Registered number: 01755958

WD-40 COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

WD-40 COMPANY LIMITED

COMPANY INFORMATION

Directors	W Noble S A Brass C Cloez (appointed 30 October 2023) J Tearle (appointed 30 October 2023)
Company secretary	M Kempson (appointed 30 October 2023) Bird & Bird Company Secretaries Limited
Registered number	01755958
Registered office	252 Upper Third Street Milton Keynes Buckinghamshire United Kingdom MK9 1DZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Exchange House Central Business Exchange Midsummer Boulevard Central Milton Keynes MK9 2DF

WD-40 COMPANY LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Directors submit their strategic report for WD-40 Company Limited (the "Company") for the year ended 31 August 2023.

Position of the business

The Company at 31 August 2023 has total equity of £52.5m (2022: £43.6m), of which £45.8m (2022: £36.8m) is represented by retained earnings.

Business review

The year sales increased by 0.8% (2022: 2.0%) to £157.6m (2022: £156.4m) and profits before taxation decreased 8.9% on last year to £20.9m (2022: £23.0m). Gross margin percentage was 46.1% (2022: 43.5%). Selling price increases led to revenue growth. Gross margin improved due to selling price increases and commodity price fluctuations. Distribution costs and administrative expenses increased by 12.9% (2022: decreased 4.4%) and increased as a percentage of total sales to 31.9% (2022: 28.5%). These costs were influenced by the general inflationary environment.

The Company sells and markets its four core brands, which are; WD-40, 3-in-One, 1001 and GT85 (SG85). The WD-40 brand includes the 'WD-40 Specialist' products, aimed at specialist lubricant markets and the 'WD-40 Bike' products for the bicycle maintenance market.

WD-40 brand sales decreased by 0.2% in the year (*2022: increased 3.6%*), 3-in-One sales increased by 1.6% (*2022: decreased 6.1%*), 1001 brand sales increased by 22.8% (*2022: decreased 14.0%*) and sales of the GT85 brand increased by 2.9% (*2022:* decreased by 18.2%).

To support the expected long term future growth the Company continues to invest in its local infrastructures around Europe, as well as planning to invest 10% of sales in advertising and promotions to underpin the brands.

Future Outlook

The Company is planning future sales and earnings growth for the coming year and beyond.

Principal risks and uncertainties

The Company's principal risks and uncertainties are managed and mitigated as required. The Board and Management meet regularly to discuss known risks and uncertainties in the business, and to identify and mitigate new risks and uncertainties as they arise. Processes and controls are in place within the business to help identify and mitigate risks and uncertainties.

The key risks include:

Regulatory
The Company is subject to many environmental and packaging regulations. Changes in these may impact costs and/or revenues. The Company ensures it is aware of all future regulatory changes with applicable regulatory authorities.

Protection of intellectual property
The Company, through its ultimate parent relies on trademarks, trade secrets, patent and copyright laws to protect its intellectual property. Infringements may impact costs and revenue streams. Protection of intellectual property is headed by the ultimate parent company.

Political and economic
The Company sells either directly or indirectly into many countries and therefore within those markets is exposed to the risk of political and economic uncertainties. Areas such as Russia, the Middle East and Eastern Europe may be considered as high risk areas. This risk is managed and mitigated by operating across many markets.

Supply chain
The Company relies on third parties for the supply of its raw materials, packing, warehousing and distribution and finished goods. While the Company works closely with its various suppliers, changes to their cost base or unexpected operational factors may disrupt supply, with a consequential impact on revenue and costs. This risk is mitigated by operating with a number of suppliers.

Marketing distributor relationships
The Company uses third party distributors to market, sell and distribute a large proportion of its products in countries where is does not have a direct market. The Company relies on local expertise and knowledge of its marketing distributors. From time to time the Company has experienced changes with respect to its relationships with distributors which may disrupt local market activity and revenues. The Company conducts regular meetings with all of its marketing distributors to manage this risk.

Competition
The Company competes in many channels with varying degrees of competition with many other products for store placement and shelf space. This may impact revenue streams or the cost base to defend a position. The Company actively understands its current competitor activities.

Product liability and other litigation risks
The use of the Company's products may expose the Company to liability claims resulting from such use. While insurances are in place to provide appropriate protection, risk may arise where the loss exceeds insured levels or risks are not covered by insurance. Annual insurance renewals are conducted with our Company brokers to ensure appropriate insurances are in place with appropriate levels of cover.

Financial risk management
The Company's operations expose it to a variety of financial risks that are highlighted below. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring its credit and liquidity exposures.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set up by the Board of Directors are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Oil prices
Oil prices can significantly impact raw material and component costs. Prices are monitored regularly.

Currency
The Company sells in Euros, US Dollars, Danish Krone and Pound Sterling, and whilst hedging strategies, in the form of forward contracts are in place to mitigate currency fluctuations, long term shifts in foreign exchange rate can impact revenue and costs when translated back on reporting into Pound Sterling.

Customer risk
The Company sells into a wide range of channels and customers which mitigate this risk. Particularly in the retail customer base where such customers purchase large volumes, a customer decision to delist a product may significantly impact revenues. Additionally, where the Company provides credit terms, while there are robust procedures in place to ensure debt is recoverable, a customer's inability to pay may impact cash flows and costs.

War in Ukraine
On 24th February 2022, Russian forces launched significant military action against Ukraine, which resulted in conflict and disruption in the region

The Company suspended selling its products to markets in Russia and Belarus in the prior financial year. The Company did not have significant operations in these affected regions other than the distribution and sale of its products, which occurred through marketing distributors. This region had no impact on the financial statements for the current period.

Other
It is not felt that the Company suffers from significant liquidity or credit risk given its large positive cash balance held in low risk financial institutions and the stable customer base it trades with. The Company generates strong positive cash flows and optimises its working capital by optimising stock holdings with regular forecasting. Trade debtors are regularly collected and the balance increased at the end of the year due to order phasing from customers. This working capital management allows the Company to meet its operational needs and ensures growth. The Company regularly reviews the security of the financial institutions it holds cash and deposits with.

Financial key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that for an understanding of the development, performance or position of the business, the analysis as detailed in the Strategic Report is sufficient, and further use of KPIs is unnecessary. The business success and development hinges around sales growth and the management of gross margins, selling and distribution costs which have already been highlighted and discussed in the Strategic Report.

Section 172 statement

A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to:

- The likely consequences of any decision in the long term,
- The interests of the company's employees,
- The need to foster the company's business relationships with suppliers, customers and others,
- The impact of the company's operations on the community and the environment,
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly between members of the company.

The Board has always taken decisions in the long-term interest of the Company. Strategic initiatives are agreed at the group level and are embedded in the activity of the Company's operations. Annually, a strategic five-year plan is reviewed and updated to hone the vision of long-term success of the company. We exist to create positive lasting memories in everything we do. We solve problems. We make things work smoothly. We create opportunities. Our mission is to deliver unique, high-value solutions for a wide variety of maintenance needs in workshops, factories and homes. Our brand delivers the trust and performance needed to instill confidence and empower people to get out there and Live Life Hands On.

The Board engages an impartial third party to conduct an Employee Engagement survey on a biannual basis. The monitoring of employee engagement is taken very seriously, with a strong focus on maintaining the high levels of employee satisfaction with the Company, their role and values at the core of the business. All results of The Company gives full and fair consideration to applications for employment from people with disablilities. The Company is responsive to the needs of its employees. As such, should any employee become disabled during their time with us, we will support that employee and make reasonable adjustments to their working environment where possible, in order for them to continue their employment with the Company. The Company is committed to equity in access to the full range of recruitment, career development, promotion, training and other employment opportunities for all staff.the survey are discussed internally, and action plans formulated to address the feedback. The management team meet regularly to ensure the values of fairness and diversity are being addressed through the business.

Employees at WD-40 Company Limited are communicated to regularly through Human Resources platforms.
WD-40 Company Limited operates several employee forums too including a culture squad and a representative functional squad.There is also employee representation on committees such as the pension governance committee. All employees are highly involved in and linked to the company performance, including operating under the same remuneration schemes company wide. Through regular 'Town Hall' meetings, employees are

regularly updated as to the performance of the company as well as given insights and opportunities for participating in creating the future focus for the company.

At WD-40 Company we foster a culture of inclusion where all individuals are recognized, valued, respected, and experience a sense of belonging. All qualified applicants will receive consideration for employment without regard to individual characteristics that make us unique such as our backgrounds, experiences, qualities, talents, traits, beliefs, and preferences.

The Board recognises that its key suppliers are an extension of the Company's supply chain and that upholding these strong relationships is integral to the ongoing success of the company. The Board seeks to keep positive enduring relationships with both customers and marketing distributors, to ensure the Company stays connected through to its end users. The Company achieves this through extensive market research on an annual basis.

The Board has focused on doing what's right in how it creates and produces products for its end users since the Company's inception. Beyond regulatory compliance in every applicable jurisdiction, the Company is focused in its efforts to provide safe, environmentally friendly, and effective products across EIMEA. In addition, the Company takes its commitment to supporting and being a part of the wider community seriously through engagement in charitable initiatives led by through third parties.

The Board is committed to high standards of business conduct. It recognises that the key asset of the Company are its employees, and seeks to attract, develop, and maintain talent in the 'tribe'. The Company strives for its name and brands to become known as emblems of quality, performance and value.

The Board acts fairly in its relations between WD-40 Company Limited, and its ultimate controlling party, WD-40 Company. There is an effective and robust relationship between the companies, uniting in strategic direction, leadership and key decision-making.

Directors' statement of compliance with duty to promote the success of the Company

The directors of WD-40 Company Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole.

This report was approved by the board on 14 December 2023 and signed on its behalf.

W Noble
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Principal activities

WD-40 Company Limited is involved in the selling, marketing and distribution of its branded products in over 60 countries extending across Europe, Africa, India and the Middle East. As well as the UK branch, there are six overseas branches in operation; these are located in Germany, France, Spain, Portugal, The Netherlands and Italy.

Results and dividends

The profit for the year, after taxation, amounted to £16,161,000 *(2022: £18,607,000).*

A dividend of £7,200,000 *(2022: £5,200,000)* was paid to the Company's immediate parent company in respect of the financial year. The Directors do not propose a final dividend in respect of the year ended 31 August 2023 *(2022: £nil).* Results this year were in line with expectation.

Branches outside the UK

WD-40 Company Limited operates branches outside of the UK in France, Germany, Portugal, Spain, Italy and the Netherlands.

Research and development

The Company have invested in research and development programmes to support and expand its range of products. The Company's research and development expenditure for the year ended 31 August 2023 amounted to £174,000 (2022: £75,000). Recognised within Assets under construction is £4.9m relating to fixed assets in conjunction with development of a new delivery system (2022: £5.5m).

Directors

The directors who served during the year and up until the date of signing these financial statements were:

W Noble
S A Brass
C Cloez (appointed 30 October 2023)
J Tearle (appointed 30 October 2023)

Engagement with suppliers, customers and others

The Company's key stakeholders are its employees, customers, consumers, suppliers, shareholders, and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for Directors when making relevant decisions.

Employees with disabilities

The Company gives full and fair consideration to applications for employment from people with disablilities. The Company is responsive to the needs of its employees. As such, should any employee become disabled during their time with us, we will support that employee and make reasonable adjustments to their working environment where possible, in order for them to continue their employment with the Company. The Company is committed to equity in access to the full range of recruitment, career development, promotion, training and other employment opportunities for all staff.

Employee engagement

For details on employee engagement, please refer to the S172 statement contained within the strategic report.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Energy and carbon reporting

The Company's greenhouse gas emissions and energy consumption for the year are

	2023	2022
Scope 1 - direct emissions (kWh) Combustion and transport	929,000	806,000
Scope 2 - indirect emissions (kWh) Purchased electricity	446,000	473,000
Scope 3 - indirect emissions (kWh) Company fuel	92,000	79,000
Total	1,467,000	1,358,000
Associated Greenhouse gas emissions (Tonnes CO2 equivalent/ tCO2e)		
Scope 1 - direct emissions (tCO2e) Combustion and transport	195	171
Scope 2 - indirect emissions (tCO2e) Purchased electricity	92	92
Scope 3 - indirect emissions (tCO2e) Company fuel	21	18
Total	309	281
Intensity ratio	0.09	0.08

The above information has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities of WD-40 Company Limited as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 have been included.

The carbon figures have been calculated using the DESNZ 2023 carbon conversion factors for all fuels, other than the market based electricity which has been taken from E.ON as the UK suppliers.

The intensity ratio is calculated as tonnes of carbon dioxide equivalent divided by floor area in metres squared.

Energy efficiency actions taken

- LED fittings were moved into the areas which are still used in Kiln Farm to save energy cost from the offices which are not used, replacing the fluorescent ones totally.
- Ongoing monitoring of pumps and motors for production premises to ensure optimum energy efficiency.
- Closing both sites when not required during holidays

Matters covered in the strategic report

Principal risks and uncertainties, and the future developments of the Company are disclosed in the Strategic Report.

Directors' confirmations

In the case of each director at the time when this Directors' Report is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

After reviewing the Company's current forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The directors of the Company have performed an assessment of the overall position and future forecasts for the purposes of going concern in light of the current environment covering the period from the present through to 31 December 2024. The Directors of the Company have considered the future position based on current trading and a number of potential downside scenarios which may occur, either through geo-political uncertainty related impacts, general economic uncertainty and other risks. This assessment has considered likely trading patterns of the Company and the ability to generate cash from future sales to remain cash generative.

This assessment has also considered the external liability on the Company's balance sheet which relates to a line of credit agreement executed at a group level, in the United States, against which the Company has drawn down funds. The company has the contractual right to roll forward the loan until repayment is due in September 2025, outside of the going concern period of assessment, unless loan covenants are breached in the meantime. The Directors have modelled a number of scenarios over the going concern period of assessment including a severe but plausible scenario. None of these scenarios forecast results which would lead to a covenant breach, and therefore it is assumed the loan will remain in place throughout the going concern period of review. Based on their assessment, the Directors conclude that the Company will have adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis of preparation.

Matters discussed in the S172 statement

The directors' commitment to employee, and other stakeholder engagement is discussed in the S172 statement included in the Directors' Report.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 14 December 2023 and signed on its behalf.

W Noble
Director

Independent auditors' report to the members of WD-40 Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, WD-40 Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 August 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and quality management standards, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journal entries or manipulating accounting estimates and judgements which could be subject to management bias. Audit procedures performed by the engagement team included:

- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Testing a sample of journals based on risk based criteria including unexpected credits to revenue;
- Assessing accounting judgements and estimates in particular those relating to impairment of tangible assets, allowance for doubtful debts and net realisable value of inventory and the disclosures included on these balances within the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Daniel Brew (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
19 December 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Turnover	4	157,607	156,367
Cost of sales		(85,000)	(88,391)
GROSS PROFIT		72,607	67,976
Distribution costs		(4,916)	(4,950)
Administrative expenses		(45,373)	(39,578)
OPERATING PROFIT	5	22,318	23,448
Interest received	9	88	-
Interest paid	10	(1,458)	(442)
PROFIT BEFORE TAX		20,948	23,006
Tax on profit	11	(4,787)	(4,399)
PROFIT FOR THE FINANCIAL YEAR		16,161	18,607

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 17 to 41 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note		2023 £000		2022 £000
Fixed assets					
Intangible assets	13		1,368		1,230
Tangible assets	14		24,357		24,239
			25,725		25,469
Current assets					
Stocks	15	19,138		23,080	
Debtors	16	45,237		43,108	
Cash at bank and in hand	17	25,852		20,141	
		90,227		86,329	
Creditors: amounts falling due within one year	18	(29,221)		(34,365)	
Net current assets			61,006		51,964
Total assets less current liabilities			86,731		77,433
Creditors: amounts falling due after more than one year	19		(33,872)		(33,820)
Deferred tax	22	(282)		-	
Provisions for liabilities	23	(28)		(25)	
			(310)		(25)
Net assets			52,549		43,588
Capital and reserves					
Called up share capital	24		250		250
Share premium account	25		6,500		6,500
Profit and loss account	25		45,799		36,838
Total Equity			52,549		43,588

The financial statements on pages 14 to 16 were approved and authorised for issue by the board and were signed on its behalf on

W Noble
Director

14 December 2023

The notes on pages 17 to 41 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 September 2021	250	6,500	23,431	30,181
Comprehensive income for the year				
Profit for the year	-	-	18,607	18,607
Dividends: Equity capital	-	-	(5,200)	(5,200)
At 31 August 2022 and 1 September 2022	250	6,500	36,838	43,588
Comprehensive income for the year				
Profit for the year	-	-	16,161	16,161
Dividends: Equity capital (note 12)	-	-	(7,200)	(7,200)
At 31 August 2023	250	6,500	45,799	52,549

The notes on pages 17 to 41 form part of these financial statements.

1. General information

WD-40 Company Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom. The address of the Company's registered office is 252 Upper Third Street, Milton Keynes, United Kingdom, MK9 1DZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 *Financial reporting standard 102 - reduced disclosure exemptions*

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of WD-40 Company as at 31 August 2023 and these financial statements may be obtained from WD-40 Company, 9715 Businesspark Avenue, San Diego, California, 92131, USA or https://investor.wd40company.com/investors/financials/annual-reports/default.aspx .

2. Accounting policies (continued)

2.3 Going concern

After reviewing the Company's current forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The directors of the Company have performed an assessment of the overall position and future forecasts for the purposes of going concern in light of the current environment covering the period from the present through to 31 December 2024. The Directors of the Company have considered the future position based on current trading and a number of potential downside scenarios which may occur, either through geo-political uncertainty related impacts, general economic uncertainty and other risks. This assessment has considered likely trading patterns of the Company and the ability to generate cash from future sales to remain cash generative.

This assessment has also considered the external liability on the Company's balance sheet which relates to a line of credit agreement executed at a group level, in the United States, against which the Company has drawn down funds. The company has the contractual right to roll forward the loan until repayment is due in September 2025, outside of the going concern period of assessment, unless loan covenants are breached in the meantime. The Directors have modelled a number of scenarios over the going concern period of assessment including a severe but plausible scenario. None of these scenarios forecast results which would lead to a covenant breach, and therefore it is assumed the loan will remain in place throughout the going concern period of review. Based on their assessment, the Directors conclude that the Company will have adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis of preparation.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured by the invoiced value of the goods supplied after deduction of settlement discounts, volume rebates and value added tax.

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	7 % - 20%
Computer Software	-	20 % - 33%

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

2.6 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2.5% - 33.3%
Plant and machinery	- 10%
Motor vehicles	- 25%
Fixtures, fittings and equipment	- 10% - 33.3%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Finished goods are physically held by packaging suppliers, however due to an exclusive buy back agreement, it is considered that, in substance, this is stock of the Company.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. .

2.11 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties. The Company has applied sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an

2. Accounting policies (continued)

2.11 Financial instruments (continued)

out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2. Accounting policies (continued)

2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.19 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.20 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred.tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

We consider an accounting estimate to be significant if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are items within our financial statements that require estimation and judgments, but are not deemed critical as defined above and so could not have a material impact on our financial statements.

4. Turnover

The Company's activities constitute a single class of business.

Analysis of turnover by country of destination:

	2023 £000	2022 £000
United Kingdom	27,336	22,399
Rest of Europe	108,387	111,410
Rest of the World	21,884	22,558
	157,607	156,367

5. Operating profit

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

	2023	*2022*
	£000	*£000*
Research and development charged as expense	**174**	*75*
Depreciation of tangible assets	**2,272**	*1,618*
Amortisation of intangible assets, including goodwill	**837**	*691*
Operating lease charges	**470**	*392*
Profit on sale of fixed assets	**(215)**	*(129)*
Exchange differences	**402**	*(1,163)*
Defined contribution pension cost	**1,174**	*1,037*
Inventory recognised as an expense	**67,368**	*68,307*
Impairment of trade debtors	**92**	*65*

6. Auditors' remuneration

	2023	*2022*
	£000	*£000*
Fees payable to the Company's auditor and their associates for the audit of the Company's annual financial statements	**303**	*253*

Included within the auditors' remuneration is £5,000 *(2022: £5,000)* relating to the audit of the immediate parent company WD-40 Holdings Limited.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £000	*2022* *£000*
Wages and salaries	15,511	*13,401*
Social security costs	3,436	*3,206*
Other pension costs	1,174	*1,037*
	20,121	*17,644*

Share based equity awards including Restricted Stock Units (RSUs), Deferred Performance Units (DPUs) and Performance Stocks Units (PSUs) of £510,000 *(2022: £388,000)* were awarded during the year.

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	*2022* *No.*
Sales & Marketing	117	*115*
Administration	151	*141*
	268	*256*

8. Directors' remuneration

One of the Company's two Directors is employed by WD-40 Company, the ultimate parent company, and did not receive emoluments from WD-40 Company Limited. The Director did not receive any emoluments from any other party specifically for services as a Director of WD-40 Company Limited and it is not possible to make an accurate apportionment of the Director's emoluments received from other group companies in respect of their services to WD-40 Company Limited. Accordingly these financial statements include no emoluments for this Director (2022: £nil).

The director, for whom remuneration is disclosed in these financial statements, is also the highest paid director of the entity.

	2023 £000	2022 £000
Directors' emoluments	301	273
Amounts receivable under long-term incentive schemes	210	131
Company contributions to defined contribution pension schemes	41	37
	552	441

During the year retirement benefits were accruing to 1 director *(2022 - 1)* in respect of defined *contribution pension schemes.*

The paid Director did not exercise share options during the year and has shares receivable under a long term incentive scheme. The paid Director also received a dividend payment of £3,000 (2022: £4,000) from the Company's ultimate parent company.

The Key Management Personnel of the Company comprise the European Tribal Council. The total amount of employee benefits, including share based equity award and employer's pension contributions, received by Key Management Personnel, including Directors, for their services to the Company was £2,661,000 (2022: £2,155,000).

9. Interest received

	2023 £000	*2022* *£000*
Interest receivable	88	-
	88	-

10. Interest paid

	2023 £000	*2022* *£000*
Loan interest paid	1,458	*442*
	1,458	*442*

11. Tax on profit

	2023 £000	*2022* *£000*
Corporation tax		
Current tax on profits for the year	4,393	*4,076*
Adjustments in respect of previous periods	(63)	*(145)*
	4,330	*3,931*
Double taxation relief	(689)	*(586)*
	3,641	*3,345*
Foreign tax		
Foreign tax on income for the year	743	*736*
	743	*736*
Total current tax	4,384	*4,081*
Deferred tax		
Origination and reversal of timing differences	197	*253*
Adjustments in respect of previous periods	174	*(14)*
Changes in tax rates	32	*79*
Total deferred tax	403	*318*
Tax on profit	4,787	*4,399*

11. Tax on profit (continued)

Factors affecting tax charge for the year

On 1 April 2023 the rate of corporation tax increased to 25%, so an effective tax rate of 21.52% combining the two rates has been used to determine the tax charge for the year.

The tax assessed for the year is higher than *(2022 - higher than)* the rate of corporation tax of 21.52% *(2022 - 19%)*. The differences are explained below:

	2023 £000	*2022 £000*
Profit before tax	**20,948**	*23,006*
Profit before tax multiplied by corporation tax of 21.52% (2022 - 19%)	4,508	*4,371*
Effects of:		
Expenses not deductible for tax purposes	72	*54*
Income not taxable	-	*(24)*
Higher rate taxes on overseas earnings	53	*151*
Adjustments in respect of previous periods	111	*(159)*
Tax rate changes	32	*79*
Share options	11	*(73)*
Total tax charge for the year	4,787	*4,399*

Factors that may affect future tax charges

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2022 – 25%) which represents the corporation tax rate that was enacted at the balance sheet date.

12. Dividends

	2023 £000	*2022 £000*
Interim dividend paid	7,200	*5,200*
	7,200	*5,200*

The dividend paid on each share amounted to £ 28.79*(2022:£20.79)*.

13. Intangible assets

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 September 2022	4,992	10,940	15,932
Additions	862	-	862
Transfer from tangibles	113	-	113
Disposals	(25)	-	(25)
At 31 August 2023	5,942	10,940	16,882
Accumulated amortisation			
At 1 September 2022	3,762	10,940	14,702
Charge for the year on owned assets	837	-	837
On disposals	(25)	-	(25)
At 31 August 2023	4,574	10,940	15,514
Net book value			
At 31 August 2023	1,368	-	1,368
At 31 August 2022	*1,230*	-	*1,230*

Goodwill relates to;
(i) The acquisition of the 3-in-One brand rights during 1995/96 for the UK, Europe and Middle East; the goodwill was amortised on a straight-line basis over 15 years;
(ii) Goodwill on the 1001 brand acquired in 2003/4, the goodwill was amortised on a straight-line basis over 10 years;
(iii) Goodwill on the purchasing rights to sell direct in Belgium. This goodwill was acquired in January 2014 and has been amortised on a straight-line basis over 5 years;
(iv) Goodwill on the GT-85 acquisition in September 2014, has been amortised on a straight-line basis over 5 years.

The useful life of goodwill is based on the expected use of those acquired brands and rights to sell.

The useful life of computer software is based on managements expectation of the usage of the software.

14. Tangible fixed assets

	Freehold land £000	Buildings £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 September 2022	638	9,707	7,925	3,277	2,822	5,485	29,854
Additions	-	316	79	664	940	760	2,759
Disposals	-	(28)	-	(485)	(868)	-	(1,381)
Transfers between classes	-	-	1,201	-	-	(1,314)	(113)
At 31 August 2023	638	9,995	9,205	3,456	2,894	4,931	31,119
Accumulated depreciation							
At 1 September 2022	-	1,673	452	2,430	1,060	-	5,615
Charge for the year on owned assets	-	308	886	492	586	-	2,272
Disposals	-	(28)	-	(476)	(621)	-	(1,125)
At 31 August 2023	-	1,953	1,338	2,446	1,025	-	6,762
Net book value							
At 31 August 2023	638	8,042	7,867	1,010	1,869	4,931	24,357
At 31 August 2022	*638*	*8,034*	*7,473*	*847*	*1,762*	*5,485*	*24,239*

15. Stocks

	2023 £000	2022 £000
Raw materials	362	418
Work in progress	74	81
Finished goods	18,702	22,581
	19,138	23,080

The carrying value of stocks are stated net of impairment losses totalling £7,000 *(2022 - £3,000)*.

There is no significant difference between the replacement cost of the inventory and the carrying amount.

16. Debtors

	2023 £000	2022 £000
Due after more than one year		
Deferred tax asset	-	121
	-	121
Due within one year		
Trade debtors	41,665	37,200
Other debtors	201	240
Prepayments	3,371	3,453
Tax receivable	-	2,094
	45,237	43,108

Trade debtors are stated after provision for impairment of £92,000 *(2022: £65,000)*.

Other debtors relate to cloud computing costs capitalised as part of the development of Blackline and Phocas software.

17. Cash at bank and in hand

	2023 £000	2022 £000
Bank and cash balances	25,852	20,141
	25,852	20,141

18. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	9,638	7,697
Amounts owed to group undertakings	7,684	15,028
Corporation tax	183	-
Other taxation and social security	3,416	2,291
Other creditors	1,081	1,120
Accruals	7,219	8,229
	29,221	34,365

Amounts owed to group undertakings are repayable on demand, unsecured, and interest-free.

19. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Bank loan (note 20)	33,872	33,820
	33,872	33,820

20. Loans

Analysis of the maturity of loans is given below:

	2023 £000	*2022* *£000*
Amounts falling due 2-5 years		
Bank loans 2-5 yrs	33,872	*33,820*
	33,872	*33,820*

On 22 January 2019, the WD-40 Company U.S. ("Group") amended its existing revolving line of credit Agreement with Bank of America to add the WD-40 Company Limited U.K. ("Company") as a Guarantor and Designated Borrower. The Agreement was further amended and restated on 16 March 2020 and amended again on 30 September 2020, and amended for transition from LIBOR on 29 November 2021.

The credit Agreement for this unsecured facility expires on 30 September 2025. As of 31 August 2023, there were two outstanding draws on the credit facility in the amount of £18,400,000 (Pounds) and €18,000,000 (Euros), both draws were made by the Company and subject to SONIA and EURIBOR respectively plus a margin of 1% for both. The EUR/GBP foreign exchange rate of the loan is 0.8595.

For additional clarity note that the Company has access within the credit agreement to a facility with a sub-limit of $100,000,000 (U.S. Dollars). The Group can refinance any draws under the line of credit with successive short-term borrowings through the September 30, 2025, maturity date of the Credit Agreement. Outstanding draws for which we have both the ability and intent to refinance with successive short-term borrowings for a period of at least twelve months are classified as long-term. No amendments have been made to payment terms, and the Company still intends to continuously renew the outstanding debt amounts drawn.

21. Financial instruments

	2023 £000	*2022 £000*
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**41,665**	*37,200*
Financial liabilities		
Financial liabilities measured at amortised cost	**(58,127)**	*(64,803)*

Included within financial assets that are debt intruments measured at amortised cost are Trade debtors.

Included within financial liabilities measured at amortised cost are Trade creditors, Amounts owed to group undertakings, Accruals and provisions for liabilities and Bank loans.

Financial assets measured at fair value through profit or loss
The Company enters into forward foreign currency contract to mitigate the exchange rate risk for certain foreign currency receivables.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the contracts are the forward exchange rates for GBP:USD and GBP:EUR. As at 31 August 2023, the maturity of the forward currency contracts was 1 month (2022: 1 month) and the amount being hedged was €2,392,000.

The change in value included in the Profit or Loss Account was £314,000 loss (*2022: £280,000* loss).

22. Deferred taxation

	2023 £000
At beginning of year	121
Charged to profit or loss	(403)
At end of year	**(282)**

The deferred tax asset is made up as follows:

	2023 £000	*2022 £000*
Fixed asset timing differences	(583)	*(178)*
Short-term timing differences - trading	301	*299*
	(282)	*121*

23. Provisions for liabilities

	Dilapidations provision £000
At 1 September 2022	25
Released to the profit and loss	3
At 31 August 2023	**28**

Dilapidations Provision
As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised as the leases terminate.

24. Called up share capital

	2023	*2022*
	£000	*£000*
Allotted, called up and fully paid		
250,100 *(2022 - 250,100)* Ordinary shares of £1.00 each	250	*250*

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

25. Reserves

Share premium account

The share premium account represents the consideration received on the issue of shares in the Company in excess of the nominal value of those shares, net share issue costs, bonus issue of shares and any subsequent capital reductions.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

26. Share-based payments

At 31 August 2023, WD-40 Company, the ultimate parent company in the USA, had one share incentive plan, the WD-40 Company 2016 Stock Incentive Plan ("2016 Plan"), which was approved by the ultimate parent company's shareholders effective as of 13 December 2016. The 2016 Plan permits the granting of various share-based equity awards, including non-qualified share options, incentive share options, share appreciation rights, restricted shares, restricted share units, performance shares, performance units and other share-based awards to employees, directors and consultants. To date through 31 August 2023, the ultimate parent company had granted awards of restricted share units ("RSUs"), market share units ("MSUs"), deferred performance units ("DPUs") and performance share units ("PSUs") under the 2016 Plan. Additionally, as of 31 August 2023, there were still certain outstanding awards which had been granted under the ultimate parent company's prior equity incentive plan. The 2016 Plan is administered by the ultimate parent company's Board of Directors (the "Board") or the Compensation Committee or other designated committee of the Board (the "Committee"). All share-based equity awards granted under the 2016 Plan are subject to the specific terms and conditions as determined by the Committee at the time of grant of such awards in accordance with the various terms and conditions specified for each award type per the 2016 Plan. The total number of shares of the ultimate parent company's common shares authorised for issuance pursuant to grants of awards under the 2016 Plan is 1,000,000. At 31 August 2023, 172,878 *(2022: 384,859)* shares of the ultimate parent company's common shares remained available for future issuance pursuant to grants of awards under the 2016 Plan. The shares of common stock to be issued pursuant to awards under the 2016 Plan may be authorised shares not previously issued, or treasury shares. The ultimate parent company has historically issued new authorised shares not previously issued upon the settlement of the various stock-based equity awards under its equity incentive plans.

26. Share-based payments (continued).

Vesting of the RSUs under the ultimate parent company's equity incentive plans that were granted to certain of the WD-40 Company Limited's high level employees is over a period of three years from the date of grant, subject to potential earlier vesting in the event of retirement of the holder of the award in accordance with the award agreement, with shares to be issued pursuant to the vested RSUs at the time of vest.

Vesting of the MSUs under the ultimate parent company's equity incentive plans that were granted to certain of the WD-40 Company Limited's high level employees follows a performance measurement period of three fiscal years commencing with the company's fiscal year in which the MSU awards are granted (the "Measurement Period"). Shares will be issued pursuant to the vested MSUs following the conclusion of the applicable MSU Measurement Period after the Committee's certification of achievement of the applicable performance measure for such awards and the vesting of the MSU awards and the applicable percentage of the target number of MSU shares to be issued. The recipient must remain employed with the company for vesting purposes until the date on which the Committee certifies achievement of the applicable performance measure for the MSU awards, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement.

During the twelve months ended 31 August 2021, PSU awards were granted for the first time under the 2016 Plan in October 2021 and granting of new DPUs was discontinued by the Company. No DPUs were granted in or after fiscal year 2021. Although certain vested DPU awards granted in prior periods remain outstanding due to a deferred settlement feature contained within these award agreements, the expense associated with these awards has been fully recognised in prior periods. Many features of the Company's PSU award agreements are similar to the discontinued DPU awards with the exception of the timing and terms of issuances. Vested DPUs contain a deferred settlement feature wherein the awards must be held until termination of employment, prior to which the recipients are entitled to dividend equivalents, with vested shares to be issued six months following each such recipient's separation of service from the Company. Vested PSUs are issuable prior to separation from service but contain a period of restriction, wherein the recipient cannot sell or otherwise dispose of the stock until six months following separation of service with the Company. Vesting of the PSUs under the ultimate parent company's equity incentive plans that were granted to certain of the WD-40 Company Limited's high level employees follows a performance measurement period of one fiscal year that is the same fiscal year in which the PSU awards are granted (the "Measurement Year"). A number of PSUs equal to the applicable percentage of the maximum number of PSUs awarded will be confirmed as vested following the conclusion of the applicable PSU Measurement Year after the Committee's certification of achievement of the applicable performance measure for such awards (the "Vested PSUs"). The recipient must remain employed with the company for vesting purposes until 31 August of the Measurement Year, subject to potential pro-rata vesting in the event of earlier retirement of the holder of the award in accordance with the award agreement.

Share-based compensation expense is recognised on a straight-line basis over the requisite service period for the entire award. Share-based compensation expense related to the WD-40 Company Limited's share-based equity awards totalled £510,000 (U.S. $602,000) and £388,000 (U.S. $507,000) for the fiscal years ended 31 August 2023 and 2022, respectively. The Company recognised corporation tax benefits related to such share-based compensation expense of £60,000 (U.S.$72,000) and £49,000 (U.S.$64,000) for the fiscal years ended 31 August 2023 and 2022, respectively. Additional net corporation tax benefits were £34,000 (U.S. $39,000) and £44,000 (U.S. $45,000) for the fiscal years ended 31 August 2023 and 2022, respectively, arising upon conversions of RSUs, MSUs and PSUs to common shares.

27. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,174,000 (*2022: £1,037,000*). Contributions totalling £19,000 (*2022: £19,000*) were payable to the fund at the balance sheet date.

28. Commitments under operating leases

At 31 August 2023 and 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	*2022 £000*
Land & Buildings		
Not later than 1 year	469	*308*
Later than 1 year not later than 5 years	1,115	*670*
Over 5 years	506	*156*
	2,090	*1,134*

29. Controlling party

The Company's immediate parent company is WD-40 Holdings Limited.

The ultimate parent undertaking and controlling party is WD-40 Company incorporated in the United States. This is the parent undertaking of the only group to consolidate these financial statements. Copies of the group financial statements can be obtained from WD-40 Company, 9715 Businesspark Avenue, San Diego, California, 92131, USA or https://investor.wd40company.com/investors/financials/annual-reports/default.aspx.

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The Directors
WD-40 Company Limited
252 Upper Third Street
Milton Keynes
United Kingdom
MK9 1DZ

19 December 2023

Dear Ladies and Gentlemen,

Audit of financial statements for WD-40 Company Limited for the year ended 31 August 2023

We are writing to set out the findings from our audit for the above named entity in accordance with International Standards on Auditing (UK) (ISAs (UK)).

Significant findings from the audit

We are required under ISA (UK) 260 "Communication with those charged with governance" to communicate to those charged with governance significant findings from the audit, including:

- Our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures; and
- Significant difficulties, if any, encountered during the audit.

We have nothing to report in respect of the above matters.

We also wish to draw your attention to the results of procedures performed over areas we identified as being significant audit risks:

1. Management override of controls –
   ISA 240 required that we plan our audit work to consider the risk of fraud. This includes consideration of the risk that management may override controls in order to manipulate the financial statements.

   In response to this risk, we have understood and evaluated internal key controls and processes, and performed specific procedures to:
   - test the appropriateness of journal entries;
   - review accounting estimates for bias and evaluate whether circumstances producing any bias represent a risk of material misstatement due to fraud; and,
   - perform 'unpredictable' procedures.

   Through the audit procedures performed, we identified no instances of material management override of controls.

2. Risk of fraud in revenue recognition -
   To address this risk, we performed specific journal tests over entries which credited revenue but did not debit an expected account (such as accounts receivable, cash or intercompany).

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Through the audit procedures performed, 7 journals met our risk criteria which were tested and concluded all were not an indication of fraud or error.

Significant deficiencies in internal control

We are required under ISA (UK) 265 "Communicating deficiencies in internal control to those charged with governance and management" to communicate to those charged with governance significant deficiencies in internal control identified during the audit.

The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our work may therefore have not identified all significant deficiencies in your system of internal controls which a separate audit of internal control may reveal.

We wish to draw your attention to the deficiencies in internal control which were identified from our audit, see appendix 1 in addition to the detail already provided to you in our Summary of Aggregated Deficiencies.

Other matters

We are also required under ISAs (UK) to communicate to those charged with governance if we have anything to report on the following:

- Matters related to fraud;
- Matters related to laws and regulations or articles of association;
- Matters related to related parties;
- Subsequent events;
- Matters related to going concern;
- Any significant facts that bear upon our independence and objectivity;
- Any significant changes in the planned scope and timing of the audit which have been communicated previously;
- Matters which affect the form and content of the auditors' report; and
- Any other matters that, in our professional judgment, are significant to the oversight of the financial reporting process.

We have nothing to report in respect of the above matters.

We wish to draw your attention to the uncorrected misstatements which were identified from our audit, see appendix 2.

This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose.

We would like to thank you and your staff for their assistance and co-operation during the audit process.

Yours faithfully

PricewaterhouseCoopers LLP

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Appendix 1 - Internal control deficiencies

Control Number (optional)	Control Title/Description (optional)	Description of the Control Deficiency
EX01-C201	After all relevant management approvals are obtained a new supplier form is submitted to the designated individuals, and input into Epicor.	Noted by IA: Q1 - The supporting documentation for the name of the supplier, bank details etc was not on the supplier's letterhead for two of the samples selected, hence, it was difficult to establish that the information had come from the supplier directly. IA needs evidence of 2 consecutive quarters passing in order for this to be considered remediated. Passed in Q2, Q3 and Q4 subsequently.
IV01-C201	Stock item master additions and changes are appropriately approved.	Q2 Lack of approval of new SKU (sample #9). There was no approval prior to the inclusion of this item. The price of £3.90 was effective from 04/01 on the system and the relevant approval was obtained on 31/01. The BA (Business Approval) (30 Jan) should have been received before it was entered onto the system (4 Jan). The reason this happened is that there was urgent operational requirement to place a purchase order with the new filler (Barony), and in order to expedite the process and be able to do so, a price was required in the system. A meeting was held with the ProdCom manager - this instance arose as an exception to normal business operations, as it circumvented normal channels of approval owing to a time-pressure to place an order with a new filler. The ProdCom acknowledged that an appropriate approval could still have been obtained, and would follow procedure in similar future case.

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		Remediated in FY23 Q3 and no issues noted in FY23 Q4.
IV05-C207	Differences between the price on the PO and supplier list on the PO to Supplier Price List Exception Report generated from Epicor are investigated and explained by the Supply Chain Analyst and reviewed by the Product Commercialisation Manager on a monthly basis.	In Q3 FY23, as part of the execution of control RE10-C202 which identifies orders with gross margins less than 35% and greater than 85% identified an invoice with a 5% gross margin. This was then investigated as part of RE10-C202. Enquiries were made of the operator of IV05-C207 and the following was noted: - Previously the Distributor Sales team processed sales orders from the distributor customer, and then within the same team generate the purchase order of the inventory to fulfil that order. Following organizational changes within the Operations team, the performance of these two tasks is now segregated into two separate teams. For the order in question, a member of the Distributor Sales team intended to communicate to the purchasing team a change in the quantity of the SKU, and to do so sent an order confirmation with the instruction to 'update the PO per the attached'. This was perceived by the recipient as a direction to update the SKU quantity and price from the order confirmation. This resulted in the SKU quantity and price being updated to reflect those from the Sales Confirmation. For one order the pricing exception identified did not include sufficient evidence to identify the pricing change was erroneous. This erroneous pricing was only applied to the one order investigated resulting in the overpayment of £29.5K in March 2023. - The inventory supplier has agreed to the overpayment will be issuing a credit note for the amount above. The Supply Chain department is has received further training on the execution of this control to ensure that appropriate further procedures are performed to fully understand whether pricing changes are properly authorized. Also, the Operations team has received further training regarding the individuals who can approve pricing changes.
IT08-C201	Windows group password policy is implemented to provide password control. Semi-annually IT Operations	Interim testing noted by IA: It was noted that the IT Operations Manager had authorised the new admin account and completed the Domain Admin accounts review which includes reviewing new Domain Admins and ensuring these are authorised appropriately. This raises a Segregation of Duties issue.

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	Manager reviews password policy to ensure that for any changes made, there was authorization from Information Systems Director EIMEA. Also reviews the Domain Admin accounts to ensure additions were authorised.	PwC has discussed the finding with the management. As part of the review of the ticket it was noted that this was approved by both the Service Desk Supervisor and IT Operations Manager. As per the control wording the ticket should have been approved by the Information Systems Director EIMEA but he was off on long term sick. Therefore appropriate approval was obtained in his absence. ET has considered this to be an operational deficiency as opposed . to a SOX deifiency.
IT08-C204	A listing of users on in-scope applications (privileged access only for DM), is reviewed against the previously reviewed list to ensure that any new accounts or changes to accounts were approved by the Company Accountant and the listing is signed with commentary by the ERP Manager.	2022 Deficiency: Within the Oct review PwC noted that the ticket referenced and attached for one user's change in access was not the ticket where appropriate approval was obtained. Please note, the appropriately approved ticket exists but an incorrect ticket was used to evidence the approval for the monthly control 2023 Deficiency: Within the March review PwC noted that the ticket attached to a user change did not include the request or approval for the Security Group change noted. Please note, the appropriately approved ticket exists but was not used to evidence the approval for the monthly control. As part of the March review, ticket 57785 was included for the change in Gbemi Diyan's access, but this did not include the new access noted to ARRECEIPT. This was appropriately approved by Lyn Roads in ticket 57983 on 30th March but not included in the review. June and July 2023 were tested with no exceptions noted.

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IT08-C206	HR notifies IT of Leavers (terminations) and IT disables /removes the accounts from AD and the relevant software applications timely. Monthly IT reviews contractors on AD, with their managers, to confirm their status.	2022 Deficiency: A contractor (Harriet Jones) was marked as inactive in the April 2022 leavers review, performed in early May, but a ticket was not raised to remove access until 07/06/2022 (following the May review performed in early June). Access was revoked on 10/06/2022 after a ticket was raised the same day. PwC noted that the user in question did not log on after April 2022 (She was disabled in June with last log on 17/06/2021) Exception noted by IA: One user account (Marvin Marten) was not terminated in a timely manner. The user's termination date as per the US term report was on 15/08/2022 and the.request to terminate the account was for the date 31/08/2022. The risk of inappropriate access is reduced as the user did not log on to the account past their leaving date. 2023 Deficiency: It was noted that as part of the monthly contractor review two contractors who joined in the period (February and April 2023) and were added to the AD contractors group (the basis of the monthly review) were not reviewed by IT with their managers for the subsequent months of their employment (the contractors left in June and August 2023)
IT08-C205	Privileged access on key local servers (financial information - Kinetic) (Admin access) as well as Database access rights are reviewed semi-annually by the ERP Manager.	2023 Deficiency: It was noted that as part of the semi-annual review performed in February, a new account, which was added since the last review in August 2022, was missed by the ERP Manager and therefore the ticket approving the new account was not added to the review. The new account was an appropriate account and added to perform file maintenance on the database server for performance gains on the server and was later removed once the job was completed.
RE03-C201	Pricing is initiated by	2022 Deficiency:

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	Sales and approved by their Line Manager. Evidence retained by Customer Service and Logistics Supervisor.	For three samples the pricing approval was dated after the price was used on an invoice. 2023: Re-tested with no-issues noted.
IV05-C202	Annually, physical stock counts are taken and adjustments are recorded by the logistics person responsible in each location. Details of the stock count are sent to the EIMEA Inventory Financial Accountant, based in U.K.	2022 Deficiency: France stock count sheet was only signed off by WD-40 staff. Warehouse staff did not sign as required. 2023 Update: Re-tested in FY23 with Q1 as a fail for the FR branch, the stock check procedure was not signed by the responsible from the warehouse, not being possible to verify that all the count activities were performed timely. The control has passed in Q2, Q3 and Q4 2023 with no issues.

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Appendix 2 - Uncorrected misstatements

Entry #	Title/Description	Account	Assets Current	Assets Non-current
2	Intangible assets disclosed in other debtors	Accounts receivable	-202,000	
		Intangible assets		202,000