Company Registration No. 05996964 (England and Wales)

MARCELL ACQUISITION CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

MARCELL ACQUISITION CO LIMITED

COMPANY INFORMATION

Director	J Ren
Company number	05996964
Registered office	Walk Mill Lane Cannock Staffordshire WS11 0XA
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Bankers	Barclays Bank PLC PO Box 299 Birmingham B1 3PF

MARCELL ACQUISITION CO LIMITED

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MARCELL ACQUISITION CO LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

Principal activities
The principal activity of the company continued to be that of an intermediate 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:

J Ren
X Kong (Resigned 28 August 2017)

Auditor
In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities
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.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

J Ren
Director
21 December 2018

MARCELL ACQUISITION CO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARCELL ACQUISITION CO LIMITED

Opinion

We have audited the financial statements of Marcell Acquisition Co Limited (the 'company') for the year ended 31 March 2018 which comprise the profit and loss account, the balance sheet 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 March 2018 and of its loss 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

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 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 intend 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.

John Warner (Senior Statutory Auditor)
for and on behalf of BHP LLP

21 December 2018

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

MARCELL ACQUISITION CO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Administrative expenses		(357,742)	14,683
Interest payable and similar expenses	2	-	(12,763)
(Loss)/profit before taxation		(357,742)	1,920
Tax on (loss)/profit		-	-
(Loss)/profit for the financial year		(357,742)	1,920

MARCELL ACQUISITION CO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	3		10,080,000		10,080,000
Current assets					
Debtors	4	78,470		78,470	
Creditors: amounts falling due within one year	5	(6,249,941)		(5,892,199)	
Net current liabilities			(6,171,471)		(5,813,729)
Total assets less current liabilities			3,908,529		4,266,271
Capital and reserves					
Called up share capital	6		194,140		194,140
Share premium account			1,320,460		1,320,460
Profit and loss reserves			2,393,929		2,751,671
Total equity			3,908,529		4,266,271

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 December 2018 and are signed on its behalf by:

J Ren
Director

Company Registration No. 05996964

1 Accounting policies

Company information

Marcell Acquisition Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Walk Mill Lane, Cannock, Staffordshire, WS11 0XA.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Going concern

The ability of the company to continue as a going concern is dependent on other companies within the group. Those companies have prepared forecasts to March 2019 which indicate that they will be able to stay within their current borrowing facilities although, inherently, there can be no certainty in relation to forecasts. At the time of approving the financial statements, the director has an expectation that the company will be able to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

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.

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 balance sheet 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.

1 Accounting policies **(Continued)**

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.

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.

1.6 Equity instruments

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

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Interest payable and similar expenses

	2018	2017
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	-	4,725

3 Fixed asset investments

	2018	2017
	£	£
Investments	10,080,000	10,080,000

4 Debtors

Amounts falling due within one year:	**2018 £**	**2017 £**
Amounts owed by group undertakings	78,413	78,413
Other debtors	57	57
	78,470	78,470

5 Creditors: amounts falling due within one year

	2018 £	**2017 £**
Trade creditors	-	6,620
Amounts due to group undertakings	6,006,272	5,654,530
Other creditors	243,669	231,049
	6,249,941	5,892,199

6 Called up share capital

	2018 £	**2017 £**
Ordinary share capital		
Issued and fully paid		
194,140 Ordinary shares of £1 each	194,140	194,140
	194,140	194,140

7 Parent company

The immediate parent company is Packco Limited, whose ultimate UK group parent company is Bawtry Investments Limited. Both companies are registered in England and Wales. Copies of Bawtry Investments Limited consolidated financial statements can be obtained from Bawtry Investments Limited, High Street, Austerfield, Doncaster, DN10 6QT.

The ultimate parent company is Lei Investments Pte Limited, a company registered in Singapore and controlled by S Ren.

MARCELL ACQUISITION CO LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

MARCELL ACQUISITION CO LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017
	£	£	£	£
Administrative expenses		(357,742)		14,683
Operating (loss)/profit		(357,742)		14,683
Interest payable and similar expenses				
Bank interest on loans and overdrafts	-		8,038	
Interest payable to group companies	-		4,725	
		-		(12,763)
(Loss)/profit before taxation	-	(357,742)	-	1,920

MARCELL ACQUISITION CO LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
Administrative expenses		
Management charge - group	110,172	-
Exchange (gain)/loss	-	693
Legal and professional fees	204,915	9,077
Audit fees	6,000	6,000
Sundry expenses	9,154	9,515
Exchange (gain)/loss	27,501	(39,968)
	357,742	(14,683)