquisition price or cost of production, and reduced by the corresponding accumulated depreciation and the impairment losses that, as applicable, they may have undergone. In that sense, when impairment indicators appear, the Company estimates, through an "impairment test", the possible existence of value losses reducing the recoverable amount of the assets to a lower amount than the book value. The recoverable amount is determined as the larger amount between fair value minus the costs of sale and the value in use.

Computer software

Licences for computer software acquired from third parties are capitalised on the basis of the costs incurred to acquire them.

Costs incurred in developing computer programs are specifically individualised by projects and their cost is clearly established so they can be distributed over time. Likewise, the Company's Management has justified reasons for the technical success and the economic and commercial profitability of these projects.

Computer software is depreciated on a straight-line basis over 3 years.

Whenever there are reasonable doubts as to the technical success or economic and

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commercial profitability of a computer development, the corresponding amounts recorded as assets are charged directly to losses for the year.

Maintenance costs for computer software incurred during the year are charged to the Profit and Loss Account.

b) Property, plant and equipment

Property, plant and equipment are valued at acquisition price or cost of production, net of the corresponding accumulated depreciation and, as applicable, the accumulated amount of recognised value corrections for impairment.

Upkeep and maintenance costs incurred during the year are charged to the Profit and Loss Account. The costs of renewing, expanding or improving property, plant and equipment that represent an increase in capacity, productivity or an extension to the useful life are capitalised as a higher value of the corresponding assets after withdrawing the carrying values for the items replaced.

The cost of the different items that make up property, plant and equipment, net as applicable of their residual value, is depreciated on a straight-line basis over the estimated years of useful life over which the Company expects to use such items and in line with the following table:

	Annual percentage	Estimated Years of Useful Life
Buildings	3%	33 years 4 months
Technical Installations	8%	12 years 6 months
Machinery	12%	8 years 4 months
Tooling	50%	2 Years
Other installations	10%	10 years
Furniture	10%	10 years
Computer equipment	33%	3 years
Other property, plant and equipment	10%	10 years

The carrying amount for an item of property, plant or equipment is derecognised in the accounts when it is disposed of or withdrawn by other means, or when it is not expected that any future profits or future economic returns will be obtained from its use, disposal or withdrawal by other means.

At yearend the Company carries out a review to determine whether there are indications of value impairment to any item of property, plant or equipment or cash-generating unit, in which case an estimation of the recoverable amounts is made as well as any necessary value corrections.

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Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company) - financial year ended 31 March 2017

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It is understood that there is a value impairment loss for an item of property, plant or equipment when its carrying value exceeds its recoverable value, this being understood to be the higher of its fair value less costs to sale and its value in use.

Valuation corrections for impairment of property, plant and equipment, as well as the reversal of these when the circumstances leading to these cease to exist, are recognised as an expense or revenue, respectively, in the Profit and Loss Account.

c) Leases and other operations of a similar nature

Operating lease costs incurred during the year are charged to the Profit and Loss Account.

d) Financial instruments

The Company determines the classification of its financial assets at the time of their initial recognition and, when this is allowed and appropriate, such classification is re-assesed at each balance sheet date.

For the purpose of their measurement, the financial instruments used by the Company are classified into one of the following categories:

- Loans and receivables and debits and payables.
- 2. Investments in the equity of group, associate and multi-group companies:

Loans and receivables and debits and payables

Loans and receivables

Classified into this category are:

- Receivables from trade operations: financial assets originated from the sale of goods and the provision of services for trade operations, and
- b) Receivables from non-trade operations: financial assets that, not being equity instruments or derivatives, are not of trade origin, the collections on which are a determined or determinable amount and which are not traded on an active market. Not included are those financial assets for which the Company cannot make substantial recovery of the whole initial investment for circumstances other than credit impairment. The latter are classified as available for sale.

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Debits and payables

Classified into this category are:

- Debits from trade operations: financial liabilities originated from the purchase of goods and services for trade operations, and
- Debits from non-trade operations: financial liabilities that, not being derivative instruments, do not have a trade origin.

Initially, the financial assets and liabilities included in this category are measured at their fair value, which is the transaction price and which equals to the fair value of the consideration paid plus the directly attributable transaction costs.

Despite what is indicated above, receivables and debits from trade operations with due dates of less than one year that do not have a contractual rate of interest as well as, if applicable, advances and loans to personnel, dividends receivable and payments called on equity instruments, for which receipt is expected in the short term, are measured at their nominal value when the effect of updating the cash flows is not significant.

In subsequent assessments, both assets and liabilities are measured at their amortised cost. Accrued interest is accounted in Profit and Loss Account by applying the effective interest rate method. Notwithstanding the above, credits and debits with a due date of not more than one year that were measured initially at their nominal value continue to be measured at this amount except if, in the case of credits, these are impaired.

The necessary value corrections are made at yearend if there is objective evidence that the value of a credit has been impaired, i.e. if there is evidence of a reduction or delay in the future estimated cash flows corresponding to that asset.

The value impairment loss on loans and receivables corresponds to the difference between their carrying amount and the present value of future cash flows that are expected to be generated, as discounted at the effective rate of interest calculated at the time of their initial recognition.

The value correction due to impairment of receivables at 31 March 2017 was estimated on the basis of the analysis of each of the individualised balances pending collection at that date.

Investments in the equity of group companies

These are measured initially at cost, which is equivalent to the fair value of the consideration paid over plus the transaction costs directly attributable to them.

They are subsequently valued at cost, less, as applicable, the accumulated amount of the value corrections for impairment.

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At yearend and if there is objective evidence that the carrying value of an investment will not be recovered, the necessary value corrections are made.

The amount of the value correction is determined as the difference between the carrying value and the recoverable amount. Barring better evidence of recoverable value of investments, when estimating the impairment of this class of assets, the proportional part of the investee company's net equity is taken, corrected by the latent capital gains existing at the valuation date, corresponding to identificable items in the investee company's balance sheet.

Derecognition of financial assets

A financial asset, or part of the same, is derecognised when the contractual rights over the financial asset's cash flows expire or are transferred, and the risks and benefits inherent to its ownership have been substantially transferred.

Derecognitions of financial liabilities

A financial liability is derecognised when the corresponding obligation is extinguished.

Interest and dividends received on financial assets

Interest and dividends on financial assets accruing subsequently to the moment of acquisition are recognised as revenues in Profit and Loss Account.

By contrast, when the dividends received come unequivocally coming from results generated prior to the date of acquisition, these are recorded by reducing the carrying value for the investment.

Interest is recognised using the effective rate of interest method and dividends are recognised when the shareholder's right to receive these is recognised. For these purpose, the initial measurement of financial investments includes the amount of explicit interest accrued and not due at that moment as well as the amount of dividends agreed for payment by the competent body at the time of acquisition.

Deposits provided

For deposits provided in respect of operating leases and the provision of services, the difference between their fair value and the amount paid is recorded as an advanced payment for the lease or service provision. In the case of short-term deposits provided, these are measured at the amount paid.

Deposits for operating leases are valued at their fair value.

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e) Stocks

Goods and services included in stocks are valued at their cost, being either the price of acquisition or the cost of production, and in accordance with the weighted average price method.

If the net realizable value of stocks is lower than their acquisition price or cost of production the appropriate valuation corrections are made, with these being recognised as an expense in Profit and Loss Account. In the case of raw materials and other consumables in the production process no value correction is made if it is expected that the finished products to which these are to be incorporated will be sold above cost. If a valuation correction needs to be made for raw materials and other consumables, the net realizable value taken is their replacement value.

If the circumstances that caused the value correction for stocks cease to exist, the amount of the correction is reversed, being recognised as revenue in Profit and Loss Account.

f) Foreign Currency Transactions

Transactions in foreign currency are accounted at their equivalent in euros applying the exchange rate on the dates on which these are carried out.

Monetary items are measured at each yearend by applying the closing exchange rate at that date. Exchange differences, both positive and negative, originated in this process are recognised in Profit and Loss Account for the year.

In the case of financial assets of monetary nature classified as available-for-sale, the determination of the exchange differences produced by the variation in the exchange rate between the transaction date and the yearend date, such that the exchange differences are those resulting from the variations in this amortised cost as a consequence of the variations in exchange rates, independently of their fair value. Exchange differences thus calculated are recognised in Profit and Loss Account for the financial year in which they arise, whereas other changes in the carrying value of these financial assets are recognised directly in Net Equity according with the accounting standards relating to financial instruments.

Non-monetary items at historic cost continue to be measured by applying the exchange rate in force at the transaction date. The measurement thus obtained cannot exceed at yearend, the recoverable amount at that time with, if necessary, the closing exchange rate being applied; i.e. that for the annual accounts reference date.

At each year end, non-monetary items measured at fair value are measured by applying the rate of exchange at the date of determination of the fair value, i.e. that applicable at the year end. When the profits and losses derived from changes in the valuation of a non-monetary item are recognised directly in net equity, any exchange rate difference is also recognised directly in Net Equity. By contrast, when the profits and losses derived from changes in the valuation of a non-monetary item are recognised directly in the Profit and Loss Account for the year any exchange rate difference is recognised directly in the result for the year.

g) Corporate Income Tax

Corporate Income Tax is recorded in Profit and Loss Account or directly against Net Equity, depending on where the profits or losses giving rise to the tax are recorded. The tax on profits for each year contains both the current and, if applicable, any deferred tax.

The amount for current tax is the amount to be settled by the Company as a consequence of its tax returns.

The differences between the carrying amounts of assets and liabilities and their tax base, give rise to the deferred tax asset and liability balances, which are calculated using the foreseeable rate of tax at the time of reversal and in accordance with the manner in which it is rationally foreseen that the asset or liability is to be recovered or paid.

Variations in deferred taxation assets or liabilities are recognised in the Profit and Loss Account or directly in Net Equity, as applicable.

Deferred tax assets are only recognised to the extent that it is probable that the company will have future taxable profits that will allow these assets to be applied.

The carrying amounts of recorded deferred tax assets are analysed at each balance sheet date and the necessary adjustments are made to the extent that there exist doubts as to their future tax recoverability. Likewise, an appraisal is made every year end of deferred taxation assets not recorded in the balance sheet, with these being recognised if their recovery against future tax profits has become probable.

The Company files consolidated taxation in the group headed by GLOBAL MAZINERT, S.L.U.. The accrued expense for Corporate Income Tax of these companies in consolidated taxation is determined considering, in addition to the considered parameters of individual taxation mentioned previously, the following:

a) The permanent and temporary differences produced as a consequence of eliminating the results of group intercompany operations, derived from the process of determining the consolidated tax base.

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b) The deductions and tax credits that correspond to each company within the consolidated tax returns of the fiscal group; to this effect, the deductions and tax credits are accrued by the Company that carried out the necessary activity to obtain the right of deduction or tax credit.

The parent Company of the group records the total amount payable (refundable) for the consolidated Corporate Income Tax, are charged (credited) to Receivables (Liabilities) with group, and associated companies.

h) Revenues and expenses

Revenues and expenses are accounted on the accruals basis, i.e. when the real flow of goods and services they represent takes place, independently of the moment at which the monetary or financial flow derived from these occurs.

Revenues from the sale of goods and the provision of services are measured at the fair value of the consideration, received or receivable, derived from these and which, barring evidence to the contrary, is the agreed price for such goods or services, after deducting: the amount of any discount, price reduction or other similar items that it might grant, as well as the interest incorporated in the nominal value of the credits.

Revenues from the sale of goods are only recognised when each and every one of the following conditions is satisfied:

- a) The relevant risks and rewards inherent to ownership of the goods, independently of their legal transfer, have been transferred to the buyer.
- b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- c) The amount of the revenues can be measured reliably.
- It is probable that the economic benefits or returns derived from the transaction will flow to the Company, and
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.

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i) Provisions and contingencies

Existing obligations at year end as a result of past events from which could lead to harm the Company's net equity and for which the amount and date of cancellation cannot be determined are recorded in the balance sheet as provisions and are measured using the present value of the best possible estimation of the amount needed to settle the obligation or to transfer it to a third party.

Adjustments arising from updating the provision are recorded as financial expenses as they accrue. In the case of provisions with a due date that is less than or equal to one year no type of discount is made, provided that the financial effect is not significant.

Also, the Company discloses information, as applicable, on contingencies that do not give rise to a provision.

j) Assets of environmental nature

Expenses related with the minimisation of environmental impact as well as for the protection and improvement of the environment are recognised in accordance with their nature in Profit and Loss Account for the year in which they arise.

Assets intended for these activities are classified under the corresponding heading for property, plant and equipment and are measured at their acquisition price or cost of production, net of the corresponding accumulated amortisation and, as applicable, the accumulated amount of recognised impairment valuation corrections.

A provision of environmental nature is recorded if, as a consequence of the existence of legal, contractual or any other type of obligations, as well as of commitments acquired for the prevention and repair of environmental damage is probable or certain that the Company will have to make a future economic disbursement for which the foreseen amount and/or moment of settlement is not certain at year end.

k) Grants, donations and legacies

Non-refundable capital grants, as well as donations and legacies, are valued at the fair value of the amount granted or the good received. Initially, these are allocated directly to net equity and recognised in Profit and Loss Account in proportion to the depreciation undergone during the period by the assets financed by these grants, unless these are assets not subject to depreciation, in which case they are carried to the result for the year in which their disposal or cancellation occurs.

Grants intended for the cancellation of debts are allocated as revenues for the year in which the cancellation occurs, except if these are received in relation with a specific financing, in which case the assignment is made in function of the item financed.

Grants of a refundable nature are recorded as long-term debts convertible into grants until they acquire the condition of non-refundable.

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Monetary amounts received without assignment to a specific purpose are treated as revenues for the year in which they are recognised.

Non-refundable grants, donations and legacies received from shareholders or owners do not constitute revenues and are recorded directly in net equity, independently of the type of the grant, donation or legacy. These are also measured at the fair value of the amount granted or the goods received.

Related party transactions

As a general rule, items that are the object of a transaction with related parties are measured initially at their fair value. Their subsequent measurement is carried out in accordance with the provisions set out in the corresponding accounting rules.

m) Non-current assets held for sale

Classified in this section are those non-current assets for which the accounting value is to be recovered mainly through their sale instead of through their continued use, provided that the following requirements are also complied.

- a) The asset is available in its current condition for immediate sale; and
- b) Its sale is highly probable, because the following circumstances concur:
 - The Company is committed to a plan for selling the asset and has initiated a programme for finding a purchaser and completing the plan.
 - The sale of the asset is being actively negotiated at a suitable price by comparison with its current fair value.
 - The sale is expected to be completed within one year as from the asset being classified as available for sale.
 - The actions for completing the plan indicate that its is unlikely that there will be significant changes in the asset or that it is going to be withdrawn.

Non-current assets held for sale are measured, at the moment they are classified into this category, at the lower of their carrying value and their fair value less the estimated selling costs.

In order to determine the accounting value at the time of reclassification, its value impairment at that time is determine and, if applicable, a value correction is recoreded for this asset's impairment.

Whilst an asset is classified as non-current held for sale, it is not depreciated with, if applicable, the appropriate valuation corrections being made such that the carrying value does not exceed the fair value less the selling costs.

If an asset ceases to comply with the requirements for being classified as held for sale, it is reclassified under the balance sheet heading that corresponds to its nature and is measured, at the date of reclassification, at the lower of its carrying value prior to being classified as a non-current asset for sale as adjusted, if applicable, by the depreciation and value corrections that would have been recognised had it not been classified as held for sale, and its recoverable amount, with any difference being recorded in Profit and Loss Account heading that corresponds to its nature.

The valuation criteria provided for above is not applicable to the following assets which, even though they are classified for presentation purposes under this category, have their valuation governed by their specific rules:

- a) Deferred taxation assets, to which the rules relating to corporate tax apply.
- b) Assets arising from employees' remuneration, which are governed by the standard on liabilities for long-term remuneration for personnel.
- e) Financial assets, except for investments in the equity for group, multi-group and associate companies, that are within the scope of the standard on financial instruments.

Value corrections for the impairment of non-current assets held for sale, as well as their reversal when the circumstances giving rise to this have ceased to exist, are recognised in Profit and Loss Account, except when these have to be recorded directly in net equity in accordance with the criteria generally applicable to the assets in their specific rules.

n) Cash flow statements

The expressions used in the cash flow statements have the following meanings:

<u>Cash or equivalents</u>: cash includes both cash on hand and bank deposits. Cash equivalents are financial instruments that form part of the Company's normal treasury management, are convertible into cash, have initial due dates that are not in excess of three months and are subject to irrelevant risks of changes in their value.

<u>Cash flows</u>: inflows and outflows of cash or other equivalent resources, these being understood to be investments for a period of less than three months with high liquidity and low risk of alterations to their value.

Operating activities: these are the activities that constitute the main source of the Company's ordinary revenues as well as other activities that cannot be classified as investment or financing.

<u>Investment activities</u>: those of the acquisition, sale or disposal by other means of long-term assets and other investments not included under cash or cash equivalents.

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This version of the Annual report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Annual report takes precedence over this translation.

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<u>Financing activities</u>: activities that produce changes in the size and composition of the net equity and in liabilities of financial nature.

Obligations for employment benefits

Pension commitments

Clarton Horn, S.A. (Sole Shareholder Company) has made various commitments to pensions and other long-term remuneration for some of its employees. In general, these commitments are outsourced to various unrelated insurance entities.

Defined contribution commitments

The Company has implemented a defined contribution plan for a group of employees that accepted the transformation of the previous defined benefits system. The Company's sole obligation is to make the annual contributions. This commitment is instrumented through a group insurance policy taken out with an insurance company.

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NOTE 5. INTANGIBLE FIXED ASSETS

The detail and movement for intangible fixed assets during the financial year 2016-17 are as follows:

	Opening Balances 01/04/2016	Additions	Closing Balances 31/03/2017
At Cost:			
Computer software	705	56	761
	705	56	761
Accumulated amortisation:			
Computer software	(613)	(66)	(679)
	(613)	(66)	(679)
Net Intangible Fixed Assets	92	(10)	82

The detail and movement for intangible fixed assets during the financial year 2015-16 are as follows:

	Opening Balances 01/04/2015	Additions	Closing Balances 31/03/2016
At Cost:			
Computer software	637	68	705
	637	68	705
Accumulated amortisation:			
Computer software	(548)	(65)	(613)
	(548)	(65)	(613)
Net Intangible Fixed Assets	88	3	92

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Totally depreciated items in use

The following is the detail by headings at 31 March 2017 and 2016, of the most significant totally amortised intangible fixed assets still in use, indicating their cost value, stated in thousand euros:

	2016-17	2015-16
Computer software	584	511
	584	511

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The detail and movement for property, plant and equipment during the financial year 2016-17 are as follows:

	Opening Balances 01/04/2016	Additions	Withdrawals	Transfers	Closing balances 31/03/2017
At Cost: Land and natural resources	107	_	_		107
Buildings	4,050	11	(12)		4,049
Technical installations and machinery Tools, other facilities and	29,848	466	(164)	19	30,169
furniture	10,724	620	(217)	71	11,198
Data processing equipment	959	21	(240)		740
Other property, plant and equipment Advances and fixed assets in	277	3	(93)	100	187
progress	134	483	(10)	(90)	517
	46,099	1,604	(736)		46,967
Accumulated amortisation:					
Buildings Technical installations and	(3,911)	(27)	12	39	(3,926)
machinery Tools, other facilities and	(27,330)	(566)	164	i.	(27,732)
furniture	(9,640)	(1,029)	216	25	(10,453)
Data processing equipment Other property, plant and	(866)	(48)	240	£ ,	(674)
equipment	(258)	(2)	93	8	(167)
	(42,005)	(1,672)	725		(42,952)
Net property, plant and equipment	4,094	(68)	(11)	€	4,015

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The additions for the financial year 2016-17 correspond mainly to modifications to installations, purchases of machinery and tooling as per the detail in the above table.

The withdrawals for the financial year 2016-17 correspond mainly to machinery and tooling as per the detail in the above table.

Transfers of property, plant and equipment during the financial year 2016-17 correspond to the completion of the assembly of machinery and tooling.

The detail and movements on property, plant and equipment during the financial year 2015-16 were as follows:

	Opening Balances 01/04/2015	Additions	Withdrawals	Transfers	Closing balances 31/03/2016
At Cost:					
Land and natural resources	107	15	*	65	107
Buildings Technical installations and	4,050	2	¥	5 <u>4</u>	4,050
machinery Tools, other facilities and	29,388	380	(29)	110	29,848
furniture	10,546	842	(901)	236	10,724
Data processing equipment Other property, plant and	846	114	(1)		959
equipment Advances and fixed assets in	258	19	1000	1 74770	277
progress	428	121	(69)	(346)	134
	45,623	1,476	(1,000)		46,099
Accumulated amortisation:					
Buildings Technical installations and	(3,880)	(31)	ă.	•	(3,911)
machinery Tools, other facilities and	(26,805)	(543)	18	340	(93.9)
furniture	(9,444)	(1,095)	899	175	
Data processing equipment Other property, plant and	(823)	(44)	1	925	(000)
equipment	(256)	(2)	16	() (1)	(258)
	(41,207)	(1,715)	918		(42,005)
Net property, plant and equipment	4,416	(239)	(82)		4,094

The additions for the financial year 2015-16 correspond mainly to modifications to installations, purchases of machinery and tooling as detailed in the above table.

The withdrawals for the financial year 2015-16 correspond mainly to machinery and tooling as detailed in the above table.

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Transfers of property, plant and equipment during the financial year 2015-16 correspond to the completion of the assembly of machinery and tooling.

Totally depreciated items in use

The following is the detail by headings at 31 March 2017 and 31 March 2016 of totally depreciated fixed assets still in use, indicating their cost value:

	2016-17	2015-16
Technical installations	1.031	992
Machinery	24,474	24,563
Tooling	8,839	7,872
Other installations	7	7
Furniture	628	471
Data processing equipment	596	818
Other property, plant and equipment	164	256
	35,739	34,979

Other information

All of the Company's property, plant and equipment are assigned to the operations, which are located in the factory that the Company has in La Carolina (Jaén) and are all duly insured.

The Company has formalised insurance policies to cover the possible risks to which the various items of its property, plant and equipment are subject, it being understood that these policies provide sufficient cover for the risks to which they are exposed.

NOTE 7. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

7.1) Operating leases (with the Company as lessee)

The charge to results for the financial year 2016-17 in respect of operating leases amounted to 30,084.53 euros (23,985.39 euros in 2015-16). These leases correspond to the rental of vehicles and multifunction equipments.

The Company has no contracts for non-cancellable operating leases.

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NOTE 8. FINANCIAL ASSETS

The detail of long-term financial assets is as follows:

	Loans, Derivatives and others		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2015
Other financial assets (Note 8.2)	-		(4)	14
Total			111 1 9	

The detail of short-term financial assets is as follows:

	Loans, Derivatives and others		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Cash and other liquid assets:				
-Cash and other liquid assets (Note 8.1)	134	526	134	526
Loans and receivables (Note 8.2)	14,441	9,021	14,441	9,021
Total	14,575	9,547	14,575	9,547

8.1) Cash and other equivalent liquid assets

The detail of these assets at 31 March 2017 and 31 March 2016 is as follows:

	Balance at 31/03/2017	Balance at 31/03/2016
Current accounts	132	525
Cash reserves	2	1
Total	134	526

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8.2) Loans and receivables

The composition of this heading at 31 March 2017 and 31 March 2016 is as follows:

	Balance at	31/03/2017	Balance at 31/03/2016	
	Long-term	Short-term	Long-term	Short-term
Receivables on trade operations				
Group company customers (Note 23.1)	(#)	689	823	723
Third party customers Third party debtors	•	9,149 154	97 <u>2</u> 9 98 4 9	7,154 115
Total receivables on trade operation		9,992		7,993
Receivable on non-trade operations				
Personnel	· · · · · · · · · · · · · · · · · · ·	11		15
Total receivables for non-trade operations	1 N#	11		15
Financial investments				
Loans to group and associate companies		N9895855		5250 SC
(Note 23.1) Debt securities	90 1 9	4,438	10 0 0	814 200
Debt securities	357.1	=	10%	200
Total financial investments		4,438	/2	1,014
Total	(#1	14,441		9,021

Trade receivable balances and other receivables include the impairments caused by insolvency risks, as per the attached detail:

Impairments	Balance at 31/03/2016	Impairment provision	Balance at 31/03/2017
Receivables on trade operations			
Customers - Provision for bad debts	(67)	2	(65)
Total	(67)	2	(65)

Impairments	Balance at 31/03/2015	Impairment losses	Balance at 31/03/2016
Receivables on trade operations			
Customers - Provision for bad debts Insolvencies	(38)	(29)	(67)
Total	(38)	(29)	(67)

8.3) Classification by due dates

At the year end, as with the end of the previous financial period all of the Company's financial assets had due dates of less than 1 year.

8.4) Share in related companies

On 8 August 2014, a new group of companies was created under the name of Clarton Horn México S. de R.L. de C.V., set up in Querétaro (Mexico) and holder of Tax Identity Number CHM140808MJ8, which has as its activity the purchase, sale, import, export, marketing, administration, commissioning, brokering, manufacture, industrialisation, processing, packaging, transformation, repair and letting and sub-letting of both moveable and real estate assets along with any article or product within the trade, in particular components for electrical and electronic components for the automobile sector, and for which production is expected to commence in Octubre 2015. During this financial year, on December 2016, an increase in capital was undertaken to provide funds for the company.

The holdings ar 31 March 2017 in Group Companies are detailed below, in thousand euros:

	% Direct	Gross value of	Amount of the	Net Carrying
	Holding	the holding	Provision	Value
Group Companies				
CH Signalakustik	100%	5,500	(5,399)	101
Clarton Horn Maroc	99,99%	105	N. 1980	105
Clarton Horn México	100%	1,700		1,700
		7,305	(5,399)	1,906

Holdings in group companies increased in the financial year 2016-17 because of a capital increase of 925 thousand euros in Clarton Horn México.

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The holdings ar 31 March 2016 in Group Companies are detailed below, in thousand euros:

	% Direct Holding	Gross value of the holding	Amount of the Provision	Net Carrying Value
Group Companies				
CH Signalakustik	100%	5,500	(5,399)	101
Clarton Horn Maroc	99.99%	105	*	105
Clarton Horn México	100%	775	55 53	775
		6,380	(5,399)	981

Holdings in group companies increased in the financial year 2015-16 because of a capital increase of 300 thousand euros in Clarton Horn México.

None of the participated companies are listed in the stock Exchange.

The summary of the net equities at 31 March 2017 of these companies as per their unaudited annual accounts is shown below, in thousand euros:

Balance sheet date	Share Capital	Reserves	Prior year results	Result for the Year	Grants	Total
31/03/17	25	1170	90	13	-	128
31/03/17	105		(27)	38	3.5	116
31/03/17	1,700		(671)	(978)	38	89
	sheet date 31/03/17 31/03/17	sheet Share Capital 31/03/17 25 31/03/17 105	sheet date Capital Reserves 31/03/17 25 - 31/03/17 105 - 31/03/17 1.700	sheet date Capital Reserves results 31/03/17 25 - 90 31/03/17 105 - (27)	sheet date Share date Prior year results Result for the Year 31/03/17 25 - 90 13 31/03/17 105 - (27) 38 31/03/17 1.700 (671) (672)	sheet date Share date Prior year results Result for the Year Grants 31/03/17 25 - 90 13 - 31/03/17 105 - (27) 38 -

The summary of the net equities at 31March 2016 of these companies as per their unaudited annual accounts is shown below, in thousand euros:

Company	Balance sheet date	Share Capital	Reserves	Prior year results	Result for the Year	Grants	Total
Group companies:							
CH Signalakustik	31/03/16	25	8 2 8	76	14	*	115
Clarton Horn Maroc	31/03/16	105	1.7	(61)	34		78
Clarton Horn México	31/03/16	775		(11)	(660)	-	104

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The following are the business activities and registered offices of the group companies:

Subsidiary Company	Business activity	Registered office
CH Signalakustik	Sale of electromechanical components for the automobile industry (horns)	Zehntwiesenstrasse 31 Q D-76275 Ettlingen (Germany
Clarton Horn Maroc	Production, handling and sale of electromechanical components for the automobile industry (horns)	Lot 102 a-3, Zone Franche d'Exportation Tanger (Maroc)
Clarton Horn México	The purchase, sale, import, export, marketing, administration, commissioning, brokering, manufacture, industrialisation, processing, packaging, transformation, repair and letting and sub-letting of both moveable and real estate assets along with any article or product within the trade, in particular components for electrical and electronic components for the automobile sector.	Av. Hercules No. 401-B Int. No. Bodega 14 Polígono Empresarial Santa Rosa Jauregui 76220 Queretaro (México)

NOTE 9. FINANCIAL LIABILITIES

The detail of long-term financial liabilities is as follows:

	Long-term	liabilities:	Tot	tal
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Debits and payables (Note 9.4)	786	908	786	908
Total	786	908	786	908

The debit amount of 786 thousand euros comprises the following:

- Grant of a subsidy loan in the PCA 2011 plan from the Ministerio de Industria, Turismo y Comercio (Industry, Tourism and Commerce Ministry) for 392 thousand euros. The initial aid granted amounted to 469 thousand euros and on 11 March 2016, a partial reimbursement of 34 thousand euros was made due to the complete revision of the requested assistance. On 31 March 2017, the amount of 43 thousand euros was reclassified in the short term, since the amortization date of the first instalment of the aid is 31 July 2017.
- Grant of a subsidy loan Aid loan in the Reindus 2012 plan from the Ministerio de Industria, Turismo y Comercio (Industry, Tourism and Commerce Ministry) for 394 thousand euros. The aid loan granted is 552 thousand euros and, on 31 March 2017, the amount of 79 thousand euros has been reclassified in the short term as the repayment date for the second instalment of the aid is on 1 October 2017

The detail of current financial liabilities is as follows:

		owing to	derivative	owing to s and other liabilities.	To	tal
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Debits and payables (Note 9)	4,609	3,430	9,669	7,433	14,278	10,863
Total	4,609	3,430	9,669	7,433	14,278	10,863

9.1) Debits and payables

The following is the detail of these at 31 March 2017 and 31 March 2016, in thousand euros:

	Balance at	31/03/2017	Balance at 31/03/2016	
	Long-term	Short-term	Long-term	Short-term
On trade operations:				
Suppliers		7,606		5,996
Related party suppliers (Note 23)		438	20	158
Total balances for trade operations		8,044		6,154
On non-trade operations:				
Amounts owed to financial institutions (Note 9.2)		4,609		3,430
Amounts owed to group companies (Note 23.1)		584	8	290
Other financial liabilities		122		79
Sundry creditors	190	8	9	74
Loans and other liabilities		5,323		3,873
Personnel (outstanding salaries)	1.5	911	ā	836
Total balances on non-trade operations	9	911		836
Total debits and payables		14,278	- M- 201	10,863

9.2) Amounts owing to credit entities

At 31 March 2017 the Company had the following credit facilities with credit entities:

Credit entities	Limit	Drawn down	Rate of interest
La Caixa	2,500	2,494	Euribor + diferencial
La Caixa	400	217	Euribor + diferencial
BBVA	600	522	Euribor + diferencial
BBVA	750	750	Euribor + diferencial
BBVA	400	400	Euribor + diferencial
Banco Popular	500	226	Euribor + diferencial
Banco Santander	300		Euribor + diferencial
Total	5,450	4,609	

At 31 March 2016 the Company had the following credit facilities with credit entities:

Credit entities	Limit I	Orawn down	Rate of interest
La Caixa	2,500	2,358	Euribor + differential
BBVA	600	¥	Euribor + differential
BBVA	750	1	Euribor + differential
Banco Popular	600	594	Euribor + differential
Banco Santander	500	477	Euribor + differential
Total	4,950	3,430	

9.3) Other information relating to financial liabilities

The amount of 122 thousand euros corresponds to the first amortization of the loan from in the PCA 2011 plan from the *Ministerio de Industria, Turismo y Comercio (*Industry, Tourism and Commerce Ministry), whose due date is 31 July 2017 and the second amortization of the Aid Loan in The Reindus 2012 subsidy loan form the *Ministerio de Industria, Turismo y Comercio (*Industry, Tourism and Commerce Ministry), whose due date is 1 October 2017, as previously mentioned.

9.4) Other information relating to financial liabilities

a) Classification by due dates

The detail of due dates for financial liability instruments at the 2016-17 year end is as follows:

		Due date in years						
	2016	2017	2018	2019	2020	Over 5 years	Total	
Long-term liabilities:								
Other long-term	2.29	122	122	122	122	298	786	
Financial liabilites:								
Other financial liabilities	4,609	84	₩.	(2)	727	-	4,609	
Other Current								
liabilities:								
Other current liabilities	706	12	≅	853	2	2	706	
Trade creditors and								
other accounts payable								
Suppliers	8,044	· ·	<u>Q</u> ;	3343	32	©	8,044	
Sundry creditors	8	9	40	535	52	2	8	
Personnel	911	15	70	100	8	8	911	
Total	14,278	122	122	122	122	298	15,064	

The detail of due dates for financial liability instruments at March 2016 financial year end is as follows:

	Due date in years						
	2016	2017	2018	2019	2020	Over 5 years	Total
Long-term Other long-term		122	122	122	122	420	908
Financial							
Other financial	3,430						3,430
Other Current liabilities: Other current liabilities	369						252
Trade creditors and other accounts payable Suppliers	6,154						369 6,154
Sundry creditors	74						74
Personnel	836						836
Total	10,863	122	122	122	122	420	11,771

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NOTE 10. INFORMATION ON PAYMENT DEFERRALS MADE WITH SUPPLIERS. THIRD ADDITIONAL PROVISON ON "DUTY OF INFORMATION" UNDER LAW 15/2010 OF 5 JULY

The Law 15/2010 of 5 July modifying Law 3/2004 of 29 December, establishing measures against late payments in trade operations states: "companies must clearly publish information regarding payment periods to their suppliers in the Notes to the Annual Accounts". To this end, the Resolution of 29 January 2016 by the *Instituto de Contabilidad y Auditoría de Cuentas* (Institute of Accounting and Audit), regarding the information to be included in the Notes to the Annual Accounts in relation to the suppliers average payment period in trade operations, dictates the information to be included in the notes to comply with said Law.

The details of the payments made and those awaiting payment at 31 March 2017 and 20166 are the following:

	Financial Year 31/03/2017 Days	Financial Year 31/03/2016 Days
Average payment period to suppliers	11.14	10.83
Ratio of operations paid.	11.96	11.81
Ratio of operations awaiting payment	2.39	1.96
Total payments in the financial year	Thousand Euros	Thousand Euros
Total payments made.	41,791	30,702
Total payments pending.	915	985

El ratio o nivel financiero DFN / EBITDA o Deuda financiera Neta Consolidada / EBITDA es de 1,08.

NOTE 11. AUDIT FEES

The audit fees accrued by BDO Auditores, S.L. during the financial year 2016-17 for the audit of the annual accounts amounted to 14.2 thousand euros. Also fees have been earned for the quarterly consolidated quarterly reports of the group amounting to 3 thousand euros. The fees corresponding to the financial year 2015-16 accrued by BDO Auditores, S.L. amounted to 17.2 thousand euros.

During 2016-17 other member companies of the BDO network have not invoiced anything (in the 2015-16 exercise the BDO network has not invoiced anything).

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NOTE 12. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Company's activities are exposed to different types of financial risks, notably credit and liquidity risks and market risks (exchange rate, interest rate and other price risks).

12.1) Credit risk

The Company's main financial assets are bank and cash balances, trade debtors and other receivables and investments, representing its maximum exposure to the credit risk in respect of financial assets.

The Company's credit risk is mainly attributable to its trade receivables. The amounts are reflected in the balance sheet net of the provisions for bad debts, estimated by the Company's management on the basis of prior years' experience and their evaluation of the current economic environment.

The Company does not have a significant credit risk concentration, with the exposure being distributed amongst a large number of counterparts and customers.

12.2) Liquidity risk

The Company is not significantly exposed to the liquidity risk, as it maintains sufficient cash and available credit to be able to meet the necessary outflows in its usual operations. In the case of specific financing needs, the Company has recourse to loans and credit facilities.

The general situation of the financial markets, especially the banking market, has been particularly unfavourable to those seeking credit. The Company is permanently attentive to the evolution in the different factors that might help it to resolve liquidity crises and, especially, the sources of funding and their characteristics.

One can summarise especially the points to which most attention is paid:

- Monetary assets liquidity: the placement of surplus funds is always for very short terms. Placements for terms above three months require explicit authorisation.
- Diversification of due dates for credit facilities and control over funding and refinancing.
- Control over the remaining life of funding facilities.
- Diversification of sources of funding: at corporate level, bank funding is fundamental due to the ease of access to this market and its cost and, on many occasions, without there being any competition from other alternative sources.

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This does not exclude the use of other sources in the future.

12.3) Exchange rate risk

The Company is not exposed to a significant exchange rate risk and so it does not carry out operations with financial instruments for hedging.

12.4) Interest rate risk

The variations in interest rates modify the fair value of those assets and liabilities that accrue a fixed rate of interest as well as the future flows from assets and liabilities benchmarked to a variable interest rate.

The purpose of interest rate risk management is to achieve equilibrium in the debt structure that makes it possible to minimise the cost of debt over a pluri-annual horizon with reduced volatility in the Profit and Loss Account.

The reference rates of interest for the debt contracted by the Company are, fundamentally, those of the Euribor.

NOTE 13. SHAREHOLDERS' FUNDS

13.1) Share Capital

The share capital at 31March 2016, as at 31March 2015, was represented by 160,001 bearer shares each with a nominal value of 6.01 euros and totally subscribed and paid up. All of these shares have equal voting and economic rights.

At 31 March 2016, as at 31 March 2015, the Company's sole shareholder was Global Mazinkert, S.L., a company with Spanish nationality.

13.2) Reserves

The detail for Reserves is as follows:

	31/03/2017	31/03/2016
Legal reserve	275	79
Other reserves	1,748	7
Capitalization reserve	25	2
Total	2,048	86

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a) Legal Reserve

The Legal Reserve is restricted with regard to its use, which is subject to various legal provisions. Under the provisions of the Capital Companies Act, companies incorporated under whichever legal form are obliged, if they make profits, to transfer 10% of those profits to a legal reserve until such reserve reaches a level that is one fifth of the subscribed share capital. The legal reserve may be used for compensating losses or for share capital increase for the part that exceeds 10% of the share capital once increased, as well as for distribution to shareholders in the event of liquidation. At 31 March 2017 the Legal Reserve was not fully provided for.

b) Other Reserves

In the financial year 2016-17, as a result of an inspection resolution of Corporate Income Tax for the financial years 2012 and 2013, was increased by 21 thousand euros debited directly to Net Equity in the account "other reserves".

NOTE 14. STOCKS

	31/03/2017	31/03/2016
Raw materials and Packaging	1,879	1,331
Spare Parts, Fuels and Sundry materials	884	901
Work in progress	368	395
Finished products	1,265	1,102
Impairment of raw materials and other supplies (note 17.a)	(610)	(533)
	3,786	3,196

During the financial year 2016-17 the Company made a provision for impairment of raw materials, other supplies, work in progress and finished products for an amount of 610 euros (533 thousand euros in the financial year 2015-16).

At 31 March 2017 and 31 March 2016 the Company had no firm purchase or sales commitments or futures contracts on options relating to stocks.

NOTE 15. FOREIGN CURRENCIES

The most significant balances in foreign currencies at 31 March 2017 and 31 March 2016 are as detailed below:

	Financial y Total amount in thousand euros	cear 2016-17 Classified by currency Amount in	Financial y Total amount in thousand euros	cear 2015-16 Classified by currency Amount in
D) CURRENT LIABILITIES				
4. Trade creditors and other acounts	77	82	174	192
	77	82	130	145

The amount of exchange differences recorded in results is as follows:

THE RESERVE THE PARTY OF THE PA	2016-17	2015-16
Exchange gains: Sales/Services/Purchases	18	21
Exchange losses Sales/Services/Purchases	(13)	(24)
Total	5	(3)

NOTE 16. TAX SITUATION

The detail of balances with Public Administrations at 31 March 2017 and 31 March 2016 is as follows, in thousand euros:

The last of the la	31/03/2017		31/03/2016	
	Receivable	Payable	Receivable	Payable
Non-current:				
Deferred taxation assets	1,145	12	1,011	
Deferred taxation liabilities	2	11		18
	1,145	11	1,011	13
Current:				
Value Added Tax	2,030	. 3	2,181	
IRPF (Personal income tax) withholding		98	-	8
Corporate Income Tax	23	-	23	
Social Security bodies	14	248	33	23
	2,053	346	2,237	31

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Tax position

Under current legal provisions tax returns may not be considered as definitive until thy have been inspected by the tax authorities or the statute-barred period of four years has elapsed.

On 14 November 2014 the Tax Agency commenced inspections for the years 2012 and 2013 in respect of Value Added Tax and Corporate Income Tax. On 30 October 2015 the inspection was closed producing modifications to the tax base pending application in the Corporate income Tax.

Corporate income tax

The reconciliation between the net amount of revenues and expenses for the year with the taxable base for corporate income tax is as follows:

	2016 – 17 Profit and Loss Account			
Result for the year (after tax)			Ta-Tipe	
	Increases	Decreases	Net effect	
Corporate Income Tax	160	*	160	
Permanent differences	(a)	201	(201)	
Timing differences				
Arising in the year	86		86	
Arising in prior financial periods	15	232	(232)	
Compensation of prior year tax losses			(1.307)	
Tax Base (result for tax purposes)			1.607	
	2015 – 16 Profit and Loss Accoun		count	
Result for the year (after tax)	Call College		1,962	
	Increases	Decreases	Net effect	
Corporate Income Tax	2	173	(173)	
Permanent differences				
Timing differences				
Arising in the year	62		62	
Arising in prior financial periods		(87)	(87)	
Compensation of prior year tax losses			(730)	
Tax Base (result for tax purposes)			1,037	

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The following are the calculations made in determining the corporation tax payable, in thousand euros:

	2016-17	2015-16
Prior tax base	2,914	1,767
Compensation BIN's	(1,307)	(730)
Tax base	1,607	1,037
Tax at 25%/28 % on the taxable base Deductions	402	290
Tax charge	402	290
Less: withholdings and payments on account	•	
Tax payable/refundable	402	290

The following are the main components for the corporate expense/(income) tax expense:

	2016–17	2015–16
Current tax	402	290
Deferred tax	72	(381)
Tax adjustments CIT	(94)	(82)
Correction of Deferred Tax for previous years	(220)	-
Total	160	(173)

The movement on taxation generated and cancelled is shown below, in thousand euros:

	Profit and Loss Account			
	Balance at 31/03/2016	Generated	Applied	Balance at 31/03/2017
Deferred taxation assets:				
Timing differences	623	22	(152)	493
Negative tax bases	388	510	(247)	651
	1,011	532	(399)	1,144
Deferred taxation assets:				
Timing differences	21	(-)	(7)	11
	21	148	(7)	- 11

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The movement on taxation generated and cancelled in the previous year is shown below, in thousand euros:

		Profit and L	oss Account	
	Balance at 31/03/2015	Generated	Applied	Balance at 31/03/2016
Deferred taxation assets:				
Timing differences	630	17	(24)	623
Negative tax bases	:= :::::::::::::::::::::::::::::::::::	592	(204)	388
	630	609	(248)	1,011
Deferred taxation assets:				
Timing differences	21	<u>\$</u> (21
	21	- A - 21	1	21

At 31 March 2017, the negative tax bases pending compensation are, in thousand euros:

Financial year generated	Tax bases pending compensation
2009	2,967
2010	2,565
2011	1,479
2012	141
	7,152

Remaining outstanding for application are deductions for R & D, with the following amounts and time limits:

Financial year generated	R & D Amount in thousand euros	Financial time
2010	283	2030
2011	43	2031
2012	71	2032
2013	90	2033
03 2014	22	2033
2014-15	127	2034
2015-2016	153	2035
	789	

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At 31 March 2016 the losses pending compensation are as follows, in thousand euros:

Financial year generated	Tax bases pending compensation
2009	4,232
2010	2,565
2011	1,479
2012	141
	8,417

Remaining outstanding for application are deductions for R & D, with the following amounts and time limits:

Financial year generated	R & D Amount in thousand euros	Financial time limit
2009	2	2027
2010	377	2028
2011	43	2029
2012	71	2030
2013	90	2031
03 2014	22	2032
2014-15	127	2033
State of the last	732	

On 17 March 2015 the directors took the decision to create a tax group to take effect as from 1 April 2015, with the parent company being Global Mazinkert, S.L.U., the subsidiary being Clarton Horn, S.A.U. The tax group number assigned by the Tax Agency is 417/15.

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NOTE 17. REVENUES AND EXPENSES

a) Supplies

This heading in the attached Profit and Loss Account is made up of the following, in thousands of euros:

	2016-17	2015-16
Consumption of raw materials and other consumables		
National	21,713	20,714
Intracommunity acquisitions	4,171	3,221
Imports	3,121	1,633
Variation in Stocks	(501)	(304)
	28,504	25,264
Work carried out by other companies	3,058	2,673
Impairments (note 14)	69	50
Total supplies	31,631	27,987

b) Social security charges, etc.

This heading in the attached Profit and Loss Account is made up of the following:

	2016-17	2015-16
Wages and salaried Employer's Social Security contributions	7,738 2,390	7,269 2,241
Defined contribution system long-term remuneration	17	19
Other social expenses	123	81
Social charges	10,269	9,611

NOTE 18. GUARANTEES

At 31 March 2017, the Company provides guarantee for a loan granted to the company Clarton Horn, Mexico by the entity La Caixa for 3,525 thousand euros, (no guarantee had been requested or provided in the financial period to March 2014-15) and is also guarantor of a line of credit of a group company, Light & Systems Technical Center, S.L. of 250 thousand euros (there is nill utilization as on 31 March 2017).

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NOTE 19. ENVIRONMENTAL INFORMATION

The Company is under the obligation to comply with a series of legal provisions related with the protection and improvement of the environment, implying a series of expenses and investments as indicated below:

Description of the Expense	31/03/2017 Thousand euros	31/03/2016 Thousand euros
Waste management	(2)	2.70
Air protection	243	0.83
Protection of nature and care for the countrytside	2.84	3.66
Others	3.23	4.06
Total expenses	6.07	11.25

The Directors consider that no unprovided contingenies of an environmental nature will arise as a consequence of the Company's activity.

The Company neither holds or needs greenhouse effect gases emission allowances.

The company has implemented the environmental management systems required by the Standard DIN EN ISO 14001, compliance with which has been verified by an independent certifying agency. It is for this reason that the Directors are of the opinion that ther are no breaches in current regulations that could affect the Company's activities or which require significant investments or expenses.

NOTE 20. GRANTS, DONATIONS AND LEGACIES

The grants, donations and legacies received from third parties other than the Shareholders are as shown below:

	Amount at 31/03/2017	Amount at /03/2016
That appear in net equity in the balance sheet	34	54
Charged to the profit and loss account (a)	28	38

(a) Includes operating grants transferred to results for the year.

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The movement in this heading in the attached Balance Sheet during the financial year 2016-17 and the financial year 2015-16 was as follows:

	Amount at 31/03/2017	Amount at 31/03/2016
Balance at the beginning of the year	54	49
(+) Reversals in the year	-	40
(-) Tax effect	RES	(10)
(-) Grants transferred to results for the year	(28)	(38)
(+) Tax effect	8	13
Balance at the year end	34	54

In the financial year 2015-16 the Company received a total of 40 thousand euros as operating subsidies that have been recorded as revenue in the Profit and Loss Statement, proportionately in-line with the amortization of the subsidised elements.

Consigning entity	Amount received at 31/03/2016
Junta de Andalucía	40
Total	40

NOTE 21. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company had not assets held for sale in the financial year 2016-17.

NOTE 22. POST BALANCE SHEET EVENTS

There were no events subsequent to the 31 March 2017 year end that could have a significant effect on these annual accounts.

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NOTE 23. RELATED PARTY TRANSACTIONS

23.1) Balances between related parties

With effect as from 15 April 2013 Global Mazinkert, S.L., a subsidiary of the Indian group Minda Indsutries Limited, became the Company's sole shareholder.

Consequently, the balances and transactions detailed below correspond to the related parties for the shareholder that the Company had throughout the financial year 2016-17 and the financial year 2015-16.

The detail of the balances held with related parties at 31 March 2017 and 31 March 2016 is as shown below, in thousand euros:

THE WAY TO SHOW THE PARTY OF TH	31/03/2017		31/03/2016	
	Receivable	Payable	Receivable	Payable
Current:				
Loans granted and received				
Group companies				
Global Mazinkert (Note 8.2 & 9.1)	4,438	584	814	290
Trade operations				
Clarton Horn Maroc (Note 8.2)	294	2	327	64
Clarton Horn Mexico (Note 8.2)	378	-	386	54
Minda Industries LTD (Note 9.1)	5	2	-	
Minda Industries Limited (Note 8.2 & 9.1)	17	342	10	24
Clarton Horn Signalakustik (Note 9.1)	87-151 8-	96		134
Total Current	5,132	1,022	1,537	448

These balances are remunerated under normal market conditions.

The prices policy followed in all transactions carried out during both years complies with the application of normal market values.

23.2) Related party transactions

The following is the detail of the most important transactions carried out with related parties during the financial year 2016-17 in thousand euros:

2016-17	C H. Signalaku stik GmbH	Clarton Horn Maroc	Clarton Horn Mexico	Minda Industries Limited
Sales		635	574	33
Purchases/ expenses	413	8		1,648
Interests	=	1963	+	9

The following is the detail of the most important transactions carried out with related parties during the financial year 2015-16:

2015-16	C H. Signalaku stik GmbH	Clarton Horn Maroc	Clarton Horn Mexico	Minda Industries Limited
Sales	N#C	459	302	12
Purchases/ expenses	569	15	27	411
Interests)) =);	(4)	6	22

23.3) Balances and Transactions with Directors and Senior Management

No meeting fees accrued to members of the administration body during the financial year 2016-17 and the financial year 2015-16 and neither are there are there any loans or advances made to these or any other commitments, guarantees or other.

Apart from the members of the Board of Directors there are no other personnel who meet the definition of senior management, with the remuneration paid to the company's senior management amounting to 265 thousand euros in the financial year 2016-17 (286 thousand euros in the financial year 2015-16).

There were no commitments at 31 Marcha 2017 and 31 March 2106 in respect of complementary pensions or guarantees in favour of members of the Board of Directors.

In the current year, the Company maintains a Civil Liability Policy for Directors and Officers. The amount paid in the 2016-2017 period for this item amounts to 2,335.30 euros.

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Other information relating to the Directors

On 18 March 2015 under a certificate and minute from the sole shareholder, GLOBAL MAZINKERT S.L.U., the decision was taken to set up a Board of Directors, appointing the directors:

- Mr. Pradeep Tewari as Chairman and Director.
- Mr. Sanjay Jain as Secretary and Director.
- Mr. Juan Pedro Tabernero as Director.

Up until 18 March 2015, the Company's Sole Administrator was Mr. Pradeep Tewari who, in turn, is Joint Administrator of the company Global Mazinkert, S.L., the company that owns 100% of the shares of Clarton Horn, S.A. (Single Shareholder Company). He is also an employee of the company Minda Industries Limited, where he holds the position of "CEO" for the automobile components activities.

For their part, the directors Mr. Sanjay Jain is also and employee of the company Minda Industries Limited, where he holds the position of "VP-Corporate Finance & Planing" and Mr. Juan Pedro Tabernero, who does not hold positions and/or holdings in companies other than Global Mazinkert SL.

In accordance with what is established in article 229 of the Capital Companies Act introduced by Royal Decree Law 1/2010 of 2 July 2010 and Law 31/2014 of 3 December 2014, modifying the Capital Companies Act for improving corporate governance, it is stated that none of the members of the Board of Directors was in a situation of conflict of interest with the Company, directly or indirectly, during the financial year 2015-16.

Similarly, and in accordance with the provisions of the aforementioned Capital Companies' Act, it is stated that the members of the Board of Directors have not carried out any activity with the Company, either on their own behalf or for third parties that might be considered to be outside of ordinary business or not carried out under normal market conditions.

NOTE 24. OTHER INFORMATION

The average number of persons employed during the financial year 2016-17 and the financial year 2015-16 was as follows, distributed by categories:

	Average	Average Number of Employees 2016-17		
Category	Men	Women	Total	
Direct	119	24	143	
 Handicap certificate 	1	1	2	
Indirect	86	32	118	
 Handicap certificate 	1	2	3	
Total	205	56	261	

	Average	Average Number of Employees 2015-16			
Category	Men	Women	Total		
Direct	109	21	130		
Indirect	90	31	121		
Total	199	52	251		

The number of persons employed at the close of business on 31 March 2017 and at 31 March 2016 as at 31 March 2016 is as follows:

	Number of Employees 31/03/2017		
Category	Men	Women	Total
Direct	131	25	156
 Handicap certificate 	1	1	2
Indirect	89	33	122
 Handicap certificate 	1	2	3
Total	220	58	278

	Number of Employees 31/03/2016			
Category	Men	Women	Total	
Direct	111	22	133	
Indirect	85	32	117	
Total	196	54	250	

NOTE 25. SEGMENTED INFORMATION

The distribution of the net turnover for the Company's ordinary activities by categories and/or segments of activity is as shown below:

	31/03/20	31/03/2017		016
	Thousand euros	%	Thousand euros	%
National	3,951	7.70	3,582	8.12
European Union	41,370	80.63	36,678	83.16
Rest of the World	5,986	11.67	3,846	8.72
Total	51,307	100	44,106	100

	31/03/2	2017	31/03/	2016
	Amount	% over total	Amount	% over total
Sales of merchandise	51,037	100	44,106	100
Total	51,037	100	44,106	100

The following were the movements included under "Other operating revenues" in the financial year 2016-17 and the financial year 2015-16:

	Thousand EURO
Other operating revenues 2016-17 Revenues from other operating activities	614
Revenues from other operating activities	014
Total other revenues	614

The heading for other operating revenues comprises mainly revenues on the sales of tooling and scrap.

	Thousand EURO
Other operating revenues 2015-16 Revenues from other operating activities	1,267
Total other revenues	1,267

CLARTON HORN, S.A. (Single Shareholder Company) DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-17

CLARTON HORN, S.A. (Single Shareholder Company)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

DEVELOPMENTS IN THE FINANCIAL YEAR 2016-17

The Company's net sales amounted to 51,307 thousand euros.

The Company had a profit after tax of 3,101 thousand euros.

The most significant variations that have occurred in relation to the previous year are:

1.	An increase in turnover	7,201 thousand euros
2.	Decrease of fixed assets	90 thousand euros
3.	Increase in finished stock and work in progress	128 thousand euros
4.	Increase in raw material stock	486 thousand euros
5.	Increase in procurement expenses	3,644 thousand euros
6.	Increase in personnel costs	658 thousand euros
7.	Increase in other operating expenses	669 thousand euros
8.	Increase in amortization of property, plant and equipment	42 thousand euros
9.	Variation in Corporate Income Tax	-333 thousand euros

The average workforce of the Company was 261 people during the financial year.

THE COMPANY'S EXPECTED DEVELOPMENT

Based on the investments made in the Company in recent years the target has been created of evolving positively towards a growth in the Company's turnover and to reach an EBITDA of 7.95%.

RESEARCH AND DEVELOPMENT ACTIVITIES

Expenditure on research and development amounted to 1,777 thousand euros in the financial year, equivalent to 3.5% of the sales for the year.

TREASURY SHARES ACQUIRED

No operations with treasury shares were carried out during the financial year.

MAIN RISKS TO WHICH THE COMPANY IS EXPOSED

The business activity of Clarton Horn, S.A. (Single Shareholder Company) is carried out entirely in Spain although, given the high level of EU sales and exports, the social and economic climate of the destination countries can affect its evolution.

In general, the company considers as relevant those risks that could comprise the economic profitability of the Company's activity and its financial solvency. Among these one can cite:

- Environmental risks
- Damage causation risks
- Risks related with the health and safety of employees
- Risks of damage to goods and assets

The Company has control systems designed for the effective identification, measurement, evaluation and prioritisation of these risks. These systems generate sufficient and reliable information for those responsible for manging these risks to decide whether these are taken on under conditions that are controlled, mitigated or averted.

OPERATIONS WITH DERIVATIVE FINANCIAL INSTRUMENTS

No operations were carried out with derivative financial instruments during the financial year 2016-17.

AVERAGE PERIOD OF PAYMENTS TO SUPPLIERS

In accordance with the provisions of the Capital Companies Act it is stated that the average period of payment to suppliers during the financial year 2016-17 was 57 days.

PREPARATION OF THE ANNUAL ACCOUNTS AND THE DIRECTORS' REPORT

In compliance with current company law, the Directors of CLARTON HORN, S.A. (Single Shareholder Company have drawn up the Annual Accounts and Directors' Report for the financial year ended 31 March 2017.

La Carolina (Jaén), 28 April 2017

The Board of Directors

Mr. Pradeep Tewari Chairman

Mr. Sanjay Jain Secretary - Director

Mr. Juan Pedro Tabernero

Director

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