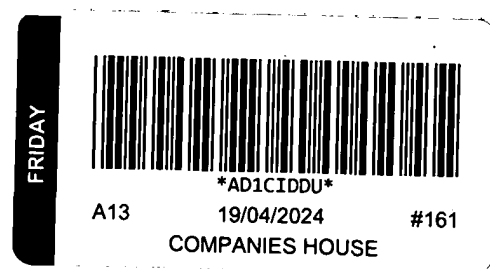


**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 October 2023**
for
Hibiscus Plc



**Contents of the Financial Statements
for the Year Ended 31 October 2023**

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Hibiscus Plc

**Company Information
for the Year Ended 31 October 2023**

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 (Statutory Auditors)
Network House
Stubs Beck Lane
Cleckheaton
BD19 4TT

Hibiscus Plc**Strategic Report
for the Year Ended 31 October 2023**

The directors present their strategic report for the year ended 31 October 2023.

FAIR REVIEW OF THE BUSINESS

The company has had its best financial year since incorporation, as it moves closer to the goal of £5,000,000 turnover. There has been a £250,000 investment in the company facilities, which includes the installation of a large set of solar panels to reduce the company's environmental footprint, as well as significantly reducing costs. There has also been a comprehensive refurbishment of the company offices and manufacturing facility.

The company has won further awards for its' excellent service to the chemical industry including a Lifetime achievement award for director Brian Killerby.

Major change has taken place and there is a more structured and focused team in place.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial, credit, liquidity and cashflow risk are considered low as the company continues to show strong profitability and cash generation. Working capital is managed and constantly reviewed on a weekly basis. The company maintains a healthy balance sheet which remains strong due to continued investment in the company's assets that allow the business to run efficiently.

The major business risk has been the continuing evolution of the Brexit deal as well as the upcoming General Election. There has also been a significant impact with the situation in the Red Sea.

STRATEGY

With two new sales people in role and a refined sales strategy implemented, there is the capacity to significantly increase turnover.

KEY PERFORMANCE INDICATORS

The Board monitors the progress of the company by reference to the following KPI's :

	2023	2022
	£	£
Turnover	4,637,987	£4,150,683
Gross profit percentage	42.1%	40.98%
Operating profit percentage	11.0%	15.23%

The main non-financial KPI is customer satisfaction resulting from repeat orders.

FUTURE DEVELOPMENTS

The company believes it is well placed to grow its customer base sustainably and increase its profitability.

ON BEHALF OF THE BOARD:

DocuSigned by:
James Killerby
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J Killerby - Director

3/28/2024

Date:

Hibiscus Plc**Report of the Directors
for the Year Ended 31 October 2023**

The directors present their report with the financial statements of the company for the year ended 31 October 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of specialist labels and software for hazardous goods.

DIVIDENDS

A final dividend of £7.12 per share was declared on 31 October 2023. The total dividend distribution for the year ended 31st October 2023 was £356,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2022 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.

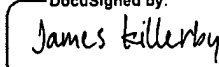
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

DocuSigned by:

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 J Killerby - Director

3/28/2024

Date:

**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 2023 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

While planning our audit, we have made enquiries of management and those charged with governance around any actual or potential litigation and claims against the company for non-compliance with specific laws and regulations. The same has been done in respect of any instances of fraud or irregularities. The responses received have been communicated with the engagement team at the planning stage.

We have not been informed of any specific laws or regulatory related issues that could materially impact the financial statements in addition to this, there has been no suspected fraud or irregularities reported to us.

While planning our audit the engagement partner selected appropriately trained staff to be engaged in the audit and the team are allocated based on their competence and capabilities.

The audit work undertaken is a substantive work based audit approach, reviewing to source documentation where appropriate and includes a review and walkthrough of the systems which management have put in place. These tests are directional. Therefore, they are designed in a way to maximise audit effectiveness and the possible identification of any material fraud, irregularities, or instances of systems and procedure breaches. Our testing did not identify any issues that requires any additional reporting.

These tests and other areas of our audit work are designed to enhance our ability to detect cases of material fraud and certain irregularities. It should be noted that our audit is carried out using a material based approach and therefore does not test every transaction, as such it would not detect all instances of irregularities and specifically fraud which is inherently more difficult to detect.

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.

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

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.

DocuSigned by:

Raza Effendi

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Raza Effendi MBA FCA (Senior Statutory Auditor)

for and on behalf of KJA Kilner Johnson Ltd (Statutory Auditors)

Network House

Stubs Beck Lane

Cleckheaton

BD19 4TT

4/16/2024

Date:

Hibiscus Plc

**Statement of Comprehensive
Income
for the Year Ended 31 October 2023**

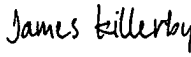
		2023		2022	
	Notes	£	£	£	£
TURNOVER	3		4,637,987		4,150,683
Cost of sales			<u>2,683,481</u>		<u>2,449,748</u>
GROSS PROFIT			1,954,506		1,700,935
Distribution costs		46,675		38,584	
Administrative expenses		<u>1,392,239</u>		<u>1,030,401</u>	
			<u>1,438,914</u>		<u>1,068,985</u>
OPERATING PROFIT	6		515,592		631,950
Interest payable and similar expenses	7		<u>50,583</u>		<u>36,309</u>
PROFIT BEFORE TAXATION			465,009		595,641
Tax on profit	8		<u>77,855</u>		<u>94,100</u>
PROFIT FOR THE FINANCIAL YEAR			387,154		501,541
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u><u>387,154</u></u>		<u><u>501,541</u></u>

The notes form part of these financial statements

Balance Sheet
31 October 2023

	Notes	2023 £	2022 £
CURRENT ASSETS			
Stocks	10	525,002	494,829
Debtors	11	1,204,342	1,241,022
Cash at bank and in hand		23,456	14,391
		<u>1,752,800</u>	<u>1,750,242</u>
CREDITORS			
Amounts falling due within one year	12	1,051,426	1,080,022
		<u>701,374</u>	<u>670,220</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>701,374</u>	<u>670,220</u>
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Retained earnings		651,374	620,220
		<u>701,374</u>	<u>670,220</u>
SHAREHOLDERS' FUNDS			

The financial statements were approved by the Board of Directors and authorised for issue on 3/28/2024 and were signed on its behalf by:

DocuSigned by:

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 J Killerby - Director

The notes form part of these financial statements

Hibiscus Plc**Statement of Changes in Equity
for the Year Ended 31 October 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2021	50,000	612,179	662,179
Changes in equity			
Dividends	-	(493,500)	(493,500)
Total comprehensive income	-	501,541	501,541
Balance at 31 October 2022	<u>50,000</u>	<u>620,220</u>	<u>670,220</u>
Changes in equity			
Dividends	-	(356,000)	(356,000)
Total comprehensive income	-	387,154	387,154
Balance at 31 October 2023	<u>50,000</u>	<u>651,374</u>	<u>701,374</u>

The notes form part of these financial statements

Hibiscus Plc**Notes to the Financial Statements
for the Year Ended 31 October 2023****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 2023****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:

	2023	2022
	£	£
United Kingdom	4,059,610	3,598,704
Outside of UK	578,377	551,979
	<u>4,637,987</u>	<u>4,150,683</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	1,085,660	946,184
Social security costs	102,353	94,390
Other pension costs	28,079	27,081
	<u>1,216,092</u>	<u>1,067,655</u>

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

	2023	2022
Office and management	7	7
Production and sales	23	23
	<u>30</u>	<u>30</u>

5. DIRECTORS' EMOLUMENTS

	2023	2022
	£	£
Directors' remuneration	<u>53,416</u>	<u>43,281</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	10,000	9,000
Foreign exchange differences	93	(642)
	<u>10,093</u>	<u>8,358</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank loan interest	7,859	7,272
Hire purchase	-	5,053
Invoice discounting fees	42,724	23,984
	<u>50,583</u>	<u>36,309</u>

8. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	77,855	94,100
Tax on profit	<u>77,855</u>	<u>94,100</u>

UK corporation tax has been charged at 22.50% (2022 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Profit before tax	465,009	595,641
Profit multiplied by the standard rate of corporation tax in the UK of 22.500% (2022 - 19%)	104,627	113,172
Effects of:		
Utilisation of tax losses	(26,834)	-
Research and development tax credit	-	(19,314)
Vehicle lease restriction	-	242
Change in effective tax rates	62	-
Total tax charge	<u>77,855</u>	<u>94,100</u>

9. DIVIDENDS

	2023	2022
	£	£
Final	356,000	-
Interim	-	493,500
	<u>356,000</u>	<u>493,500</u>

Hibiscus Plc

Notes to the Financial Statements - continued
for the Year Ended 31 October 2023

10. STOCKS

	2023	2022
	£	£
Raw materials	129,498	147,563
Work-in-progress	3,865	4,285
Finished goods	391,639	342,981
	<u>525,002</u>	<u>494,829</u>

11. DEBTORS

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	663,963	706,552
Other debtors	1,168	-
Prepayments and accrued income	22,169	20,243
	<u>687,300</u>	<u>726,795</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>517,042</u>	<u>514,227</u>
Aggregate amounts	<u>1,204,342</u>	<u>1,241,022</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans (see note 13)	50,426	92,929
Trade creditors	324,233	262,641
Tax	77,855	113,402
Social security and other taxes	25,639	23,985
VAT	73,061	52,821
Other creditors	433,983	450,258
Accruals and deferred income	66,229	83,986
	<u>1,051,426</u>	<u>1,080,022</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>50,426</u>	<u>92,929</u>

Hibiscus Plc**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023****14. SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Invoice discounting	<u>406,581</u>	<u>419,232</u>

The company has an invoice finance facility. The debt outstanding at the year end is secured with a charge over the trade debtors.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
50,000	Ordinary	1	<u>50,000</u>	<u>50,000</u>

16. ULTIMATE PARENT COMPANY

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

17. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.