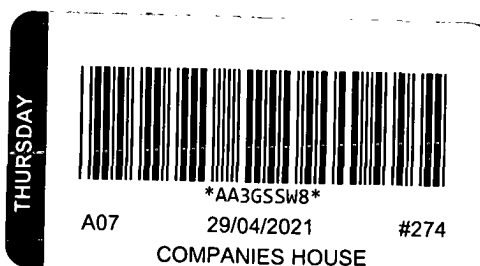


**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 October 2020**
for
Hibiscus Plc



Hibiscus Plc

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Hibiscus Plc

**Company Information
for the Year Ended 31 October 2020**

DIRECTORS:

J Killerby
B Killerby

SECRETARY:

M Bolton

REGISTERED OFFICE:

Hudswell Road
Leeds
West Yorkshire
LS10 1AG

REGISTERED NUMBER:

01557744 (England and Wales)

AUDITORS:

KJA Kilner Johnson Ltd
Network House
West 26
Stubs Beck Lane
Cleckheaton
West Yorkshire
BD19 4TT

Hibiscus Plc

Strategic Report for the Year Ended 31 October 2020

The directors present their strategic report for the year ended 31 October 2020.

FAIR REVIEW OF THE BUSINESS

It has been another positive year for the company with development both in terms of market position and internal systems. The company has continued to take time to train and develop staff in key positions to better improve both the customer service and operational performance.

PRINCIPAL RISKS AND UNCERTAINTIES

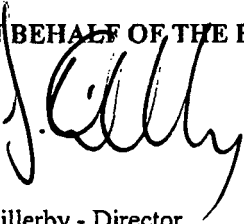
It has been a difficult year to forecast this year due to significant uncertainty due to the Corona Virus pandemic. However the company has increased sales and profitability and delivered excellent results overall.

The growth and improvement of processes and development of staff has placed the company in an excellent position to continue growing with organic capacity improvements.

KEY PERFORMANCE INDICATORS

The directors are of the opinion that analysis using KPIS is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:



J Killerby - Director

26 April 2021

Hibiscus Plc

Report of the Directors for the Year Ended 31 October 2020

The directors present their report with the financial statements of the company for the year ended 31 October 2020.

DIVIDENDS

An interim dividend of 4.32 per share was paid on 31 October 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2020 will be £216,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2019 to the date of this report.

J Killerby
B Killerby

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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 directors are 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. They are 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.

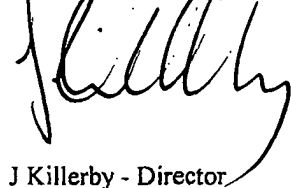
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, KJA Kilner Johnson Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



J Killerby - Director

26 April 2021

Report of the Independent Auditors to the Members of Hibiscus Plc

Opinion

We have audited the financial statements of Hibiscus Plc (the 'company') for the year ended 31 October 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 Financial Reporting Standard 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 October 2020 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 Auditors' 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Hibiscus Plc**

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 or the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are 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 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



Raza Effendi MBA FCA (Senior Statutory Auditor)
for and on behalf of KJA Kilner Johnson Ltd
Network House
West 26
Stubs Beck Lane
Cleckheaton
West Yorkshire
BD19 4TT

26 April 2021

Hibiscus Plc

**Statement of Comprehensive Income
for the Year Ended 31 October 2020**

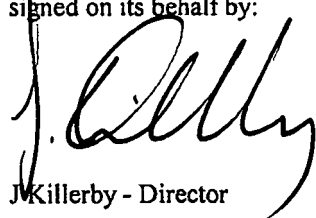
		2020		2019	
	Notes	£	£	£	£
TURNOVER	3		3,977,219		3,914,176
Cost of sales			2,367,856		2,583,179
GROSS PROFIT			1,609,363		1,330,997
Distribution costs		28,331		24,551	
Administrative expenses		901,640		874,633	
			929,971		899,184
			679,392		431,813
Other operating income			10,339		-
OPERATING PROFIT	6		689,731		431,813
Interest receivable and similar income			-		7
			689,731		431,820
Interest payable and similar expenses	7		38,732		31,676
PROFIT BEFORE TAXATION			650,999		400,144
Tax on profit	8		123,964		68,121
PROFIT FOR THE FINANCIAL YEAR			527,035		332,023
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			527,035		332,023

The notes form part of these financial statements

Balance Sheet
31 October 2020

	Notes	2020 £	2019 £
CURRENT ASSETS			
Stocks	10	459,433	385,486
Debtors	11	1,408,612	1,304,062
Cash at bank		14,819	10,909
		<u>1,882,864</u>	<u>1,700,457</u>
CREDITORS			
Amounts falling due within one year	12	1,263,275	1,286,459
		<u>1,263,275</u>	<u>1,286,459</u>
NET CURRENT ASSETS		619,589	413,998
TOTAL ASSETS LESS CURRENT LIABILITIES		619,589	413,998
CREDITORS			
Amounts falling due after more than one year	13	136,888	242,332
		<u>136,888</u>	<u>242,332</u>
NET ASSETS		<u>482,701</u>	<u>171,666</u>
CAPITAL AND RESERVES			
Called up share capital	16	50,000	50,000
Retained earnings		432,701	121,666
		<u>482,701</u>	<u>171,666</u>
SHAREHOLDERS' FUNDS		<u>482,701</u>	<u>171,666</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2021 and were signed on its behalf by:



J. Killerby - Director

Hibiscus Plc

Statement of Changes in Equity for the Year Ended 31 October 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2018	50,000	5,643	55,643
Changes in equity			
Dividends	-	(216,000)	(216,000)
Total comprehensive income	-	332,023	332,023
Balance at 31 October 2019	50,000	121,666	171,666
Changes in equity			
Dividends	-	(216,000)	(216,000)
Total comprehensive income	-	527,035	527,035
Balance at 31 October 2020	50,000	432,701	482,701

The notes form part of these financial statements

Hibiscus Plc

Notes to the Financial Statements for the Year Ended 31 October 2020

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of the group prepares publicly available consolidated financial statements, including the company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.

The financial statements of the company are consolidated in the financial statements of Hibiscus Holdings Plc. These consolidated financial statements are available at Companies House.

Turnover

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

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Hibiscus Plc

Notes to the Financial Statements - continued for the Year Ended 31 October 2020

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	3,435,528	3,430,540
Outside of UK	541,691	483,636
	<u>3,977,219</u>	<u>3,914,176</u>

4. EMPLOYEES AND DIRECTORS

	2020 £	2019 £
Wages and salaries	926,859	961,494
Social security costs	44,320	51,176
Other pension costs	44,344	27,072
	<u>1,015,523</u>	<u>1,039,742</u>

The average number of employees during the year was as follows:

	2020	2019
Office and management	8	9
Production and sales	23	24
	<u>31</u>	<u>33</u>

5. DIRECTORS' EMOLUMENTS

	2020 £	2019 £
Directors' remuneration	-	43,777

6. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £	2019 £
Auditors' remuneration	8,850	8,550
Research and development costs	34,812	32,822
Operating lease charges	17,436	24,266

Hibiscus Plc

Notes to the Financial Statements - continued for the Year Ended 31 October 2020

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interest	5,169	7,704
Hire purchase	8,653	8,112
Invoice discounting fees	24,910	15,860
	<u>38,732</u>	<u>31,676</u>

8. TAXATION

Analysis of the tax charge

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	123,964	68,121
Tax on profit	<u>123,964</u>	<u>68,121</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2020	2019
	£	£
Profit before tax	<u>650,999</u>	<u>400,144</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	123,690	76,027
Effects of:		
Expenses not deductible for tax purposes	274	201
Research and development tax credit	-	(8,107)
Total tax charge	<u>123,964</u>	<u>68,121</u>

9. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of 1 each		
Interim	<u>216,000</u>	<u>216,000</u>

10. STOCKS

	2020	2019
	£	£
Raw materials	128,859	111,642
Work-in-progress	2,994	5,986
Finished goods	327,580	267,858
	<u>459,433</u>	<u>385,486</u>

Hibiscus Plc

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2020**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	702,579	699,929
Amounts owed by group undertakings	692,073	595,232
Prepayments and accrued income	13,960	8,901
	<u>1,408,612</u>	<u>1,304,062</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 14)	59,260	59,260
Other loans (see note 14)	30,300	-
Hire purchase contracts (see note 15)	105,404	60,812
Trade creditors	263,659	319,754
Tax	123,964	204,660
Social security and other taxes	77,618	74,785
Other creditors	537,256	538,842
Accruals and deferred income	65,814	28,346
	<u>1,263,275</u>	<u>1,286,459</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 14)	45,307	106,378
Other loans (see note 14)	61,327	-
Hire purchase contracts (see note 15)	30,254	135,954
	<u>136,888</u>	<u>242,332</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loans	59,260	59,260
Other loans	30,300	-
	<u>89,560</u>	<u>59,260</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	45,307	106,378
Other loans - 1-2 years	61,327	-
	<u>106,634</u>	<u>106,378</u>

Hibiscus Plc

Notes to the Financial Statements - continued for the Year Ended 31 October 2020

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Net obligations repayable:		
Within one year	105,404	60,812
Between one and five years	30,254	135,954
	<u>135,658</u>	<u>196,766</u>

Finance lease payments represent rentals payable on plant and machinery held in the parent company Hibiscus Holdings Plc. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
50,000	Ordinary	1	<u>50,000</u>	<u>50,000</u>

17. ULTIMATE PARENT COMPANY

Hibiscus Holdings Plc is regarded by the directors as being the company's ultimate parent company.