



CLARTON HORN, S.A. (Sociedad Unipersonal)

Annual Accounts and Directors' Report for the financial year ended 31 March 2018 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 2018 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 2018:

- Balance Sheets at 31 March 2018 and 31 March 2017
- Profit and Loss Accounts for the financial year ended 31 March 2018 and 31 March 2017
- Statement of Changes in Net Equity for the financial year ended 31 March 2018 and 31 March 2017
- Cash Flow Statement for the financial year ended 31 March 2018 and 31 March 2017
- Report for the financial year ended 31 March 2018

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018



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

Auditors' Report on the Annual Accounts

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.

Audit report on the financial statements issued by an independent auditor

To the Sole Shareholder of **CLARTON HORN, S.A. (Single Shareholder Company)**:

Opinion

We have audited the financial statements of **CLARTON HORN, S.A. (Single Shareholder Company)** (the Company), which comprise the balance sheet at 31 March 2018, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report for the financial year ended on that date (year 2017).

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the Company's equity and financial position as at 31 March 2018, as well as its results and cash flows for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information (identified in note 2 a) of the report) and, in particular, with the accounting principles and criteria contained therein.

Basis for opinion

We have performed our audit in accordance with the current regulations governing the auditing of accounts in Spain. Our responsibilities in accordance with these regulations are described later in the section *Auditor's Responsibilities relating to the audit of the financial statements* of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the financial statements in Spain as required by the regulations governing the activity of auditing accounts. Accordingly, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned governing regulations, have compromised the necessary independence.

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

Key audit matters

The key audit matters are matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and in the formation of our opinion on these and we do not express a separate opinion on those matters.

Key audit matters	Audit response
<i>Risk related to the valuation and accuracy of stocks</i>	
<p>The main activity of the Company focuses on the import, export, purchase, sale, manufacture, installation and repair of components of electrical and electronic equipment for the automotive sector, mainly horns.</p> <p>As explained in note 4 e) of the accompanying report, inventories are valued at their cost, either the purchase price or the production cost, according to the weighted average price method.</p> <p>The valuation of the stock is a complex process that requires an appropriate determination of the acquisition costs and the allocation of the production costs, for which reason we consider that the valuation and accuracy of the amount of supplies and of the inventory figure as a key matter.</p>	<p>We have carried out, among others, the following audit procedures:</p> <ul style="list-style-type: none">- Understanding of the valuation method used by the Company, specifically, the criteria used in the allocation of direct and indirect costs (personnel costs, depreciation and other expenses related to the manufacturing process), verifying that the method used complies with the regulations applicable and is consistent with the use in the previous year.- Performing tests on the internal controls established by the Company on the purchasing process.- Performing of physical counts on inventories at the close of the year in the Company's facilities.- Performing for a sample of references a valuation test of the inventories based on purchase invoices as well as the composition of costs used by the Company.- Performing, for a sample of references, a test of the net value of realization of the inventories in order to verify that the value of the inventories is lower than the estimated sale price.

Key audit matters	Audit response
	<ul style="list-style-type: none"> - Analysis of the purchases and sales operations correct cut off at the end of the year and that are recorded on an accrual basis. - Analysis of the obsolescence or impairment of the Company's stock. - Verification that the information and details included in the annual accounts on these aspects is adequate.
<p><i>Valuation and accuracy of commercial debtors and accounts receivable, as well as operating income</i></p> <p>Revenues are measured at the fair value of the consideration received or receivable, deducting the discounts, price reductions and other similar items that the Company may grant, as well as, if applicable, the interests included in the nominal amount of the credits.</p> <p>We have identified as a potential risk the appropriate accounting for sales, discounts and other related business expenses and their record in the caption Customers for sales and services, due to the importance of ordinary income and debtor in the annual accounts, we have considered this fact as a key matter.</p>	<p>We have carried out, among others, the following audit procedures:</p> <ul style="list-style-type: none"> - Understanding of the process of recognition of commercial income and expenses, evaluating the internal controls established by random sampling. - Analysis on the reasonableness of the registered income through analytical reviews of the different income accounts. Comparison of the budget for the year with the actual data and the previous year. Analysis of the most significant variations. - Review of the sales operations cut off to verify that the registration of the income is made based on an accrual basis.

Key audit matters	Audit response
<i>Risk in the valuation of tax credits</i>	
<p>The Company has a significant balance of deferred tax assets corresponding, fundamentally, to negative tax bases of previous years.</p> <p>We have identified as a potential risk the recoverability of these assets and their inclusion in the profit and loss account, so we have considered this aspect as a key matter.</p>	<p>We have carried out, among others, the following audit procedures:</p> <ul style="list-style-type: none">- Analysis of the controls established by the Company to assess the recoverability of the assets recorded.- Obtaining the financial forecast for the next exercises, analysis of the hypothesis used and the coherence with the actual results of the Company.- Verification that the information and details included in the annual accounts on these aspects is adequate.

Other information: Management report

The other information comprises exclusively the management report for financial year 2017, the formulation of which is the responsibility of the Company's management and does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility over the management report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the management report with the financial statements, based on the knowledge of the Entity obtained in performing the audit of the aforementioned accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report that the content and presentation of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report this.

Based on the work performed, as described in the previous paragraph, the information contained in the management report agrees with that in the financial statements for financial year 2017 and its content and presentation is in accordance with the applicable regulations.

The responsibility of the management in respect of the financial statements

The management are responsible for formulating the accompanying financial statements, so that they give a true image of the assets, the financial situation and the results of the Company, in accordance with the regulatory framework on financial information applicable to the Entity in Spain, and of the internal control that they consider necessary to allow the preparation of the financial statements free of material misstatement, due to fraud or error.

In the preparation of the financial statements, the management are responsible for assessing the Company's ability to continue as a going concern, revealing, as appropriate, the matters related with a company in operation and using the accounting principle of a going concern except if the management intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with the regulations governing the audit activity in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the current regulations governing the account auditing activity in Spain, we exercise professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management.

- We conclude whether the use, by management, of the accounting principle of the company as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to events or conditions that can generate significant doubts about the ability of the Company to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Entity's management of regarding, amongst other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the course of the audit.

Amongst the matters that have been communicated to the Entity's management, we determine those that have been of the greatest significance in the audit of the financial statements of the current period and that are, consequently, the key matters of the audit.

We describe those matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

BDO Auditores, S.L.P.

2 May 2018

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

ANNUAL ACCOUNTS FOR TO THE FINANCIAL YEAR ENDED 31
MARCH 2018

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

BALANCE SHEETS AT 31 MARCH 2018 AND 31 MARCH 2017

(Stated in thousand euros)

ASSETS	Notes to the Report	31.03.2018	31.03.2017
A- NON-CURRENT ASSETS			
<u>I - INTANGIBLE ASSETS</u>			
- Computer applications		88	82
TOTAL INTANGIBLE ASSETS	Notes 5	88	82
<u>II - TANGIBLE FIXED ASSETS</u>			
- Land and buildings		214	229
- Technical installations and other tangible fixed assets		3,360	3,269
- Fixed assets in the course of construction and advances		769	517
TOTAL TANGIBLE FIXED ASSETS	Note 6	4,343	4,015
<u>III - LONG-TERM INVESTMENTS IN GROUP AND AFFILIATED COMPANIES</u>			
- Equity Instruments		3,906	1,906
TOTAL LONG-TERM INVESTMENTS IN GROUP AND AFFILIATED COMPANIES.	Note 8.3	3,096	1,906
V - DEFERRED TAX ASSETS	Note 16	1,409	1,145
TOTAL NON-CURRENT ASSETS		8,936	7,148
B - CURRENT ASSETS			
<u>I – STOCKS</u>			
- Raw materials and other supplies		2,637	2,181
- Work in progress		657	364
- Finished products		1,016	1,241
TOTAL STOCKS	Note 14	4,310	3,786
<u>II - DEBTORS</u>			
- Customers for sales and services	Note 8.2	8,811	9,149
- Customers - group and associate companies	Notes 8.2 & 23.1	938	689
- Sundry debtors	Note 8.2	8	154
- Personnel	Note 8.2	10	11
- Current taxation assets	Note 16	23	23
- Other receivables from Public Administration	Note 16	2,744	2,030
TOTAL DEBTORS		12,534	12,056

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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ASSETS	Notes to the Report	31.03.2018	31.03.2017
<u>III - CURRENT INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES</u>			
- Loans to companies	Notes 8.2 & 23.1	7,162	4,438
TOTAL INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES		7,162	4,438
V. SHORT-TERM ACCRUALS		15	6
<u>VI - CASH AND OTHER EQUIVALENT LIQUID ASSETS</u>			
- Cash and banks		42	134
TOTAL CASH AND OTHER EQUIVALENT LIQUID ASSETS	Note 8.1	42	134
TOTAL CURRENT ASSETS		24,063	20,420
TOTAL ASSETS		32,999	27,568

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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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

BALANCE SHEETS AT 31 MARCH 2018 AND 31 MARCH 2017

(Stated in thousand euros)

EQUITY AND LIABILITIES	Notes to the report	31.03.2018	31.03.2017
A – EQUITY			
<u>I – CAPITAL</u>			
- Shared capital		962	962
TOTAL CAPITAL	Note 13.1	962	962
II - ISSUE PREMIUM			
		5,975	5,975
<u>III - RESERVES</u>			
- Legal and statutory		5,672	2,726
- Other reserves		(703)	(703)
- Capitalization reserves		180	25
TOTAL RESERVES	Note 13.2	5,149	2,048
VI - YEAR-END RESULTS			
		2,335	3,101
TOTAL SHAREHOLDERS' EQUITY	Note 13	14,421	12,086
A.3 - GRANTS, DONATIONS AND LEGACIES RECEIVED			
<u>I – GRANTS</u>	Note 20	20	34
TOTAL GRANTS, DONATIONS AND LEGACIES RECEIVED		20	34
TOTAL EQUITY		14,441	12,120
II - NON-CURRENT PAYABLES			
<u>II - NON-CURRENT PAYABLES</u>			
- Other financial liabilities		663	786
TOTAL NON-CURRENT PAYABLES	Note 9	663	786
IV - DEFERRED TAX LIABILITIES			
	Note 16	7	11
TOTAL NON-CURRENT LIABILITIES		670	797

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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EQUITY AND LIABILITIES	Notes to the report	31.03.2018	31.03.2017
C - CURRENT LIABILITIES			
I. SHORT-TERM PROVISIONS		12	27
II - CURRENT PAYABLES			
- Short-term liabilities by disposed loan	Note 9.1	6,467	4,609
- Short-term liabilities	Note 9.1	122	122
TOTAL- CURRENT PAYABLES		6,589	4,731
III - SHORT TERM DEBTS WITH GROUP AND AFFILIATED COMPANIES	Note 9.1	704	584
TOTAL SHORT TERM DEBTS WITH GROUP AND AFFILIATED COMPANIES		704	584
IV - TRADE AND OTHER ACCOUNTS PAYABLES			
- Suppliers	Note 9.1	8,570	7,606
- Suppliers - group and associate companies	Note 9.1	845	438
- Sundry creditors	Note 9.1	11	8
- Personnel	Note 9.1	824	911
- Other liabilities with public administrations	Note 16	333	346
TOTAL TRADE AND OTHER ACCOUNTS PAYABLE		10,583	9,309
TOTAL CURRENT LIABILITIES		17,888	14,651
TOTAL NET EQUITY AND LIABILITIES		32,999	27,568

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2018 AND THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2017

(Stated in thousand euros)

	Notes to the report	2017-18	2016-17
A - ONGOING OPERATIONS			
<u>1 - NET SALES</u>			
- Sales		53,119	51,307
TOTAL NET SALES	Note 25	53,119	51,307
<u>2 - VARIANCES IN INVENTORY OF FINISHED PRODUCTS AND WORK-IN-PROCESS</u>		(302)	154
<u>3 - WORK PERFORMED BY THE COMPANY FOR ACTIVE</u>		143	95
<u>4 - SUPPLIES</u>			
- Consumption of raw materials and other materials		(31,020)	(28,504)
- Works realized by other companies		(2,812)	(3,058)
- Good losses, raw materials and other supplies		39	(69)
TOTAL SUPPLY EXPENSES	Note 17.a	(33,793)	(31,631)
<u>5 - OTHER OPERATING PROFITS</u>			
- Incomes and other current actions		909	614
TOTAL OTHER OPERATING INCOMES	Note 25	909	614
<u>6 - EXPENDITURE ON PERSONNEL</u>			
- Wages, salaries and others		(8,084)	(7,738)
- Indemnities		(116)	-
- Social Security Contributions		(2,666)	(2,531)
TOTAL EXPENDITURE PERSONNEL	Note 17.b	(10,866)	(10,269)
<u>7 - OTHER OPERATING EXPENSES</u>			
- External services		(5,413)	(5,232)
- Taxes		(48)	(60)
- Losses and variances provisional commercial operations		(69)	2
- Other current action expenses		(5)	-
TOTAL OTHER OPERATING EXPENSES		(5,535)	(5,290)
8 - DEPRECIATION	Notes 5 &	(1,504)	(1,738)
9 - GRANTS AND OTHER NON-FINANCIAL ASSETS	Note 20	19	28

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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	Notes to the report	2017-18	2016-17
<u>11 - LOSS AND RESULT FROM FIXED ASSETS</u>			
- Results on disposals and others		(2)	(1)
TOTAL LOSSES AND RESULTS FROM FIXED ASSETS		(2)	(1)
OTHER RESULTS		(5)	-
A.1 - YEAR-END OPERATING		2,183	3,269
<u>12.- NEGOTIABLE VALUES AND OTHER FINANCIAL INSTRUMENTS</u>			
- Group and associated companies		84	49
- Others		-	1
TOTAL NEGOTIABLE VALUES AND OTHER FINANCIAL INSTRUMENTS		84	50
TOTAL FINANCIAL INCOMES		84	50
<u>13 - FINANCIAL EXPENSES</u>			
- Other debts		(65)	(63)
TOTAL FINANCIAL EXPENSES		(65)	(63)
15 - EXCHANGE RATES	Note 15	(12)	5
A.2 - FINACIAL RESULTS		7	(8)
A.3 - PRE-TAX RESULTS		2,190	3,261
<u>17 - TAX ON PROFITS</u>	Note 16	145	(160)
A.4 - YEAR-END RESULT OF ONGOING TRANSACTIONS		2,335	3,101
A.5 - YEAR-END RESULTS		2,335	3,101

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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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 2018
AND ENDED 31 MARCH 2017
(Stated in thousand euros)**

	31.03.2018	31.03.2017
RESULT FROM THE PROFIT AND LOSS ACCOUNT	2,335	3,101
Revenues and expenses attributed directly to net equity:		
IV. Grants, donations and legacies received (Note 20)	-	-
V. Tax effect (Note 20)	-	-
TOTAL REVENUES AND EXPENSES ATTRIBUTED	-	-
Transfers to the profit and loss account		
IV. Grants, donations and legacies received (Note 20)	(19)	(28)
X. Tax effect (Note 20)	5	8
TOTAL TRANSFERS TO THE PROFIT AND LOSS	(14)	(20)
TOTAL RECOGNISED REVENUES AND EXPENSES	2,321	3,081

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Financial year ended 31 March 2018*

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

**B) TOTAL STATEMENT OF CHANGES IN NET EQUITY ENDED 31 MARCH 2018 AND THE
FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2017**

(Stated in thousand euros)

	Authorised capital	Issue premium	Reserves	Current year results	Grants	Total
Balance at year-end 31.03.2016	962	5,975	86	1,962	54	9,039
Total recognised revenues and expenses for the year	-	-	-	3,101	(20)	3,081
Other changes in equity	-	-	1,962	(1,962)	-	-
Balance at year-end 31.03.2017	962	5,975	2,048	3,101	34	12,120
Total recognised revenues and expenses for the year	-	-	-	2,335	(14)	2,321
Other changes in equity	-	-	3,101	(3,101)	-	-
Balance at year-end 31.03.2018	962	5,975	5,149	2,335	20	14,441

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2018 AND THE FINANCIAL YEAR OF 12 MONTHS ENDED 31 MARCH 2017

(Stated in thousand euros)

	Notes to the Report	31.03.2018	31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES			
Financial year's pre tax earnings		2,190	3,261
Adjustments to earnings		1,534	1,723
Amortization of fixed assets	(note 5 & 6)	1,504	1,738
Allocation of grants	(note 20)	(19)	(28)
Financial income		(84)	(50)
Financial expenses		65	63
Exchange differences		12	(5)
Result from disposals of fixed assets		2	1
Surplus provisions		69	-
Changes in provisions		(15)	4
Changes in current capital		491	(301)
Inventories		(524)	(590)
Trade and other receivables		(545)	(1,810)
Other current assets		9	(4)
Trade and other payables		1,551	2,103
Other current liabilities		-	23
Other cash flow from operating activities		(65)	(62)
Interest payments		-	(63)
Receipts from interest		(65)	1
Cash flow for operating activities		4,150	4,621
CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments for investments		(5,949)	(6,320)
Group and affiliated companies - Equity instruments	Notes 8.4 y 23.1	(1,190)	(925)
Group and affiliated companies - Credit	Notes 8.4 y 23.1	(2,641)	(3,575)
Intangible fixed assets	Note 5	(72)	(56)
Tangible fixed assets	Note 6	(2,046)	(1,764)
Proceeds from disposal		-	200
Other financial assets	Note 8.2	-	200
Cash flow from investment activities		(5,949)	(6,120)

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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	Notes to the Report	31.03.2018	31.03.2017
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts and payments for financial liability instruments		1,719	1.102
Issuing of debts with credit institutions		1,850	1.400
Debts with credit institutions		(8)	(220)
Others debts		(123)	(78)
Cash flow from financing activities		1,719	1.102
EFFECT OF CHANGES IN EXCHANGE RATES		(12)	5
NET REDUCTION OF CASH AND CASH EQUIVALENTS		(92)	(392)
Cash or cash equivalents at start of financial year		134	526
Cash or cash equivalents at end of financial year		42	134

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

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
Financial year ended 31 March 2018*

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

**REPORT FOR THE FINANCIAL YEAR OF TWELVE MONTHS ENDED 31
MARCH 2018**

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

a) Company Incorporation and Registered Office

CLARTON HORN, S.A.U. (Sole Shareholder Company), (hereinafter the Company) was incorporated on 14 September 1994 under the name of ROBERT BOSCH ESPAÑA FABRICA LA CAROLINA, S.A.U. (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.U. (Sole Shareholder Company).

The Company's current registered office is at AVD. JUAN CARLOS I, S/N, 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 2017 and ends on 31 March 2018. In the remaining Notes to this Report whenever reference is made to the financial year ended 31 March 2018 this is simplified to "financial year 2017-18".

c) Legal Regime

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

The Company belongs to a group, whose parent company is its sole shareholder, Global Mazinkert, S.L., which deposits its consolidated annual accounts in the Mercantile Registry of Madrid.

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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 2017-18 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 2018 in addition to those for the twelve month financial year ended 31 March 2017. The items for both financial years are comparable and homogenous.

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f) Corrections and errors

No corrections or errors for regularization were identified in this financial year 2017-18.

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.

NOTE 3. DISTRIBUTION OF RESULTS

The proposal for the distribution of the result for the financial year 2017-18, as drawn up by the Directors and the Sole Administrator, is as shown below, in thousand euros:

2017-18	
Basis for distribution	
Profit obtained in the year	2,335
Distribution to:	
Prior year losses	
Voluntary reserves	2,218
Capital reserves	117

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NOTE 4. ACCOUNTING AND VALUATION POLICIES

The main valuation policies used by the Company in drawing up its annual accounts for the financial year 2017-18 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 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.

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*Annual Accounts of Clarton Horn, S.A. (Sole Shareholder Company)
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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.

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.

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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-assessed 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:

1. 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:

- a) 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.

Debits and payables

Classified into this category are:

- a) Debits from trade operations: financial liabilities originated from the purchase of goods and services for trade operations, and
- b) 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.

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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 2018 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.

At yearend, 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 identifiable items in the investee company's balance sheet.

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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.

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.

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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.

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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.
- 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.

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

- The relevant risks and rewards inherent to ownership of the goods, independently of their legal transfer, have been transferred to the buyer.
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- 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.

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.

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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.

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.

l) 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.

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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 it 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 determined and, if applicable, a value correction is recorded 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.

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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.
- c) 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:

Cash or equivalents: 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.

Cash flows: 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.

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

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

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o) Obligations for employment benefits

- Pension commitments

Clarton Horn, S.A.U. (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.

NOTE 5. INTANGIBLE FIXED ASSETS

The detail and movement for intangible fixed assets during the financial year 2017-18 are as follows:

	Opening Balances 01/04/2017	Additions	Closing Balances 31/03/2018
At Cost:			
Computer software	761	69	830
	761	69	830
Accumulated amortisation:			
Computer software	(679)	(63)	(742)
	(679)	(63)	(742)
Net Intangible Fixed Assets	82	6	88

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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

Totally depreciated items in use

The following is the detail by headings at 31 March 2018 and 2017, of the most significant totally amortised intangible fixed assets still in use, indicating their cost value, stated in thousand euros:

	2017-18	2016-17
Computer software	655	584
	655	584

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NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The detail and movement for property, plant and equipment during the financial year 2017-18 are as follows:

	Opening Balances 01/04/2017	Additions	Withdrawals	Transfers	Closing balances 31/03/2018
At Cost:					
Land and natural resources	107	-	-	-	107
Buildings	4,049	6	(6)	-	4,049
Technical installations and machinery	30,169	415	(154)	93	30,523
Tools, other facilities and furniture	11,198	768	(18)	189	12,138
Data processing equipment	740	49	(6)	-	783
Other property, plant and equipment	187	-	(16)	-	171
Advances and fixed assets in progress	517	535	-	(282)	769
	46,967	1,773	(200)	-	48,540
Accumulated amortisation:					
Buildings	(3,926)	(22)	6	-	(3,942)
Technical installations and machinery	(27,732)	(560)	154	-	(28,138)
Tools, other facilities and furniture	(10,453)	(799)	15	-	(11,237)
Data processing equipment	(674)	(58)	6	-	(726)
Other property, plant and equipment	(167)	(2)	15	-	(154)
	(42,952)	(1,441)	196	-	(44,197)
Net property, plant and equipment	4,015	332	(4)	-	4,343

The additions for the financial year 2017-18 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 2017-18 correspond mainly to machinery and tooling as per the detail in the above table.

Transfers of property, plant and equipment during the financial year 2017-18 correspond to the completion of the assembly of machinery and tooling.

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The detail and movements on property, plant and equipment during the financial year 2016-17 were 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	29,848	466	(164)	19	30,169
Tools, other facilities and furniture	10,724	620	(217)	71	11,198
Data processing equipment	959	21	(240)	-	740
Other property, plant and equipment	277	3	(93)	-	187
Advances and fixed assets in progress	134	483	(10)	(90)	517
	46,099	1,604	(736)	-	46,967
Accumulated amortisation:					
Buildings	(3,911)	(27)	12	-	(3,926)
Technical installations and machinery	(27,330)	(566)	164	-	(27,732)
Tools, other facilities and furniture	(9,640)	(1,029)	216	-	(10,453)
Data processing equipment	(866)	(48)	240	-	(674)
Other property, plant and equipment	(258)	(2)	93	-	(167)
	(42,005)	(1,672)	725	-	(42,952)
Net property, plant and equipment	4,094	(68)	(11)	-	4,015

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

The withdrawals for the financial year 2016-17 correspond mainly to machinery and tooling as detailed 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.

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Totally depreciated items in use

The following is the detail by headings at 31 March 2018 and 31 March 2017 of totally depreciated fixed assets still in use, indicating their cost value:

	2017-18	2016-17
Buildings	3,711	3,534
Technical installations	1,082	1,031
Machinery	25,018	24,474
Tooling	9,940	8,839
Other installations	7	7
Furniture	642	628
Data processing equipment	609	596
Other property, plant and equipment	164	164
	41,173	39,273

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 2017-18 in respect of operating leases amounted to 35,868.06 euros (30,084.53 euros in 2016-17). These leases correspond to the rental of vehicles and multifunction equipments.

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NOTE 8. FINANCIAL ASSETS

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

	Loans, Derivatives and others		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Cash and other liquid assets:				
Cash and other liquid assets (Note 8.1)	42	134	42	134
Loans and receivables (Note 8.2)	16,929	14,441	16,929	14,441
Total	16,971	14,575	16,971	14,575

8.1) Cash and other equivalent liquid assets

The detail of these assets at 31 March 2018 and 31 March 2017 is as follows:

	Balance at 31/03/2018	Balance at 31/03/2017
Current accounts	34	132
Cash reserves	8	2
Total	42	134

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8.2) Loans and receivables

The composition of this heading at 31 March 2018 and 31 March 2017 is as follows:

	Balance at 31/03/2018		Balance at 31/03/2017	
	Long-term	Short-term	Long-term	Short-term
Receivables on trade operations				
Group company customers (Note 23.1)	-	938	-	689
Third party customers	-	8,811	-	9,149
Third party debtors	-	8	-	154
Total receivables on trade operation	-	9,757	-	9,992
Receivable on non-trade operations				
Personnel	-	10	-	11
Total receivables for non-trade operations	-	10	-	11
Financial investments				
Loans to group and associate companies (Note 23.1)	-	7,162	-	4,438
Total financial investments	-	7,162	-	4,438
Total	-	16,929	-	14,441

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

	Balance at 31/03/2017	Impairment provision	Balance at 31/03/2018
Receivables on trade operations			
Customers – Impairment loss	(65)	(69)	(134)
Total	(65)	(69)	(134)

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Impairments	Balance at 31/03/2016	Reversion provision	Balance at 31/03/2017
Receivables on trade operations			
Customers – Impairment loss	(67)	2	(65)
Total	(67)	2	(65)

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

The holdings as 31 March 2018 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 GmbH	100%	5,500	(5,399)	101
Clarton Horn Maroc S.A.R.L.	99,99%	105	-	105
Clarton Horn México S. de R.L. de C.V.	100%	2,890	-	2,890
		8,495	(5,399)	3,096

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 started on November 2015.

Holdings in group companies increased in the financial year 2017-18 due to the capital increase of 1,190 thousand euros in Clarton Horn México.

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The holdings as 31 March 2017 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 GmbH	100%	5,500	(5,399)	101
Clarton Horn Maroc S.A.R.L.	99,99%	105	-	105
Clarton Horn México S. de R.L. de C.V.	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.

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

The summary of the net equities at 31 March 2018 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 GmbH	31/03/18	25	-	103	13	-	141
Clarton Horn Maroc S.A.R.L.	31/03/18	105	-	11	55	-	171
Clarton Horn México S. de R.L. de C.V.	31/03/18	2,890	(77)	(1,611)	1,201	33	34

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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:

Company	Balance sheet date	Share Capital	Reserves	Prior year results	Result for the Year	Grants	Total
Group companies:							
CH Signalakustik GmbH	31/03/17	25	-	90	13	-	128
Clarton Horn Maroc S.A.R.L.	31/03/17	105	-	(27)	38	-	116
Clarton Horn México S de R L de C V	31/03/17	1,700	-	(671)	(978)	38	89

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)

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NOTE 9. FINANCIAL LIABILITIES

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

	Long-term liabilities:		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Debits and payables (Note 9.4)	663	786	663	786
Total	663	786	663	786

The debit amount of 663 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 348 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 2018, the amount of 43 thousand euros was reclassified in the short term, since the amortization date of the second instalment of the aid is 31 July 2018.
- 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 315 thousand euros. The aid loan granted is 552 thousand euros and, on 31 March 2018, the amount of 79 thousand euros has been reclassified in the short term as the repayment date for the third instalment of the aid is on 1 October 2018.

The detail of current financial liabilities is as follows:

	Amounts owing to credit entities		Amounts owing to derivatives and other financial liabilities.		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Debits and payables (Note 9.1)	6,467	4,609	11,076	9,669	17,543	14,278
Total	6,467	4,609	11,076	9,669	17,543	14,278

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9.1) Debits and payables

The following is the detail of these at 31 March 2018 and 31 March 2017, in thousand euros:

	Balance at 31/03/2018		Balance at 31/03/2017	
	Long-term	Short-term	Long-term	Short-term
On trade operations:				
Suppliers	-	8,570	-	7,606
Related party suppliers (Note 23.1)	-	845	-	438
Total balances for trade operations	-	9,415	-	8,044
On non-trade operations:				
Amounts owed to financial institutions (Note 9.2)	-	6,467	-	4,609
Amounts owed to group companies (Note 23.1)	-	704	-	584
Other financial liabilities (Note 9.3)	-	122	-	122
Sundry creditors	-	11	-	8
Loans and other liabilities	-	7,304	-	5,323
Personnel (outstanding salaries)	-	824	-	911
Total balances on non-trade operations	-	824	-	911
Total debits and payables	-	17,543	-	14,278

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9.2) Amounts owing to credit entities

At 31 March 2018 the Company had the following credit facilities with credit entities:

Credit entities	Limit	Drawn down	Rate of interest
La Caixa	2,500	2,500	Euribor + diferencial
La Caixa	400	393	Euribor + diferencial
BBVA	600	307	Euribor + diferencial
BBVA	750	750	Euribor + diferencial
BBVA	700	700	Euribor + diferencial
Banco Santander	750	750	Euribor + diferencial
Banco Santander	600	591	Euribor + diferencial
Banco Santander	500	476	Euribor + diferencial
Total	6,800	6,467	

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	

9.3) Other information relating to financial liabilities

The amount of 122 thousand euros at 31 March 2018 corresponds to the second 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 2018 and the third amortization of the Aid Loan in The Reindus 2012 subsidy loan from the *Ministerio de Industria, Turismo y Comercio* (Industry, Tourism and Commerce Ministry), whose due date is 1 October 2018, as previously mentioned.

The amount of 122 thousand euros at 31 March 2017 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 from the *Ministerio de Industria, Turismo y Comercio* (Industry, Tourism and Commerce Ministry), whose due date is 1 October 2017, as previously mentioned.

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9.4) Other information relating to financial liabilities

a) Classification by due dates

The detail of due dates for financial liability instruments at the 2017-18 year end is as follows:

	2018	2019	2020	Due date in years		Over 5 years	Total
				2021	2022		
Long-term liabilities:							
Other long-term liabilities	-	122	122	122	122	175	663
Financial liabilities:							
Other financial liabilities	6,467	-	-	-	-	-	6,467
Other Current liabilities:							
Other current liabilities	826	-	-	-	-	-	826
Trade creditors and other accounts payable							
Suppliers	9,415	-	-	-	-	-	9,415
Sundry creditors	11	-	-	-	-	-	11
Personnel	824	-	-	-	-	-	824
Total	17,543	122	122	122	122	175	18,206

The detail of due dates for financial liability instruments at March 2017 financial year end is as follows:

	2016	2017	2018	Due date in years		Over 5 years	Total
				2019	2020		
Long-term liabilities:							
Other long-term liabilities	-	122	122	122	122	298	786
Financial liabilities:							
Other financial liabilities	4,609	-	-	-	-	-	4,609
Other Current liabilities:							
Other current liabilities	706	-	-	-	-	-	706
Trade creditors and other accounts payable							
Suppliers	8,044	-	-	-	-	-	8,044
Sundry creditors	8	-	-	-	-	-	8
Personnel	911	-	-	-	-	-	911
Total	14,278	122	122	122	122	298	15,064

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NOTE 10. INFORMATION ON PAYMENT DEFERRALS MADE WITH SUPPLIERS. THIRD ADDITIONAL PROVISION 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 2018 and 2017 are the following:

	Financial Year 31/03/2018 Days	Financial Year 31/03/2017 Days
Average payment period to suppliers	15	11
Ratio of operations paid.	16	12
Ratio of operations awaiting payment	2	2
Total payments in the financial year	Thousand Euros	
Total payments made.	44,154	41,791
Total payments pending.	1,523	915

The ratio or financial level DFN / EBITDA or Net Consolidates Financial Debt / EBITDA is 2.3.

NOTE 11. AUDIT FEES

The audit fees accrued by BDO Auditores, S.L.P. during the financial year 2017-18 for the audit of the annual accounts amounted to 14.2 thousand euros (14.2 thousand euros in the financial year 2016-17). Also fees have been earned for the quarterly consolidated quarterly reports of the group amounting to 6.2 thousand euros (3 thousand euros in the financial year 2016-17).

During 2017-18 other member companies of the BDO network have invoiced transfer pricing services between group companies amounting 5.4 thousand euros, corresponding to 50% of the work, and the remaining 50% has been accordingly provisioned (in the financial year 2016-17 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.

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

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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 2017, as at 31March 2016, 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 2017, as at 31 March 2016, 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:

	31/03/2018	31/03/2017
Legal reserve	275	275
Other reserves	4,694	1,748
Capitalization reserve	180	25
Total	5,149	2,048

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b) 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 2018 the Legal Reserve was not fully provided for.

c) Capitalization Reserve

The Company, during the financial year 2017-18, has endowed a reserve for capitalization amounting 155 thousand euros (25 thousand euros during the financial year 2016-17). During the term of 5 years they will be unavailable, except for authorized exceptions.

NOTE 14. STOCKS

	31/03/2018	31/03/2017
Raw materials and Packaging	2,271	1,879
Spare Parts, Fuels and Sundry materials	909	884
Work in progress	666	368
Finished products	1,055	1,265
Impairment of raw materials and other supplies (note 17.a)	(591)	(610)
	4,310	3,786

At 31 March 2018 the Company has a provision for impairment of raw materials, other supplies, work in progress and finished products for an amount of 591 thousand euros (610 thousand euros in the financial year 2016-17).

At 31 March 2018 and 31 March 2017 the Company had no firm purchase or sales commitments or futures contracts on options relating to stocks.

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NOTE 15. FOREIGN CURRENCIES

The most significant balances in foreign currencies at 31 March 2018 and 31 March 2017 are as detailed below:

	Financial year 2017-18		Financial year 2016-17	
	Total amount in thousand euros	Classified by currency Amount in \$	Total amount in thousand euros	Classified by currency Amount in \$
B - CURRENT ASSETS				
2. Customers for sales and services	347	426	209	223
6. Cash and other equivalent liquid assets	15	18	25	27
D) CURRENT LIABILITIES	362	444	234	250
4. Trade creditors and other accounts	6	8	77	82
	6	8	77	82

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

	2017-18	2016-17
Exchange gains:		
Sales/Services/Purchases	30	18
Exchange losses		
Sales/Services/Purchases	(42)	(13)
Total	(12)	5

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NOTE 16. TAX SITUATION

The detail of balances with Public Administrations at 31 March 2018 and 31 March 2017 is as follows, in thousand euros:

	31/03/2018		31/03/2017	
	Receivable	Payable	Receivable	Payable
Non-current:				
Deferred taxation assets	1,409	-	1,145	-
Deferred taxation liabilities	-	7	-	11
	1,409	7	1,145	11
Current:				
Value Added Tax	2,744	-	2,030	-
IRPF (Personal income tax) withholding	-	91	-	98
Corporate Income Tax	23	-	23	-
Social Security bodies	-	242	-	248
	2,767	333	2,053	346

Tax position

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

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:

	2017 – 18		
	Profit and Loss Account		
Result for the year (after tax)			2,335
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Corporate Income Tax	-	145	(145)
Permanent differences	-	49	(49)
Timing differences			
Arising in the year	36	-	36
Arising in prior financial periods	-	126	(126)
Compensation of prior year tax losses			(918)
Tax Base (result for tax purposes)			1,133

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2016 – 17 Profit and Loss Account			
Result for the year (after tax)	3,101		
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Corporate Income Tax	160	-	160
Permanent differences	-	201	(201)
Timing differences			
Arising in the year	86	-	86
Arising in prior financial periods	-	232	(232)
Compensation of prior year tax losses	(1,307)		
Tax Base (result for tax purposes)	1,607		

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

	2017-18	2016-17
Prior tax base	2,051	2,914
Compensation BIN's	(918)	(1,307)
Tax base	1,133	1,607
Tax at 25%/28 % on the taxable base	283	402
Deductions	-	-
Tax charge	283	402
Less: withholdings and payments on account	-	-
Tax (payable)/refundable	(283)	(402)

In accordance with Law 27/2014, of November 27, on Corporate Tax, the so-called Capitalization Reserve is applied (Article 25), a tax incentive consisting in the reduction, in the tax base, of 10% of the increase of own funds for the year.

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

	2017-18	2016-17
Current tax	283	402
Deferred tax	(264)	72
Tax adjustments CIT	(164)	(94)
Correction of Deferred Tax for previous years	-	(220)
Total	(145)	160

Adjustments in the taxation of corporation tax correspond to the deductions applied in the corporate tax of the previous year.

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

	Balance at 31/03/2017	Profit and Loss Account		Balance at 31/03/2018
		Generated	Applied	
Deferred taxation assets:				
Timing differences	494	4	(26)	471
Negative tax bases	651	537	(250)	938
	1,145	541	(276)	1,409
Deferred taxation assets:				
Timing differences	11	-	(4)	7
	11	-	(4)	7

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

	Balance at 31/03/2016	Profit and Loss Account		Balance at 31/03/2017
		Generated	Applied	
Deferred taxation assets:				
Timing differences	624	22	(152)	494
Negative tax bases	388	510	(247)	651
	1,012	532	(399)	1,145
Deferred taxation assets:				
Timing differences	21	-	(7)	11
	21	-	(7)	11

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At 31 March 2018, the negative tax bases pending compensation are, in thousand euros:

Financial year generated	Tax bases pending compensation
2009	2,048
2010	2,565
2011	1,479
2012	141
	6,233

At 31 March 2018, deductions for R&D (not activated) are still pending application, whose amounts and precription periods are as follows:

Financial year generated	R & D Amount in thousand euros	Financial time limit
2010	119	2030
2011	43	2031
2012	71	2032
2013	90	2033
03 2014	22	2033
2014-2015	127	2034
2015-2016	153	2035
2016-2017	117	2036
	742	

At 31 March 2017 the losses pending compensation are as follows, in thousand euros:

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

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At 31 March 2017, deductions for R&D (not activated) are still pending application, whose amounts and depreciation periods are as follows:

Financial year generated	R & D Amount in thousand euros	Financial time limit
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		

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.

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:

	2017-18	2016-17
Consumption of raw materials and other consumables		
National	23,303	21,713
Intracommunity acquisitions	3,889	4,171
Imports	4,602	3,121
Variation in Stocks	(774)	(501)
	31,020	28,504
Work carried out by other companies	2,812	3,058
Impairments (note 14)	(39)	69
Total supplies	33,793	31,631

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b) Social security charges, etc.

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

	2017-18	2016-17
Wages and salaried	8,084	7,738
Indemnizations	116	-
Employer's Social Security contributions	2,532	2,390
Defined contribution system long-term remuneration	17	17
Other social expenses	117	123
Wages and Salaries	10,866	10,269

NOTE 18. GUARANTEES

The Company has during the financial year 2017-18 contingent liabilities due to bank guarantees related with the normal course of the business amounting 5 thousand euros with La Caixa (5 thousand euros in the financial year 2016-17).

At 31 March 2018, the Company provides guarantee for a loan granted to the company Clarton Horn México S. de R.L. by the entity La Caixa for 3,525 thousand euros, (3,525 thousand euros in the financial year 2016-17) and is also guarantor of a line of credit of a group company Clarton Horn México S. de R.L. by the entity of 405 thousand euros (500 thousand dollars). The Company is also guarantor during the financial year 2017-18 of a credit policy granted to Clarton Horn S. de R.L. by BBVA entity amounting 500 thousand euros.

The Company endorses Clarton Horn Mexico S. de R.L. with corporate guarantee in the rental contract that mentioned company has subscribed.

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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	Thousand euros	
	31/03/2018	31/03/2017
Waste management	4.38	-
Air protection	3.13	-
Protection of nature and care for the countryside	5.50	2.84
Others	2.67	3.23
Total expenses	15.68	6.07

The Directors consider that no unprovided contingencies 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 there 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 31/03/2018	Amount at 31/03/2017
That appear in net equity in the balance sheet	20	34
Charged to the profit and loss account (a)	19	28

(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 2017-18 and the financial year 2016-17 was as follows:

	Amount at 31/03/2018	Amount at 31/03/2017
Balance at the beginning of the year	34	54
(+) Reversals in the year	-	-
(-) Tax effect	-	-
(-) Grants transferred to results for the year	(19)	(28)
(+) Tax effect	5	8
Balance at the year end	20	34

In the financial years 2016-17 and 2017-18 the Company has not received any subsidies as a grant.

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

The Company had not assets held for sale in the financial year 2017-18.

NOTE 22. POST BALANCE SHEET EVENTS

There were no events subsequent to the 31 March 2018 year end that could have a significant effect on these annual accounts.

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 Industries 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 2017-18 and the financial year 2016-17.

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The detail of the balances held with related parties at 31 March 2018 and 31 March 2017 is as shown below, in thousand euros:

	31/03/2018		31/03/2017	
	Receivable	Payable	Receivable	Payable
Current:				
Loans granted and received				
Group companies				
Global Mazinkert (Note 8.2 & 9.1)	6,010	704	4,438	584
Clarton Horn México (Notes 8.2 & 9.1)	1,152	-	-	-
Trade operations				
Clarton Horn Maroc (Note 8.2)	222	-	294	-
Clarton Horn Mexico (Note 8.2)	689	-	378	-
Minda Industries LTD (Note 9.1)	18	-	5	-
Minda Industries Limited (Note 8.2 & 9.1)	9	786	17	342
Clarton Horn Signalakustik (Note 9.1)	-	59	-	96
Total Current	8,100	1,549	5,132	1,022

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 2017-18 in thousand euros:

	C H. Signalakustik GmbH	Clarton Horn Maroc	Clarton Horn Mexico	Minda Industries Limited
Sales	-	618	1,711	86
Purchases/ expenses	450	-	32	3,056
Loans granted	-	-	1,150	-
Interests	-	-	2	-

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

	C H. Signalakustik GmbH	Clarton Horn Maroc	Clarton Horn Mexico	Minda Industries Limited
Sales	-	635	574	33
Purchases/ expenses	413	-	-	1,648
Interests	-	-	-	-

23.3) Balances and Transactions with Directors and Senior Management

No meeting fees accrued to members of the administration body during the financial year 2017-18 and the financial year 2016-17 and neither 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 248 thousand euros in the financial year 2017-18 (265 thousand euros in the financial year 2016-17).

There were no commitments at 31 March 2018 and 31 March 2017 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 2017-2018 period for this item amounts to 2.33 thousand euros (2.33 thousand in the financial year 2016-17).

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. Pradip Kumar 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. Pradip Kumar 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.U. (Sole 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.

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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 S.L.U..

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 2017-18.

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 2017-18 and the financial year 2016-17 was as follows, distributed by categories:

Category	Average Number of Employees 2017-18		
	Men	Women	Total
Direct	131	26	157
Handicap certificate	1	1	2
Indirect	94	33	127
Handicap certificate	1	2	3
Total	225	59	284

Category	Average Number of Employees 2016-17		
	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

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The number of persons employed at the close of business on 31 March 2018 and at 31 March 2017 is as follows:

Category	Number of Employees 31/03/2018		
	Men	Women	Total
Direct	125	30	155
Handicap certificate	1	-	1
Indirect	97	32	129
Handicap certificate	1	1	2
Total	222	62	284

Category	Number of Employees 31/03/2017		
	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

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:

	31/03/2018		31/03/2017	
	Thousand euros	%	Thousand euros	%
National	3,396	6.39	3,951	7.70
European Union	42,128	79.31	41,370	80.63
Rest of the World	7,595	14.30	5,986	11.67
Total	53,119	100	51,307	100

	31/03/2018		31/03/2017	
	Amount	% over total	Amount	% over total
Sales of merchandise	53,119	100	51,037	100
Total	53,119	100	51,037	100

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The following were the movements included under "Other operating revenues" in the financial year 2017-18 and the financial year 2016-17:

Other operating revenues 2017-18	Thousand euros
Revenues from other operating activities	909
Total other revenues	909

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

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

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2017-18

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2018

DEVELOPMENTS IN THE FINANCIAL YEAR 2017-18

The evolution of the main figures in the balance sheet and profit and loss account has been as follows:

	Ejercicio 2017-18	Ejercicio 2016-17
Equity	14,441	12,120
Total Assets	32,999	27,568
Net sales	53,119	51,307
Result for the year	2,335	3,101

The Company's net sales amounted to 53,119 thousand euros.

The Company had a profit after tax of 2,335 thousand euros.

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

1.	An increase in turnover	1,812 thousand euros
2.	Increase of fixed assets	334 thousand euros
3.	Increase in finished stock and work in progress	68 thousand euros
4.	Increase in raw material stock	456 thousand euros
5.	Increase in procurement expenses	2,162 thousand euros
6.	Increase in personnel costs	597 thousand euros
7.	Increase in other operating expenses	245 thousand euros
8.	Decrease in amortization of property, plant and equipment	234 thousand euros
9.	Variation in Corporate Income Tax	305 thousand euros

Regarding the number of employees as at 31 March 2018 and 31 March 2017, the employee structure is as follows:

	31.03.2018	% s/total	31.03.2017	% s/total
Employees				
Fixed	155	54.57%	156	56.11%
Non-fixed	129	45.43%	122	43.89%
TOTAL	284	100%	278	100%

The average workforce of the Company was 284 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 an increase in the sales figures.

RESEARCH AND DEVELOPMENT ACTIVITIES

Expenditure on research and development amounted to 1,521 thousand euros in the financial year, equivalent to 2.86% 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.U. (Sole 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 managing 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 2017-18.

QUALITY AND ENVIRONMENTAL MANAGEMENT

During the financial year 2017-18 the Company has incurred in expenses derived from environmental activities for an amount of 15.68 thousand euros (6.07 thousand euros during the financial year 2016-17), that have been detailed in the annual accounts.

AVERAGE PERIOD OF PAYMENTS TO SUPPLIERS

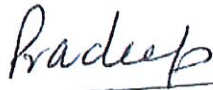
At closing date for the financial year 2017-18, the Company presents an Average Period of Payment to Suppliers ratio that amounts 15 days (11 days at closing date for the financial year 2016-17), having increased during the financial year 2017-18 in 4 days. In this way, compliance with the provisions established in Law 15/2010, of 5 July, regarding measures against morosity in commercial transactions are met.

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 2018.

La Carolina (Jaén), 30 April 2018

The Board of Directors



Mr. Pradip Kumar Tewari
Chairman



Mr. Sanjay Jain
Secretary - Director



Mr. Juan Pedro Tabernero
Director

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