

Company Registration No. 03913847 (England and Wales)

ALLMARK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



ALLMARK LIMITED

COMPANY INFORMATION

Director	Mr R Gilbellini
Company number	03913847
Registered office	Phoenix House Kinmel Park Abergele Road Bodelwyddan Rhyl LL18 5TY
Auditor	Harold Smith Unit 32, Llys Edmund Prys St Asaph Business Park St Asaph Denbighshire LL17 0JA

ALLMARK LIMITED

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ALLMARK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

The company did not make a profit in the year (2017 £3,029,087). The profit in the previous year was entirely due to a dividend received from the shares held in its group undertakings.

Principal risks and uncertainties

The company has very limited exposure to risk associated with its financial instruments. In previous years the company was exposed to currency and interest rate risks relating to an outstanding long term loan which was repaid in full in December 2015.

On behalf of the board



.....
Mr R Gilbellini

Director

28 JUNE 2019

ALLMARK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of a holding company.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr R Gilbellini

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £823,953. The director does not recommend payment of a further dividend.

Auditor

The auditor, Harold Smith, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....
Mr R Gilbellini

Director

Date: 28 JUNE 2019

ALLMARK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ALLMARK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLMARK LIMITED

Opinion

We have audited the financial statements of Allmark Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

ALLMARK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLMARK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Murray-Williams BA FCA (Senior Statutory Auditor)
for and on behalf of Harold Smith

1 July 2019

Chartered Accountants
Statutory Auditor

Unit 32, Llys Edmund Prys
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JA

ALLMARK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Interest receivable and similar income	4	-	3,029,087
Profit before taxation		-	3,029,087
Tax on profit	5	-	-
Profit for the financial year		-	3,029,087

The Income Statement has been prepared on the basis that all operations are continuing operations.

ALLMARK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	7	12,820,000		12,820,000	
Current assets					
Debtors	9	2,176,047		3,000,000	
Creditors: amounts falling due within one year	10	(11,343,477)		(11,343,477)	
Net current liabilities		(9,167,430)		(8,343,477)	
Total assets less current liabilities		<u>3,652,570</u>		<u>4,476,523</u>	
Capital and reserves					
Called up share capital	11	2,000,000		2,000,000	
Profit and loss reserves		1,652,570		2,476,523	
Total equity		<u>3,652,570</u>		<u>4,476,523</u>	

The financial statements were approved and signed by the director and authorised for issue on 28 JUNE 2019.

.....
Mr R Gubellini
Director

Company Registration No. 03913847

ALLMARK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		2,000,000	276,523	2,276,523
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	3,029,087	3,029,087
Dividends	6	-	(829,087)	(829,087)
Balance at 31 December 2017		2,000,000	2,476,523	4,476,523
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	-	-
Dividends	6	-	(823,953)	(823,953)
Balance at 31 December 2018		2,000,000	1,652,570	3,652,570

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Allmark Limited is a private company limited by shares incorporated in England and Wales. The registered office is Phoenix House, Kinmel Park, Abergele Road, Bodelwyddan, Rhyl, LL18 5TY.

The company's principal activities are disclosed in the Director's Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Allmark Limited is a wholly owned subsidiary of Reflex s r l. The majority shareholder in Reflex s r l is Finlite s r l. This is considered to be the ultimate parent company. The results of Allmark Limited are included in the consolidated financial statements of Finlite s r l which are available from Via Luigi Valdrighi 101/2, Madens, Italy 41124.

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.2 Going concern

The company has net current liabilities of £8,343,477 (2016 - £10,543,477) and is reliant upon the support of its parent Reflex s r l and on its subsidiary company ReflexAllen UK Limited, who is the company's only creditor. The company has obtained formal confirmation that ReflexAllen UK Limited will continue to support the company for at least the next 12 months from the date of signing the financial statements. The support of the company is considered by the director to be reliable, based on the support of the ultimate parent company, Finlite s r l, whose support is also considered reliable.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
	=====	=====

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Interest receivable and similar income

	2018 £	2017 £
Income from fixed asset investments		
Income from shares in group undertakings	-	3,029,087
	<u> </u>	<u> </u>

5 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	-	3,029,087
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	-	583,099
Dividend income	-	(583,099)
	<u> </u>	<u> </u>
Taxation charge for the year	-	-
	<u> </u>	<u> </u>

6 Dividends

	2018 £	2017 £
Final paid	823,953	829,087
	<u> </u>	<u> </u>

7 Fixed asset investments

	2018 £	2017 £
Unlisted investments	12,820,000	12,820,000
	<u> </u>	<u> </u>

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2018 & 31 December 2018	12,820,000
Carrying amount	
At 31 December 2018	12,820,000
At 31 December 2017	12,820,000

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Allen Industrial Limited	England and Wales	Dormant	Ordinary		100.00
Allen Wuxi CV Parts Co Limited	China	Manufacture of vehicle parts	Ordinary		100.00
Allmark (NI) Limited	England and Wales	Dormant	Ordinary		100.00
PACO Allen Auto Private Limited	India	Supply of fluid carrying systems	Ordinary		100.00
Polydynamics Limited	England and Wales	Dormant	Ordinary		100.00
Reflex&Allen Brazil	Brazil	Dormant	Ordinary		1.00
ReflexAllen UK Limited	England and Wales	Manufacture of commercial vehicle parts	Ordinary	100.00	

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	2,176,047	3,000,000

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	11,343,477	11,343,477

ALLMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2,000,000 Ordinary of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

12 Controlling party

The parent company is Reflex s.r.l. , a company incorporated in Italy,

The majority shareholder in Reflex s r l is Finite s.r.l. , incorporated in Italy. This is considered to be the ultimate parent company. The consolidated accounts of Finite s.r.l. are filed in the UK in English and are available from Companies House.

Finite is 99% owned by R Gabellini, who is considered to be the ultimate controlling party. Copies of the group accounts are available at the company's registered office, Via Luigi Valdrighi 101/2, Madens, Italy 41124.

FINLITE SRL

Consolidated financial statements as at 31-12-2018

Company details	
Registered office at:	VIA VALDRIGHI 101/2 - 41124 - MODENA - MO
Tax identification number	02736760360
Economic and Administrative Register n.	02736760360 MO 326502
VAT N.	02736760360
Share capital in euros	10,000, fully paid up
Legal status	PRIVATE LIMITED COMPANY
Core business sector according to ATECO classification	642000
Company undergoing liquidation	no
Single-shareholder business	no
Company managed and coordinated by other parties	no
Group membership	yes
Name of parent company	FINLITE SRL
Country of parent company	ITALY

Consolidated balance sheet

31-12-2018 31-12-2017

Balance sheet -

Assets

B) Fixed assets

I - Intangible fixed assets

1) start-up and expansion costs	33.383	41.600
2) development costs	-	13.608
3) industrial patent and intellectual property rights	192.492	328.799
4) concessions, licences, trademarks, and similar rights	154.951	231.420
5) goodwill	201.476	1.172.555
6) advances and fixed assets in progress	32.525	99.446
7) others	202.152	50.469
Total intangible fixed assets	816.979	1.937.897

II - Tangible fixed assets

2) land and buildings	7.890.357	8.159.717
2) plants and machinery	4.794.384	4.454.307
3) industrial and commercial equipment	1.438.314	1.121.161
4) other payables	414.782	294.222
5) advances and fixed assets in progress	889.634	-
Total tangible fixed assets	15.427.471	14.029.407

III - Financial fixed assets

1) equity investments in:		
d-bis) other companies	112	113
Total equity investments	112	113
2) receivables		
d-bis) from others		
due by the end of the following business year	3.536.828	62.248
Total receivables from others	3.536.828	62.248
Total receivables	3.536.828	62.248
3) other securities	33.420	-
Total financial fixed assets	3.570.360	62.361
Total fixed assets (B)	19.814.810	16.029.665

C) Current assets

I - Stocks

1) raw materials, ancillaries, and consumables	15.121.739	11.370.085
2) WIP and semi-finished goods	4.102.868	3.007.690
4) finished products and goods	4.824.677	3.953.253
Total stocks	24.049.284	18.331.028

II - Receivables

1) from customers		
due by the end of the following business year	16.237.820	16.378.879
Total due from customers	16.237.820	16.378.879
5-bis) tax receivables		
due by the end of the following business year	622.243	609.058
Total tax receivables	622.243	609.058
5-ter) prepaid tax	153.740	189.455
5-quater) from others		
due by the end of the following business year	755.958	1.980.111

Total receivables from others	755.958	1.980.111
Total receivables	17.769.761	19.157.503
III - Financial assets other than fixed assets		
6) other securities	620.220	2.184.710
<}86{>Total financial assets other than fixed asset	620.220	2.184.710
IV - Cash and cash equivalents		
1) bank and post office deposits	7.773.354	4.131.627
2) cheques	-	0
3) cash in hand	40.174	20.157
Total cash and cash equivalents	7.813.528	4.151.784
Total current assets (C)	50.252.793	43.825.025
D) Accrued income and prepaid expenses	921.304	1.019.258
Total assets	70.988.907	60.873.948
Liabilities		
A) Group net worth		
I - Capital	10,000	10,000
IV - Legal reserve	2,000	2,000
VI - Other reserves, listed separately		
Extraordinary reserve	2.010.568	2.010.568
Payments into capital account	-	4.060
Consolidation reserve	18.707.116	16.854.216
Currency translation reserve	(3.587.742)	(3.880.859)
Miscellaneous other reserves	-	(1)
Total other reserves	17.129.942	14.987.984
IX - Profit (loss) for reporting year	2.533.875	1.860.723
Total group net worth	19.675.817	16.860.707
Minority net worth		
Minority capital and reserves	1.845.630	2.115.078
Minority profit (loss)	499.151	326.070
Total net worth attributable to minorities	2.344.781	2.441.148
Total consolidated net worth	22.020.598	19.301.855
B) Funds for risks and charges		
2) For tax, including deferred tax	915.931	921.879
4) others	783.981	69.286
Total funds for risks and charges	1.699.912	991.165
C) Employee severance pay	1.388.111	1.308.238
D) Payables		
1) Debenture		
due beyond the following business year	2.000.000	-
Total payables debenture	2.000.000	-
4) payables to banks		
due by the end of the following business year	8.205.273	7.983.513
due beyond the following business year	11.831.317	5.117.082
Total payables to banks	20.036.590	13.100.595
6) advances		
due by the end of the following business year	48.051	38.587
Total advances	48.051	38.587
7) Trade payables		
due by the end of the following business year	18.609.464	20.379.925
Total trade payables	18.609.464	20.379.925

12) tax payables		
due by the end of the following business year	1.707.253	2.325.029
Total tax payables	1.707.253	2.325.029
13) Payables to pension funds and social security institutions		
due by the end of the following business year	402.441	376.443
Total payables to pension funds and social security institutions	402.441	376.443
14) other payables		
due by the end of the following business year	2.152.892	2.161.084
Total other payables	2.152.892	2.161.084
Total payables	44.956.691	38.381.663
E) Deferrals and accruals	923.595	891.027
Total liabilities	70.988.907	60.873.948

Consolidated profit and loss account

31-12-2018 31-12-2017

Profit and loss account

A) Value of production		
revenues from sales and services	119.821.967	108.491.271
2) Stock change in WIP and semi-finished and finished goods	871.425	1.802.929
5) Other revenues or income		
subsidies for operating expenses	249.109	176.855
Others	2.351.525	1.773.744
Total other revenue and income	2.600.634	1.950.599
Total value of production	123.294.026	112.244.799
B) Costs of production		
6) For raw materials, ancillaries, consumables and goods	75.882.530	65.360.609
7) for services	14.187.424	15.199.256
8) For use of third-party assets	2.578.175	1.967.005
9) For personnel		
a) wages and salaries	22.491.197	18.866.616
b) social security contributions	1.499.192	1.174.273
c) severance pay	236.245	220.398
e) other costs	1.330.965	1.090.336
Total costs for personnel	25.557.599	21.351.623
10) amortisations/depreciations and write-downs		
a) amortisation of intangible fixed assets	1.110.129	1.152.925
b) depreciation of tangible fixed assets	1.624.619	1.692.539
c) other write-downs of fixed assets	302.343	28.607
d) write-downs of receivables included in the current assets and cash funds	76.480	89.012
Total amortisations/depreciations and write-downs	3.113.571	2.963.083
11) variations in stocks of raw materials, ancillaries, consumables and goods	(4.846.832)	(1.878.217)
12) provisions for risks	500.000	-
14) sundry operating expenses	479.233	1.514.735
Total costs of production	117.451.700	106.478.094
Difference between value and costs of production (A- B)	5.842.326	5.766.705
C) Financial income and charges		
16) other financial income		
d) other income		
Total other income	35.687	18.699
Total other financial income	35.687	18.699
17) interest and other financial charges		
others	794.078	550.816
Total interest and other financial charges	794.078	550.816
17-bis) profits and losses on exchange rates	(33.480)	(983.518)
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(791.871)	(1.515.635)
Earnings before tax (A - B + -C + -D)	5.050.454	4.251.070
20) Income tax for reporting year: current, deferred, and prepaid tax		
current tax	2.021.587	2.149.293
deferred and prepaid tax	(4.159)	(85.016)
Total income tax for reporting year: current, deferred, and prepaid tax	2.017.428	2.064.277
21) Consolidated profit (loss) for reporting year	3.033.026	2.186.793
Result of the group	2.533.875	1.860.723

Consolidated cash flow statement (indirect method)

31-12-2018 31-12-2017

Cash flow statement (indirect method)

A) Cash flows from operating activities (indirect method)		
Profit (loss) for reporting year	3.033.026	2.186.793
Income tax	2.017.428	2.064.277
(Capital gains)/losses arising from the sale of assets	(2.084)	-
1) Profit (loss) for the reporting year before income taxes, interest, dividends and capital gains capital losses from assignment	5.048.370	4.251.070
Adjustments for non-monetary items which have not been offset in the net working capital		
Provisions for funds	944.993	(349.983)
Amortisation/depreciation of fixed assets	3.037.091	2.874.071
Total adjustments for non-monetary items which have not been offset in the net working capital	3.982.084	2.524.088
2) Cash flow before changes to the net working capital	9.030.454	6.775.158
Changes in net working capital		
Decrease / (Increase) in stocks	(5.718.256)	(3.681.146)
Decrease / (Increase) in trade receivables	1.387.741	951.021
Increase/(Decrease) in trade payables	(1.760.996)	3.578.513
Decrease / (Increase) in accrued income and prepaid expense	97.954	(299.076)
Other increases / (decreases) in net working capital	(723.775)	(385.458)
Total changes in net working capital	(6.717.332)	163.854
3) Cash flow after changes in the net working capital	2.313.122	6.939.013
Other adjustments		
(Income tax paid)	(2.017.428)	(2.064.277)
Total other adjustments	(2.017.428)	(2.064.277)
Cash flow from operating activities (A)	295.694	4.874.735
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(3.325.025)	(2.752.500)
Intangible fixed assets		
(Investments)	-	(581.741)
Divestments	10.789	-
Financial fixed assets		
(Investments)	(3.508.000)	(52.726)
Non-fixed financial assets		
(Investments)	(620.220)	(2.184.710)
Cash flow of investment activity (B)	(7.442.456)	(5.571.677)
C) Cash flow from financing activities		
Borrowed capital		
Loans taken out	8.935.995	902.459
(Loan repayment)	-	(72.962)
Equity		
(Capital repayment)	1.872.510	(1.879.498)
Cash flow of financial activity (C)	10.808.505	(1.050.001)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	3.661.743	(1.746.942)
Cash and cash equivalents at start of reporting year		
Bank and post office deposits	4.131.627	4.537.402
Cheques	-	1.338.529

Cash in hand	20.157	22.797
Total cash and cash equivalents at start of reporting year	4.151.784	5.898.728
Cash and cash equivalents at the end of reporting year		
Bank and post office deposits	7.773.354	4.131.627
Cheques	-	0
Cash in hand	40.174	20.157
Total cash and cash equivalents at the end of reporting year	7.813.528	4.151.784

**Consolidated financial statements of
FINLITE group as at 31st December 2018**

ADDENDUM

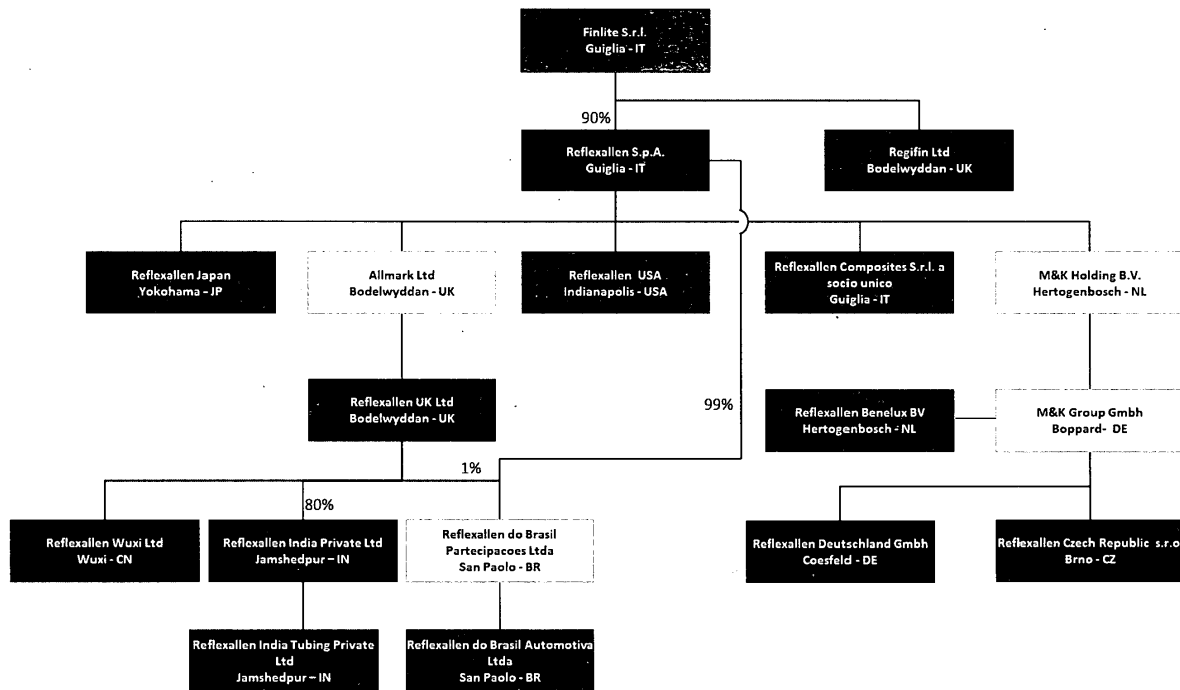
GROUP PROFILE

Through its stake in Reflex S.r.l., FINLITE S.r.l. is the head of a group of industrial enterprises operating in the engineering industry, which mainly manufacture components for commercial vehicles.

Their products can be broken down into five divisions:

- ✓ *Reflex&Allen Pneumatic:* an extensive tubing range for the automotive industry designed and built to meet the quality standards required by both vehicle manufacturers and the spare parts market (aftermarket);
- ✓ *Reflex&Allen Electrical:* an extensive range of cables and electrical coils for the commercial vehicles industry (trucks and trailers) available for a range of applications: 7- and 15-pole, EBS, ADR cables and adapters;
- ✓ *Reflex&Allen Fluid Power:* subsystems and components for the transmission of fluids and air used for engine powering, cooling systems, fuel systems, brake systems and for emission control;
- ✓ *Reflex&Allen Safety Devices:* an extensive range of signage panels and tapes, ADR devices, and accessories for fitting out commercial vehicles in general.
- ✓ *Special Composit:* A wide range of carbon fibre moulds and frames and chassises for motorcycles and cars used in racing.

Finlite Group - Consolidated financial statements as at 31st December 2018



The most significant data for the companies in the consolidation area can be summarised as follows:

- ⇒ FINLITE S.r.l. - In 2018, the parent company recorded financial income totalling €18,000, in addition to investment revaluations amounting to € 2,500,000, while the net result recorded was positive, totalling € 2,534,000.
- ⇒ REFLEXALLEN S.p.A. - In 2018, the company recognised revenues from sales and services amounting to €9,800,000, reporting an increase on the previous year. A positive net income of €2,968,000 was recognised after depreciation of tangible assets and amortisation of intangible assets amounting to €285,000.
- ⇒ REGIFIN Ltd – In 2018, the company reported revenues from sales and services amounting to €18,839,000 and a positive result of €706,000.
- ⇒ Allmark Ltd - The company is a subholding. It owns 100% shares of Reflexallen UK . n 2018, the company did not report any revenues from sales and services.
- ⇒ Reflexallen UK Ltd – In 2018, the company reported revenues from sales and services amounting to €58,756,000 and a positive result of €2,132,000. In 2017, a positive net result of €3,038,000 was recorded.
- ⇒ Reflexallen USA Inc. – In 2018, the company reported revenues from sales and services amounting to €8,205,000 and a positive result of €817,000. For 2017, the company recorded a net negative result of 2,676,000.
- ⇒ Reflexallen (Wuxi) Automotive Co. Ltd – In 2018, the company reported revenues from sales and services amounting to €15,479,000 and a positive result of €2,876,000. In 2017, a positive net result of €2,808,000 was recorded.
- ⇒ Reflexallen JAPAN – In 2018, the company reported revenues from sales and services amounting to €2,322,000 and a positive result of €211,000. For 2017, the company recorded a positive net result of €197,000.
- ⇒ Reflexallen India Pvt – In 2018, the company reported revenues from sales and services amounting to €17,334,000 and a positive result of €1,536,000. In 2017, a positive net result of €987,000 was recorded.
- ⇒ Reflexallen India Tubing Pvt – The company was incorporated at the end of year 2018 and closed the year with a loss amounting to €12,000.
- ⇒ ReflexAllen Composites S.r.l. – In 2018, the company reported revenues from sales and services amounting to €2,707,000 and a positive net result of €89,000. In 2017, a negative net result of €44,000 was recorded.

- ⇒ Reflexallen do Brasil Automotiva – In 2018, the company reported revenues from sales and services amounting to €5,076,000 and a negative net result of €1,048,000. For 2017, the company recorded a negative net result of €687,000.
- ⇒ Reflexallen do Brasil Participações – In 2018, the company did not report any revenues from sales and services, recording a negative net result of €2,030,000. For 2017, the company recorded a negative net result of €1,484,000.
- ⇒ M&K Holding Netherland BV - The company holds 100% of the following companies:
- ReflexAllen Benelux BV;
 - ReflexAllen Czech Republic SRO;
 - ReflexAllen Deutschland GMBH;
 - M&K Group GMBH;

The consolidated financial statements recorded revenues for sales and services amounting to €14,377,000 and a total loss of €926,000.

The following companies do not fall within the scope of consolidation:

- Allen Industrial Ltd - As at 31st December 2018, the company was dormant.
- Polydynamics Ltd - As at 31st December 2018, the company was dormant.

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 31st December 2018 have been prepared in accordance with the standards introduced by Legislative Decree n. 127 dated 9th April 1991, which implements EEC Directive VII, and thus consists of a balance sheet (drafted according to the format envisaged by Articles 2424 and 2424-bis of the Italian Civil Code), profit and loss account (drafted according to the format envisaged by Articles 2425 and 2425-bis of the Italian Civil Code), a cash flow statement (prepared according to the criteria set out in Article 2425-ter of the Italian Civil Code) and this addendum (drafted according to the provisions of Articles 2427 and 2427-bis of the Italian Civil Code).

The reference date of the consolidated financial statements, i.e. 31st December 2018, is the date of parent company Finlite S.r.l.'s financial statements. The financial statements used for consolidation purposes are those dated 31.12.2018.

These financial statements have been adjusted, where necessary, to adapt them to the accounting standards applied throughout the group. The financial statements of foreign subsidiaries have been reclassified to render the presentation format compliant with requirements for national companies.

In the financial statements drafted in single euros, the amounts of the corresponding items for the 2018 business year have been included.

The cash flow statement is also drafted in single euros.

The addendum, an integral part of these financial statements, serves to illustrate and analyse, and in some cases to supplement, the consolidated financial statements and contains the information required by Italian civil law and by accounting standards concerning consolidated financial statements. In addition, any complementary information deemed necessary to provide a true and fair view of the situation, even when not specifically required by legal provisions, is also provided.

The tables and financial statement data included in the addendum are expressed as thousands of euros, with the exception of the table on pages 9-10 showing the scope of the consolidation.

The consolidated financial statements as at 31st December 2018 include the financial and economic data, at that date, of the parent company, i.e. FINLITE S.r.l., and all other companies controlled directly or indirectly thereby, at that date, approved by the governing bodies.

Reconciliation between the amounts of net worth and the net result for the year ending 31st December 2018 inferable from the financial statements preparer by FINLITE S.r.l. and those stated in the consolidated financial statements as at the same date are presented in a special annex hereto (Annex "A", which provides further information on consolidated net worth).

Italian Legislative Decree n. 139/2015

After the implementation of Directive 2013/34/EU, implemented with Italian Legislative Decree n. 139 dated 18th August 2015, and published in Official Gazette n. 205 dated 4th September 2015, the valuation criteria, the general accounting standards, the financial statements, and the documents comprising the statements have been modified.

The amendments introduced by Italian Legislative Decree n. 139/15, implementing Directive n. 34/13, involved several aspects of these financial statements, namely:

- ✓ Changes to the standards applied to the preparation of the financial statements (significance principle): for the preparation of these financial statements, pursuant to Article 2423 of the Italian Civil Code, it is not necessary to comply with the obligations envisaged in terms of recognition, valuation, presentation and disclosure of financial statements when the effects of non-compliance are insignificant for the purposes of true and fair representation;

- ✓ Changes to the standards applied to the preparation of the financial statements (economic substance principle): pursuant to revised Article 2423-bis of the Italian Civil Code, events and operations were reported on the basis of their economic substance, not on the merely formal aspects thereof;
- ✓ Changes to the financial statements tables: as detailed below.

The amendments made to Articles 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code have resulted in certain changes in the financial statements, namely:

- Research and advertising costs: these are reported in full in the profit and loss account for the year in which they were incurred, in alignment then, also in this case, with the practices of International Accounting Standards/International Financial Reporting Standards. As a result, only "development costs" have been capitalised;
- Treasury shares: these are recognised as a direct reduction in net worth through the inclusion in the new net worth item A.X headed "Negative reserve for treasury shares in portfolio", also in alignment with the practices of IAS/IFRS -
- Relationships with companies controlled by parent companies: financial fixed assets (equity investments and receivables), current assets (receivables) and payables now include the new items relating to equity investments, receivables, and payables from/to companies controlled by the parent companies of the company preparing the financial statements (i.e. "sister companies");
- Reserve for transactions to cover expected cash flows: The net worth items now include a new item, namely item VII - Reserve for transactions to cover expected cash flows;
- Issue premiums and discounts: separate recognition of issue premiums and discounts under accruals and deferrals is no longer required;
- Memorandum accounts: this breakdown is no longer required at end of the balance sheet;
- Extraordinary area of the profit and loss account: in the new wording of Article 2425, following removal of the entire macro-class E) (items 20 and 21), relating to the extraordinary area, extraordinary income and charges are shown under items A5 and B14.
- Derivative financial instruments: Directive n. 34/13 introduced the valuation of derivatives at fair value; Italian Legislative Decree no. 139/15 adopted this approach by shifting the derivative instruments from the "memorandum accounts" (where they were previously placed) to the assets and liabilities sections of the balance sheet, as well as distinguishing these instruments on the basis of their economic function (hedging derivatives separate from trading derivatives);

- Assets held for sale purposes and obsolete assets: tangible fixed assets due to be assigned are reclassified under current assets and therefore measured at the lowest of either the net book value or the realisable value inferable from market trends (Article 2426, section 9, subsection 1, Italian Civil Code). Assets held for sale purposes are no longer subject to amortisation/depreciation (OCI 16, section 75).

CONSOLIDATION STANDARDS

The main consolidation criteria adopted when drafting the financial statements are set out below:

- The book value of equity investments in consolidated subsidiaries has been cancelled out by the corresponding portion of net worth resulting from the assets and liabilities recorded, as established by the global integration method. The differences between the acquisition cost and the current net worth values of the controlled companies at the time of acquisition have been recorded under assets if positive or liabilities if the lower price paid was due to future losses expected to be reported by the controlled companies. In the case of negative differences, wherever possible they have been entered under assets in the balance sheet, while where they consisted of a higher price paid for goodwill, they have been recorded as intangible fixed assets which will be amortised over no more than 10 years.
- Gains and losses not yet realised with third parties at the date of the financial statements and originating from transactions between consolidated companies have been removed, as have all the accounts payable and receivable and all the other transactions between the companies included in the consolidation area.
- The share of net worth attributable to minority shareholders of the consolidated subsidiaries has been entered as a separate item, under consolidated net worth, called "Minority capital and reserves". The share of the net result attributable to the minority shareholders is entered under the heading "Net profit (loss) for the year attributable to minority interests."
- The financial statements of foreign companies prepared in a foreign currency (€) have been converted by applying the year-end exchange rate to the assets and liabilities and the average yearly exchange rate to the profit and loss account items. The difference between the results for the year resulting from conversion at average exchange rates and that resulting from the conversion based on the year-end rate is entered under the specific net worth item headed *Translation reserve*.

The following exchange rates have been applied:

Country	Currency	Average exchange rate	Spot exchange rate
UNITED KINGDOM	Pounds sterling GBP	0,8847	0,8945
CHINA	Renminbi (YUAN)	7,8081	7,8751
USA	US Dollar	1,1810	1,1450
INDIA	Indian Rupee	80,7332	79,7298
JAPAN	Japanese YEN	130,3959	125,8500
CZECH REPUBLIC	Czech koruna	25,6470	25,7240
BRAZIL	Real	4,3085	4,4440

CONSOLIDATION AREA

The companies included in the consolidation area, consolidated using the global integration method, and the percentages of equity held are shown in the chart below:

COMPANY NAME	EQUITY INVESTMENT %	PREMISES	FOREIGN CURRENCY	SHARE CAPITAL
PARENT COMPANY				
FINLITE S.R.L.		Modena - Italy	€	10,000
DIRECTLY CONTROLLED COMPANIES				
REGIFIN Ltd	100.00%	Bodelwyddan - (UK)	GBP	2
REFLEXALLEN S.R.L.	90.00%	Guiglia (MO) - Italy	€	500,000
INDIRECTLY CONTROLLED COMPANIES				
REFLEXALLEN COMPOSITES S.R.L.	100.00%	Modena - Italy	€	100,000
ALLMARK LTD	100.00%	Bodelwyddan - (UK)	GBP	2,000,000

REFLEXALLEN U.K LTD	100.00%	Bodelwyddan - (UK)	GBP	11,933
REFLEXALLEN TUBING INDIA PVT LTD	80.00%	Jamshedpur – India	INR	60,000
REFLEXALLEN USA INC.	100.00%	Carmel - Indiana (USA)	USD	10,000
REFLEXALLEN WUXI	100.00%	Wuxi – PRC	CNY	21,713,248
REFLEXALLEN JAPAN	100.00%	Yokohama – JAPAN	JPY	3,500,000
REFLEX PARTECIPAO DO BRAZIL	100.00%	San Paolo – Brazil	BRL	8,598,903
REFLEXALLEN INDIA PVT LTD	80.00%	Jamshedpur – India	INR	102,808,900
REFLEX&ALLEN DO BRASIL AUTOMOTIVA LTDA	100.00%	San Paolo – Brazil	BRL	24,300,431
M&K HOLDING BV	100.00%	Hertogenbosch – Netherlands	€	154,836
M&K GROUP GMBH	100.00%	Boppard – Germany	€	25,000
REFLEXALLEN CZECH REPUBLIC SRO	100.00%	Brno - Czech Republic	€	1,600,00
REFLEXALLEN DEUTSCHLAND GMBH	100.00%	Boppard – Germany	€	100,000
REFLEXALLEN BENELUX BV	100.00%	Hertogenbosch – Netherlands	€	45,378

CHANGES IN THE SCOPE OF CONSOLIDATION

In 2018 the company Reflexallen India Tubing Pvt headquarterd in India was incorporated.

COMPANY NAME	EQUITY INVESTMENT %	PREMISES
REFLEXALLEN TUBING INDIA PVT LTD	80.00%	Jamshedpur – India

VALUATION CRITERIA

The consolidated financial statements have been prepared in compliance with applicable legal provisions, interpreted and supplemented with the accounting standards specified by the Italian National Board of Accountants and Bookkeepers, as amended by the OIC (Italian Accounting Authority) following application of the new standards introduced by Legislative Decree n. 6/2003 concerning the reform of company law and, in the absence thereof, those issued by the International Accounting Standards Board (IASB).

The evaluation method adopted for the financial statement entries uses the general principle of prudence and accrual-basis accounting and the going concern concept.

The application of the prudence principle entails the valuation of the individual elements comprising the single liability or asset items or entries, to prevent the offsetting of losses which must be recognised against profits which have not yet been realised and so must not be recognised.

In compliance with the principle of accrual basis accounting, the impact of the transactions and other events was recorded in the accounts and therefore has been attributed to the business year to

which the said transactions and events refer, not the year in which the relative cash transactions (collections and payments) were actually carried out.

The ongoing application of the criteria over time represents a necessary condition for the comparability of the company's financial statements for the various years.

More specifically, the following evolution criteria have been adopted in the preparation of the financial statements:

Intangible fixed assets

These include amounts which, by nature, have benefits spanning several years. They have been entered at their acquisition price (including additional, directly attributable costs) and have been systematically amortised at a constant rate over their estimated useful lives. If, regardless of the amortisation already posted, there is a lasting loss of value, the fixed asset has been devalued accordingly. If, during subsequent years, the devaluation criteria requirements have not been met, the original entry has been written back.

Tangible fixed assets

These have been recorded at historical cost, including additional costs directly attributable to the goods, adjusted for currency appreciation. The assets resulting from revaluations have been allocated to the revaluation reserve included in net worth. The cost includes all additional charges and the direct and indirect costs for the share reasonably attributable to the asset.

Fixed assets have been systematically depreciated each year at a constant rate applying economic/technical rates based on the remaining possible use of the goods. If, regardless of the depreciation already posted, there is a lasting loss of value, the fixed asset has been devalued accordingly; if, during subsequent years, the devaluation criteria requirements have not been met, the original entry has been written back.

Tangible fixed assets acquired through finance leases have been reported in the financial statements in accordance with the financial criteria envisaged by IAS 17.

Routine maintenance costs have been entered in full in the profit and loss account.

Incrementing maintenance costs have been posted under the assets to which they relate and amortised over their remaining useful lives.

Stocks

Remaining stocks of raw materials, separate parts, and finished products have been entered at the lowest cost of either the specific purchase/production cost (established using the weighted average cost method) or the presumed realisable value inferable from the market's progress; this lower value has been written back in subsequent years if the reasons for the write-down no longer existed. Semi-finished products have been posted at the processing cost for the year. The cost includes all

additional charges and the direct and indirect costs for the share reasonably attributable to the asset. Obsolete and slow-moving stock items have been written down based on their possible use or realisable value, by entering specific devaluation funds, with stock items subsequently deducted directly therefrom.

Receivables

Trade and non-trade receivables have been posted at their presumed realisable value.

Cash and cash equivalents

These have been entered at their nominal value.

Deferrals and accruals

In accordance with accruals-basis accounting, these include the shares of costs and earnings spanning two or more years.

Funds for risks and charges

Provisions have been made for risks and charges to cover certain existing or probable losses or payables, whose amount or occurrence date were, nevertheless, impossible to establish accurately at the year end.

The funds reflect the best possible estimate, based on the information available.

The risks which make the manifestation of liabilities simply a possibility have been outlined in the addendum, without a provision being made for risks and charges.

Employee severance pay

Severance pay has been set aside to cover all accrued liability to employees, as required by applicable legislation and collective labour agreements and arrangements with the company. As envisaged by laws in force, this liability is subject to revaluation using certain indexes/ratios.

Payables

Payables have been entered at their nominal value.

Payables for holiday leave accrued by employees and deferred remunerations, including the sums due to social security institutions, have been allocated according to the amount that would be payable in the event of termination of employment on the date the financial statements were closed.

Conversion of values in foreign currency

I Receivables and payables originally given in non-EU currencies have been converted into euros at

the historical exchange rate in force at the date on which the relative transactions were carried out. The differences realised upon collection of receivables and payment of payables in foreign currencies have been posted in the profit and loss account.

As required by accounting standards, short-term receivables and payables in foreign currencies, whether arising from finance or trade, have been converted and displayed at the exchange rate in force at the date of the financial statements.

During the financial statements approval stage and subsequent allocation of the results, any profits originating from adjustment of items in foreign currency at the year end due to exchange differences and remaining after covering operating losses, have been entered in a non-distributable reserve until the profit is subsequently realised.

Income tax

Income tax has been set aside in accordance with the principle of accrual-basis accounting; and therefore includes:

- Provisions for tax settled or to settle for the reporting year, calculated at the applicable rates and according to laws in force;
- The sum of deferred tax or tax which was prepaid as a result of temporary differences originating or cancelled out during the year;

As required by accounting standards, deferred tax assets and liabilities have also been entered according to the temporary differences between taxable income and income before income taxes. The deferred taxes are not recorded if it can be demonstrated that they are unlikely to be paid; entry of prepaid tax depends on whether or not it is reasonably certain that it will be recouped in the future. The deferred tax assets and deferred tax liabilities are offset if they relate to offsettable taxes.

Recognition of income and costs

Revenues, income, costs, and charges have been posted according to the principle of prudence and/or accruals-basis accounting.

Income has been stated net of returns, discounts, allowances, and premiums. Revenues from product sales, in particular, has been recognised at the time of change of ownership, which - as a rule - occurs upon delivery or despatch of the goods.

Costs have been stated net of returns, discounts, allowances, and premiums.

Income and expenses of a financial nature have been reported on an accruals basis.

OTHER INFORMATION

Exclusions envisaged by Article 2423, section 4, of the Italian Civil Code.

Please note that none of the exclusions envisaged by Article 2423, section 4, of the Italian Civil Code have been applied in the consolidated financial statements.

Expression of monetary amounts

Unless stated otherwise, the all the amounts in this addendum are stated in thousands of euros.

BREAKDOWN OF CORRESPONDING LIABILITIES AND ASSETS ENTRIES

ASSETS

B) FIXED ASSETS

B I) INTANGIBLE FIXED ASSETS

At 31st December 2018, the intangible fixed assets amounted to €817,000 and included capitalised costs with benefits lasting several years.

The post "Industrial patent and intellectual property rights" refers mainly to EDP programs for the group's new ERP system (Microsoft Dynamics AX).

The "Goodwill" item originates from:

- €3,400,000 from the consolidation difference arising from the removal of shareholdings and the replacement thereof with the consolidated assets and liabilities of Reflexallen UK Limited (formerly Allen Group Limited) on 31.12.2009. This difference has been amortised at a rate of 10% per annum. Net value on 31.12.2018 is amounting to 0 (zero).
- €795,000 from the consolidation difference arising from the removal of shareholdings and the replacement thereof with the consolidated assets and liabilities of Reflexallen Composites S.r.l.. This difference has been amortised at a rate of 20% per annum.
- €756,000 from the consolidation difference arising from the removal of shareholdings and the replacement thereof with the consolidated assets and liabilities of Maehler&Kaege Holding BV. This difference has been amortised at a rate of 20% per annum and in 2018 the residual amount has been written down.

The table on the following page provides a breakdown of the intangible fixed assets.

FINLITE S.r.l - Head office in Modena, at via Valdrighi n. 101/2 - Share capital: €10,000

INTANGIBLE FIXED ASSETS	Start-up and expansion costs	Research, development and advertising expenditure	Concessions, licenses, trademarks, and similar rights	Industrial patent and intellectual property rights	Goodwill	Advances and fixed assets in progress	Other intangible fixed assets	Total
Balance as at 31/12/2017	89	122	592	1,746	5,589	99	955	9,193
Original cost	0	0	0	0	0	0	0	0
Acquisitions for the reporting year	0	0	92	27	0	32	141	291
Disinvestments for the reporting year	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0
Devaluations	0	0	0	0	(302)	0	0	(302)
Reallocation of items	0	0	0	0	0	(99)	99	0
Balance as at 31/12/2018	89	122	684	1,772	5,287	33	1,195	9,181
Progressive amortisation as at 31.12.2017	(48)	(108)	(361)	(1,417)	(4,416)	0	(905)	(7,255)
Translation difference	0	0	0	0	0	0	0	0
Amortisation for the reporting year	(8)	(14)	(168)	(163)	(669)	0	(88)	(1,110)
Other activity (Uses) and movements for the reporting year.	0	0	0	0	0	0	0	0
Progressive amortisation as at 31.12.2018	(56)	(122)	(529)	(1,580)	(5,085)	0	(993)	(8,364)
Net intangible fixed assets	42	14	231	329	1,173	99	50	1,938
Net intangible fixed assets	34	0	155	192	201	33	202	817

B) II) TANGIBLE FIXED ASSETS

As at 31st December 2018, these amounted to €15,427,000. The following table provides a breakdown thereof:

TANGIBLE FIXED ASSETS	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Advances and fixed assets in progress	Total
Balance as at 31/12/2017	11,050	16,579	2,060	1,521	0	31,211
Original cost						
Acquisitions for the reporting year		1,174	756	295	922	3,146
Translation difference	(61)	(18)	(17)	1		(95)
Disinvestments for the reporting year	0	(25)	(6)	(29)		(60)
Revaluations	0	0	0	0	0	0
Devaluations	0	0	0	0	0	0
Reallocation of items	(202)	234	0	0	(32)	0
Balance as at 31/12/2018	10,787	17,944	2,793	1,788	890	34,201
Progressive depreciation as at 31.12.2017	(2,643)	(12,126)	(1,186)	(1,228)	0	(17,182)
Acquisitions for the reporting year						0
Translation difference						0
Depreciation for the reporting year	(254)	(1,031)	(173)	(167)		(1,625)
Disinvestments for the reporting year		7	3	22		32
Other activity						0
(Uses) and movements for the reporting year.						0
Progressive depreciation as at 31.12.2018	(2,897)	(13,150)	(1,355)	(1,373)	0	(18,774)
						0
Net tangible fixed assets 2017	8,408	4,454	875	293	0	14,029
Net tangible fixed assets 2018	7,890	4,794	1,438	415	890	15,427

B III) FINANCIAL FIXED ASSETS

RECEIVABLES FROM OTHERS

As at 31st December 2018, this post totalled €3,537,000. The increase compared to previous year is due to the concession granted by Regifin to a company outside of the Group of a financial credit amounting to € 3,500,000 bearing annual interest to%. The credit period is ...and will be repaid on

expiry date.

C) CURRENT ASSETS

C I) STOCK

This entry is itemised below.

	Balance at 31.12.2018	Balance at 31.12.2017	Difference
Raw materials, ancillaries, and consumables	15,122	11,370	3,752
Semi-finished items	4,102	3,008	1,094
Finished products	4,825	3,953	872
Advances	-	-	-
Total	24,049	18,331	5,718

The values shown are net of the "Fund for obsolete and slow-moving stock", totalling €1,211,000.

Activity concerning the provision fund is broken down as follows:

	Balance as at 31/12/2017	Reclass	Uses	Provisi on	Balance as at 31/12/2018
Fund for write-downs of raw material stocks	807	-	(130)	14	691
Fund for write-downs of stocks of semi-finished items	344	-	(30)	1	5
Fund for write-downs of stocks of finished items	446	-	(89)	157	514
Total	1,287	-	(249)	172	1,211

C II) RECEIVABLES

This entry is itemised below.

TRADE RECEIVABLES FROM THIRD PARTIES

As at 31st December 2018, trade receivables from third parties amounted to €16,238,000, broken down as follows:

	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Gross value of receivables from customers	16,416	16,536	-120
Provision for doubtful accounts	-178	-157	-21
Net total	16,238	16,379	-141

The provision for doubtful accounts appears sufficient based on presumable future collection risks. Activity in 2018 concerning the provision for doubtful accounts is broken down as follows:

	Balance as at 31/12/2017	Uses	Provisions	Balance as at 31/12/2018
Provision for doubtful accounts	157	-9	30	178

Please note that there are no trade receivables recorded with a residual lifetime of over a year.

The geographical breakdown of trade receivables, net of the provision for doubtful accounts, is as follows:

	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Italy	1,549	1,912	(363)
EU area	7,284	5,507	1,777
Non-EU area	7,404	8,960	-1556
Total	16,237	16,379	-142

TAX RECEIVABLES

These amounted to €622,000, including €51,000 receivable by the parent company Finlite S.r.l..

PREPAID TAX

As at 31st December 2018, this amounted to a balance of €154,000. This post mainly relates to the subsidiary Reflexallen S.p.A. and consists of the tax benefits for costs that will become deductible in subsequent years. It also relates to tax losses accrued by Finlite srl, Reflexallen spa, Reflexallen Composites S.r.l.

Prepaid tax, in particular, has been entered according to all the temporary differences between taxable income and profit before tax, assuming that the future taxable income is sufficient to offset the temporary differences stated below in the time span contemplated.

RECEIVABLES FROM OTHERS

These amounted to €756,000 itemised as follows:

	as at 31.12.2018	as at 31.12.2017	Difference
Receivables from employees/agents	194	170	24
Receivables from public authorities	-	-	-
Advances to suppliers	238	225	13
Receivables from other authorities.	324	1,585	-1,261
Total	756	1,980	-1,224

The receivables mature as follows:

	as at 31.12.2018	as at 31.12.2017	Difference
Within the reporting year	756	1,980	-1,224
within 1 to 5 years	-	-	-
Total	756	1,980	-1,224

C IV)- CASH AND CASH EQUIVALENTS

The amount recorded at year-end was €814,000, which consisted of the cash funds available as at 31st December 2018, €7,773,000 of which relates to bank and postal deposits, €40,000 to cash on hand.

D) ACCRUED INCOME AND PREPAID EXPENSES

These amounted to €921,000 and relate to items allocated on an accruals basis.

LIABILITIES

A) NET WORTH

On 31st December 2018, the net worth amounted to €22,021,000, €19,676,000 of which is attributable to the group.

The share capital of the parent company amounted to €10,000.

Annex A hereto highlights the activity relating to the consolidated net worth.

B) FUNDS FOR RISKS AND CHARGES

These amounted to €1,700,000, itemised as follows:

	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Fund for tax, including deferred tax	916	922	6
Others	784	69	715
Total	1,700	991	709

Reserve for tax

This amounted to €916,000 and relates to deferred tax including the tax effects of consolidation accounts.

Other funds

As at 31st December 2018, this fund for future risks amounted to €784,000, including €25,000 for the supplementary compensation for loss of goodwill relating to Reflexallen S.p.A., €31,000 for coverage of financial instruments related to and to Reflexallen spa and to Holding Company, and the remainder to hedge future risks linked to the restructuring of the Brazilian company.

C) SEVERANCE PAY

As at 31st December 2018, this was entered at €1,388,000 and consisted of the amount payable for this reason to the persons employed by the member companies.

Activity during the year concerning the debt to employees for severance pay, can be broken down as follows:

Balance as at 01/01/2018	1,308
Utilisation of the severance pay fund for employment relationships terminated during the reporting year	(156)
Funds set aside for reporting year	236
Balance as at 31/12/2018	1,388

D) PAYABLES

PAYABLES DUE TO BANKS

These amounted to €20,037,000 and consist of short-term and medium-term payables to banks/credit institutes. In particular, the short-term exposure due to business transactions amounted to €4,374,000. The payables to banks are broken down according to transaction type/bank and duration:

	Within 1 year	Over 1 year	Over 5 years	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Payables to banks for ordinary transactions	4,374	-	-	4,374	6,080	-1,706
Total payables to banks for ordinary transactions	4,374	-	-	4,374	6,080	-1,706
Total payables to banks for financing	3,832	11,831	-	15,663	7,021	8,642
Total	8,205	11,831	-	20,037	13,101	6,936

TRADE PAYABLES TO THIRD PARTY SUPPLIERS

These amounted to €18,638,000.

The chart below breaks down payables to suppliers (except those from the euro area) by geographic area:

	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Italian suppliers	2,440	2,781	-341
E.U. suppliers	9,746	9,408	338
Non-EU suppliers	6,452	8,192	-1,740
Total	18,638	20,380	-1,742

TAX PAYABLES

These amounted to €1,707,000 and mainly concern payables for income tax and VAT.

PAYABLES TO SOCIAL SECURITY INSTITUTES

These amounted to €402,000. There are no payables due beyond the year end.

OTHER PAYABLES

These amounted to €2,153,000, itemised as follows:

	Balance as at 31/12/2018	Balance as at 31/12/2017	Difference
Payables to employees	766	416	350
Sundry payables	916	1,092	-176
State contributions	471	653	-182
Total	2,153	2,161	-8

E) ACCRUED EXPENSES AND DEFERRED INCOME

The item amounts to €924,000 and is mainly attributable to items allocated on the accruals basis (insurance, financial charges and other charges)

OFF-BALANCE SHEET COMMITMENTS, GUARANTEES, AND LIABILITIES

Off-balance sheet commitments, guarantees, and potential liabilities of note include:

- guarantees issued by Finlite S.r.l. in the interest of subsidiary Reflexallen S.p.A., totalling €7,200,000, to back bank loans taken out thereby
- guarantees issued by Finlite srl in the interest of subsidiary Reflexallen UK Ltd amounting to € 2,450,000 and £ 100,000 to back bank loans taken out thereby ;
- A guarantee provided in the interest of Reflexallen SpA for the ultimate benefit of the indirect subsidiary Reflexallen do Brasil Ltda, amounting to € 500,000 in addition to the company guarantee directly released by the company in the interest of the indirect subsidiary Reflexallen do Brasil Ltda in favour of an Uruguayan supplier for the obligations assumed thereby during the supply relationship;
- a guarantee of €3,000,000 granted by Reflexallen S.p.A to BPER S.p.A. bank for the provision of a credit facility to subsidiary Reflexallen UK Ltd;
- guarantee totalling 2,000,000 GBP granted by Reflexallen S.p.A to UniCredit S.p.A. on behalf of subsidiary Reflexallen UK Ltd for a credit facility (commercial transactions, discounts on invoices, advances, etc.);
- a guarantee of €1,500,000 provided by Reflexallen S.p.A. to BPER S.p.A. bank for of a multiple overdraft facility granted to subsidiary Reflexallen Benelux/Reflexallen CZ;
- a guarantee of € 1.000,000 granted by Reflexallen S.p.A to BPER spa on behalf of subsidiary Reflexallen Composites S.r.l., and Reflexallen UK Ltd;
- a guarantee granted by Reflexallen S.r.l. to Unicredit S.p.A bank on behalf of subsidiary Reflexallen USA, totalling 655,000 USD;

There are also commitments totalling €603,640, which refer to residual debt, discounted in terms of future finance lease instalments and final purchase instalments.

EXAMINATION OF THE PROFIT AND LOSS ACCOUNT POSTS

A) VALUE OF PRODUCTION

REVENUES FROM SALES AND SERVICES

In the current year, revenue from sales and services amounted to €119,908,000 and can be broken down as follows:

	2018	2017	Difference
Core revenues from sales of goods and services	119,908	108,567	11,341
Total	119,908	108,567	11,341

Revenues from sales of goods and services are broken down geographically as follows:

	2018	2017	Difference
Italy	10,965	10,014	951
E.U.	62,301	52,966	9,335
Non-EU	46,642	45,587	1,055
Total	119,908	108,567	11,341

The section below shows a breakdown of the "Sale of goods and products" to third parties provided by the individual companies in the group:

Breakdown of revenues by company

	2018	%	2017	%
REFLEXALLEN S.P.A.	8,258	7%	7,579	7%
REFLEXALLEN COMPOSITES S.R.L.	2,707	2%	2,435	2%
REFLEXALLEN DO BRASIL AUTOMOTIVA LTDA	5,077	4%	5,714	5%
REFLEX PARTECIPAO DO BRAZIL	0	0%	0	0%
REFLEXALLEN U.K LTD	54,626	46%	44,837	41%
REFLEXALLEN WUXI	14,209	12%	13,740	13%
REFLEXALLEN USA INC.	7,699	6%	9,099	8%
REFLEXALLEN INDIA PVT LTD	17,310	14%	14,400	13%
REFLEXALLEN JAPAN	2,323	2%	2,478	2%
REGIFIN Ltd	24	0%	156	0%
M&K HOLDING BV	0	0%	0	0%
M&K GROUP GMBH	0	0%	0	0%
M&K INTERNATIONAL BV	0	0%	0	0%
REFLEXALLEN CZECH REPUBLIC SRO	1,081	1%	778	1%
REFLEXALLEN DEUTSCHLAND GMBH	4,164	3%	4,625	4%
REFLEXALLEN BENELUX BV	2,429	2%	2,726	3%
Totale	119,908	100%	108,567	100%

OTHER REVENUES AND INCOME

Other revenues and income amounted to €2,600,000. This post is itemised below, broken down into subsidies for operating expenses attributable to Reflexallen UK, Reflexallen S.p.A. for contributions received by the Welsh government and other income.

A) VALUE OF PRODUCTION: 5) Other revenues or income

	2018	2017	Difference
a) Subsidies for operating expenses			
State contributions	249	177	72
Total	249	177	72
b) Other income			
	2018	2017	Difference
b) Other income			
Insurance indemnities	241	12	229
Capital gain arising from sale assets	16	35	(19)
Contingent assets	188	76	112
Other revenues	1,906	1,651	255
Total	2,351	1,774	577

B) COSTS OF PRODUCTION

PURCHASES OF RAW MATERIALS, ANCILLARIES, AND CONSUMABLES

On 31st December 2018, purchases of raw materials, ancillaries, and consumables amounted to €75,883,000.

	2018	2017	Difference
Raw materials and other goods	74,936	64,543	10,393
Consumables	841	669	172
Illustrative material	6	3	3
Packaging	99	146	(46)
Total	75,883	65,361	10,522

EXPENDITURE FOR SERVICES

These were comprised of expenses and services relating to the industrial and commercial area, as well as those of a general nature, and amounted to €14,187,000.

This entry is itemised below:

B) COSTS OF PRODUCTION: 7) For services	2018	2017	Difference
Outwork	48	77	(29)
Utilities (electricity, gas, water)	1,624	1,394	230
Commercial costs	505	374	131
Subordinate work	1,060	1,993	(933)
Fuel and lubricants	134	103	31
Technical advise and services	1,392	2,545	(1,153)

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Legal and administrative advice	1,198	1,518	(320)
Commission on sales	247	221	26
Board of auditors'/auditing firm's fees	163	118	46
Maintenance and repairs	966	743	223
Bank charges	236	220	16
Remuneration and reimbursement of expenses for directors	742	121	621
Insurance	529	424	105
Entertainment expenses	750	571	179
Travel expenses	48	48	0
Telephone and internet expenses	154	155	(2)
Carriage and shipping	2,934	3,537	(602)
Other	1,457	1,038	419
Total	14,187	15,199	(1,012)

The sole director of FINLITE S.r.l. does not receive remuneration for providing similar services to other companies in the group.

COSTS FOR USE OF THIRD-PARTY ASSETS

These amounted to €2,578,000 and concerned rents payable and hire fees for operating assets. These are broken down as follows:

B) COSTS OF PRODUCTION: 8) For use of third-party assets	2018	2017	Difference
Rent payable	1,646	983	663
Rental of operating assets	932	984	(52)
Total	2,578	1,967	611

LABOUR COST

This amounted to €25,558,000 and comprised, in addition to salaries and wages paid, accrued expenses relating to year-end bonuses, holiday leave, severance pay, and contributions.

B) COSTS OF PRODUCTION: 9) For personnel	2018	2017	Difference
Wages and salaries	22,491	18,867	3,624
Social security contributions	1,499	1,174	325
Severance pay for employment termination	236	220	16
Retirement indemnities and similar requirements	-	-	-
Other costs for personnel	1,331	1,090	241
Total	25,558	21,352	4,206

STAFF INFORMATION

The average number of staff employed by the group (with reference to the companies included in the scope of consolidation as at 31.12.2018) is 1,392 units, broken down by category as follows:

	31-Dec-18	31-Dec-17
Management	5	5
White-collar staff (including apprentices)	317	262
Blue-collar staff (including apprentices)	1,070	996
Total	1,392	1,263

AMORTISATION OF INTANGIBLE FIXED ASSETS

This entry, which amounted to €1,110,000, reported the amortisation portion for the year. This amount includes the amortisation portion of the consolidation difference originating from the acquisition of the company Reflexallen UK Ltd by subsidiary Reflexallen S.p.A. (10% of €3,400,000) amounting to €340,000, the amortisation portion of the consolidation difference originating from the acquisition of the company ReflexAllen Composites S.r.l. (20% of €795,000) amounting to €159,000, and the amortisation portion of the consolidation difference originating from the acquisition of the company M&K Holding BV (20% of €756,000) amounting to €151,000.

DEPRECIATION OF TANGIBLE FIXED ASSETS

This amounted to €1,625,000 and consisted of ordinary depreciation calculated at the maximum tax rates applicable, which reflects the actual deterioration of the assets concerned.

WRITE-DOWNS OF TANGIBLE AND INTANGIBLE FIXED ASSETS

This amounts to €302,000 and refers to writedown of the residual part of the goodwill subscribed together with the acquisition of Maehler&Kaege Holding B.V.

DEVALUATION OF RECEIVABLES INCLUDED IN THE CURRENT ASSETS

These amounted to €89,000.

PROVISIONS FOR RISKS

During the reporting year a provision of € 500,000 was made for possible future risks related to the restructuring of the Brazilian Company .

SUNDRY OPERATING EXPENSES

These amounted to €479,000, itemised as follows:

B) COSTS OF PRODUCTION: 14) Sundry operating expenses	2018	2017	Difference
Taxes and duties other than on income	312	280	32
Complimentary and promotional items	57	49	8
Non-operating losses	0	123	(123)
Other charges	110	1,063	(953)
Total	479	1,515	(1,036)

C) FINANCIAL INCOME AND CHARGES

EARNINGS FROM EQUITY INVESTMENTS

Non-existent

OTHER FINANCIAL INCOME

These amounted to €35,000, broken down as follows:

C) FINANCIAL INCOME AND CHARGES: 17) Interest and other financial charges d) Others	2018	2017	Difference
Bank interest receivable	-	-	-
Other interest	35	19	16
Total	35	19	16

FINANCIAL CHARGES

Financial charges amounted to €794,000, itemised as follows:

C) FINANCIAL INCOME AND CHARGES: 17) Interest and other financial charges d) Others	2018	2017	Difference
Interest and charges payable to banks	757	503	254
Financial discounts granted to customers	24	21	3
Other interest	12	27	(15)
Total	794	551	243

EXCHANGE RATE GAINS AND LOSSES

During the year, net losses on foreign exchanges amounted to €33,000.

The distinction between net gains and losses, both realised and unrealised, is shown in the table below:

C) FINANCIAL INCOME AND CHARGES: 17) b) Exchange rate profits and losses	2018	2017	Difference
Losses from foreign exchanges	(453)	(1,184)	731
Gains on foreign exchanges	420	200	220
Total	(33)	(984)	951

D) ADJUSTMENTS OF FINANCIAL ASSETS

No value adjustments were made to financial assets during the year.

TAX ON PROFIT FOR THE REPORTING YEAR

This amounted to €2,017,000 and - in accordance with accruals-basis accounting - the entry takes into account, in addition to €2,022,000 for current income tax, the allocation of deferred and prepaid tax, amounting to €-4,000.

RESULT FOR REPORTING YEAR

During the reporting year, the group achieved a positive result of €3,033,000, €2,534,000 of which pertains to the group.

These financial statements are a true and accurate portrayal of the account books and records.

Finlite S.r.l.
Antonella Bortolomasi,
Sole Director

Annex A

Significant variations in the composition of the consolidated net worth that occurred during the reporting year are shown in the table below:

	GROUP NET WORTH									GROUP TOTAL	MINORITY NET WORTH			NET WORTH CONSOLIDATION TOTAL
	SHARE CAPITAL	LEGAL RESERVE	STATUTORY RESERVE	FOREIGN EXCHANGE DIFFERENCES	OTHER RESERVES	TRANSLATION RESERVE	PROFIT CARRIED OVER	CONSOLIDATION RESERVE	PROFIT FOR REPORTING YEAR		Capital and reserves third parties	Profit of third parties	TOTAL third parties	
BALANCE AS AT 31 DECEMBER 2016	10	2	2,011	-3,880	4	-	-	16,853	1,861	16,861	2,115	326	2,441	19,302
ALLOCATION OF PROFITS FROM 2017	-	-	-	-	-	-	-	1,861	(1,861)	0	326	(326)	-	-
PROFIT FOR 2018	-	-	-	-	-	-	-	-	2,534	2,534	-	499	499	3,033
TRANSFER TO CONSOLIDATION RESERVE	-	-	-	-	-	-	-	(12)	-	(12)	-	-	-	-
FOREIGN EXCHANGE DIFFERENCES 2018	-	-	-	293	-	-	-	-	-	293	(595)	-	(595)	(302)
CHANGE IN THE SCOPE OF CONSOLIDATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FINANCE LEASE PLAN REALIGNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER MINOR DIFFERENCES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31 DECEMBER 2017	10	2	2,011	-3,588	4	-	-	18,702	2,534	19,676	1,846	499	2,345	22,021