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WD-40 COMPANY LIMITED

DIRECTORS ' REPORT AND ACCOUNTS

31 AUGUST 1986

COMPANIES REGISTRATION

3 O MAY 1987

M OFFICE

Price Waterhouse



WD-40 COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 AUGUST 1986

#### DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 31 August 1986.

#### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company commenced trading on 6th September 1985, with the manufacture and sale of WD-40, a chemical - purpoleum based, maintenance product consumed by end users in homes, factories, garages, farms and offices.

A Company employed sales force is utilised in the UK and exclusive Importers/ Distributors are being appointed throughout the remainder of the designated territory which embraces Europe, Africa and Middle East.

As marketing plans and programmes become implemented we anticipate a strong growth in seles volume particularly within Continental Europe.

### RESULTS FOR THE YEAR

The profit for the year after taxation amounted to £756,964 (1985 loss - £317,434).

The directors do not recommend the payment of a dividend.

### DIRECTORS

The directors of the company, all of whom served throughout the year, are as follows:

JS Barry KS Gallon REG Sheppard

### AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

Ean.

Secretary

6 April 1987

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# Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF WD-40 COMPANY LIMITED

We have audited the accounts on pages 3 to 10 in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 August 1986 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Price Jahohanse

Chartered Accountants

6 April

1987

Offices at Aberdeen. Berningham, Bistot Carlotin, Edinburgh, Glisgow, Loots, Leicester, Liresacol, Qindow-Marchester, Middlesbrough, Riewastik, Melinigham, Sciirhampton, and Windoor The partnership's principal place of business is at the above address where a list of the partnership's annual before inspection

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1986

<u>Notes</u>	1986 £	1985 £
TURNOVER 2	4,662,922	
COST OF SALES	( <u>2,173,971</u> )	
GROSS PROFIT	2,488,951	-
Distribution costs Sales and general administration	166,426 1,293,003	_ 256,407
OPERATING PROFIT/(LOSS) 2	1,029,522	(256,407)
Interest receivable	13,836	64,817
Interest payable to group company	(158,451)	( <u>125,844</u> )
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	884,907	(317,434)
Tax on profit on ordinary activities 34 4	<u>127,943</u>	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	756,964	(317,434)
BALANCE AT 1 SEPTEMBER 1985	(428, 155)	(110,721)
BALANCE AT 31 AUGUST 1986	£328,809	£(428,155)
		NO STREET HEART HOLD INSTANCE

The notes on pages 6 to 10 form part of these accounts.

BALANCE SHEET - 31 AUGUST 1986

	lotes	1 <u>!</u>	986 £	1985 £
FIXED ASSETS				
Tangible assets	5	985,	945	987,118
CURRENT ASSETS				
Stock Debtors	6 7	562,090 1,207,553	85,37 116,73	9
Cash at bank and in hand		221,235 1,990,878	154,574 356,680	
CREDITORS (amounts falling due within one year)	8	( <u>1,107,088</u> )	(803.,826	<u>5</u> )
NET CURRENT ASSETS/(LIABILITIES	3)	<u>883,</u>	7 <u>'90</u>	( <u>447,140</u> )
TOTAL ASSETS LESS CURRENT LIAB	LITIES	1,869,	735	539,978
CREDITORS (amounts falling due after more than one year)	8	(1,210,	926)	(718,133)
PROVISION FOR LIABILITIES AND CHARGES				
Deferred taxation	9	(80)	<u>)00</u> )	) <u>-                                   </u>
		£578,	309	£(178,155)
CAPITAL AND RESERVES				
Called up share capital Profit and loss account	10	250,0 328,0		250,000 (428,155)
Approved by the Board on 6	April	1987		
Jan ) DIRECTORS				
		£578.	809	£(178,155)

The notes on pages 6 to 10 form part of these accounts.

SOURCE AND APPLICATION OF FUNDS STATEMENT FOR THE YEAR ENDED 31 AUGUST 1986

	1986 £	1985 £
SOURCES OF FUNDS		
Profit/(loss) on ordinary activities before taxation	884,907	(317,434)
Adjustment for items not involving the movement of funds:		
Depreciation	64,972	15,144
Funds (absorbed by)/generated from operations	949,879	(302,290)
Funds from other sources		
Shares issued Advance from holding company Proceeds of sale of taugible fixed assets	167,884 2,500	235,881 470,523
APPLICATION OF FUNDS	1,120,263	404,114
Purchase of tangible fixed assets Taxation paid	(66,299) (31,392)	(852,046) 
, 생활성 (1945년 1일) 전 보고 있는 사람들이 되었다. 보기를 보고 있는 것이 되었다. 기계를 받는 것이 되었다.	£1,022,572	£(447,932)
MOVEMENT IN WORKING CAPITAL		
Stock - increase Debtors - increase Creditors - increase	476,717 1,090,814 (611,620)	138,398 46,597 (439,683)
MOVEMENT IN NET LIQUID FUNDS		
(Decrease)/increase in bank and and cash balances	66,661	(193,244)
사람들은 성공 중심 등에 가장 함께 함께 함께 되었다. 생물은 사용하는 생물은 사용을 가장 생물을 보고 있는 사용을 받았다. 그 사용을 받았다. 사용을 사용하는 것이 되었다. 그 사용을 받았다. 그 사용을 보고 있는 것이 되었다. 그 것이 없는 것이 되었다.	£1,022,572	£(447,932)

NOTES TO THE ACCOUNTS - 31 AUGUST 1986

### ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention.

The company has adopted the following accounting policies.

### (1) Turnover

Turnover represents the invoiced value of goods supplied after deduction of discount and value added tax.

#### (2) Stock

Stock has been included in the accounts at the lower of cost and net realisable value.

## (3) Fixed assets and depreciation

Fixed assets are stated at cost less depreciation, which has been calculated to write off the fixed assets on a straight line basis over their estimated useful lives at the following rates:

Motor vehicles - 25% of cost

Buildings - 2½%

Plant and machinery - 10% Fixtures and fittings - 10% - 20%

No depreciation is provided on freehold land.

### (4) Taxation

The company applies US accounting principles for deferred taxation so as to be consistent with its holding company. Deferred taxation has accordingly been provided in respect of timing differences for taxation purposes relating to the excess of capital allowances over related depreciation; in addition deferred taxation has been provided in respect of other timing differences which are expected to reverse in the foreseeable future.

### (5) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Differences on exchange are charged or credited to the profit and loss account.

NOTES TO THE ACCOUNTS - 31 AUGUST 1986 (CONTINUED)

#### TURNOVER

					1986	1985
Geographic	Analysis o	f Turnover:	<del>-</del> 1.50 (1.00)	y line		
UK/Ei:	re			kund sellangan bilan Selaman at bestima	3,595,000	[17] 12 1 - 12 - 12 (12) 프라이스 (12)
Europe	e a/Middle Ea				558,000 510,000	
Arrica	a/Mragre re	196				
시키를 보는 사람들이 된 사람들은 사람들이 되었다.				<u>.</u>	4,663,000	

## PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Profit/(loss) is stated after charging/(crediting):

1986
. 그리아 오늘, (1996)는 . 개최한 이 문의 문자들은 이 시간 등 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은
지나의 그렇게요 이번 하라는 모나가 그리다면 하는데요 그는 모든 말해 하셨다. 사회들은 살은 바람들은
75,433
Salaries Social security costs 23,227 5,374
[and 22] [and of an industrial [1] [1] [1] [1] [1] [1] [1] [1] [1] [1]
Di-eactors templiments 20,3/3
Depreciation 19,7/2
Anditors remuneration
Difference on exchange - (surplus) (68,570) (110,033)

The average number of persons employed during the period was 12 (1985 - 4).

### DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Only one director received emoluments for his services to the company during the year. These emoluments excluding pension contributions amounted to £49,713.

Two other employees received emoluments, excluding pension contributions, within the range £30,000 - £35,000.

### TAXATION

The taxation charge based on the profit for the year after deducting losses brought forward from previous years, is made up as follows:

Corporation tax at 33% Deferred taxation (Note 9)

47,943 80,000

£127,943

NOTES TO THE ACCOUNTS - 31 AUGUST 1986 (CONTINUED)

5 FIXED ASSETS

Tangible assets

	Freehold land	Buildings £	and	Fixtures, fittings tools and equipment	Motor vehicles £	<u>Total</u>
Cost						
At 1 September 1985 Additions Disposals	117,758	605,058 8,100	93,458 11,654	127,954 12,540	59,624 34,005 <u>(7,312</u> )	1,003,852 66,299 (7,312)
At 31 August 1986	117,758	613,158	105,112	140,494	86,317	1,062,839
<u>Depreciation</u>						
At 1 September 1985 Charge for year Disposals		15,673 	10,077 	18,759	16,734 20,463 (4,812)	16,734 64,972 (4,812)
At 31 August 1986		15,673	10,077	18,759	32,385	76,894
Net Book amount						15 7 A.S. (1944)
At 31 August 1986	£117,758	£597,485	£95,035	£121,735	£53,932	£985,945
At 31 August 1985	£117,758	£605,058	£93,458	£127,954	£42,890	£987,118
Capital commitm	ients:				1986 £	<u>1985</u> £
Further capital	L expendit	ure not pro tracts plac	vided in th	e	EN11	EN11

r w				
r <sup>f</sup> 10		WD-40 COMPANY LIMITED		
		NOTES TO THE ACCOUNTS - 31 AUGUST 1986 (CONTINUED)	1986	1985
		실패 [] [] [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [	<u> </u>	£
	6	STOCK		
[]			27,776 )	85,373
		Raw materials Work in progress	38,682 ) 495,632 )	
		Finished goods		
	기계 등 기 : 10 기급하다	한 문화 사용하는 시민국 회원 전에 가는 경기 있는 사람들이 되는 것이 되었다. 그는 것이 되었다. 한 기원 전에 있는 것은 사용자들이 가는 것이 되었다. 그는 것이 되었다는 것이 되었다. 그 것이 되었다.	£562,090	£85,373
~~ <b>`</b>		클로스 마이블 등을 보다 하고 있는 것이 하는 은 때이를		1005
		에 가진 문화하면 생각을 하는 것이 어떤 것을 하는 것이 되었다. 그는 문화 인과일을 사용하다 하는 것이 되었다.	1986 £	1985 £
Lpi	7	DEBTORS		
الرـــا		생물병 사람이 있는데 모르는 말리 하시다. 하는데 합니다	1,131,973	
		Trade debtors		63,174
		Other debtors Prepayments and accrued income	75,580	<u>53,565</u>
ر والتجيير		마음 사용 전에 보면 보면 보는 것이 되었다. 그런	£1,207,553	£116,739
		사람들은 경기를 받는 것이 되었다. 사람들은 경기를 보는 것이 되었다.		
		보는 경우 경우 현실을 보고 있다. 그는 것은 그는 그는 그를 가는 것이 되었다. 그는 그는 것은 것이 없는 것이 없는 것이 없는 것이다. 그는 것이 되었다. 그는 것이 없는 것이 없는 것이 없는 것이다. 그는 것이다. 생물을 받는 것이 없는 것이 없는 것이 없는 것이 되었다. 그런 것이 없는 것이 없는 것이 없는 것이다.		
		하게 존해하는데 함께 통해 보고 있다. 그는 것은 것이 없는 것 같아. 기급하게 보고를 되어 있습니다. 나는 것이 하는데, 그는 것은 것이라는 것 같아.	1986	1985
		CREDITORS (amounts falling due within one year)	€	
F 7500 1	8	하면 요즘 가는 사람들이 얼마나면 하지 않는데 점점 이용에 이용했다. 그는 모양점	494,463	69,923
		Trade creditors	8,443	144,496 5,435
Carried State		Other creditors Taxation and social security	233,584 112,026	65,615
		Accruals		324,909 144,644
-		Accruats  Balance due to group company - advance  - accrued interest and royalt	ies 46,463 212,109	48,804
		- current account		
		교통을 맞는데 되는 것이 그는 훌쩍 얼마를 받다.	£1,107,088	£803,826
		뭐겠죠. 마루프로 되었는데 하는 사람들은 나라는		
		CREDITORS (amounts falling due after one year	1986	1985
		경영화 마음 회사 등 등 등이 하는 것이다. 그 그리는 것이 되었다고 함께 들었다. 그 보다. 그렇게 되었다. 그리는 그리는 것이 그를 보는 사람이 되었다. 그리고 한다는 것으로 되었다.		
To Bar		Balance due to group company - advance	£1,210,926	£718,133
L.		Balance due to group court.		

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WD-40	COMPANY	LIMITED
765		

	NOTES TO THE ACCOUNTS - 31 AUGUST 1986 (CONTINUED)	1986	1985 £
6	STOCK		
	Raw materials Work in progress Finished goods	27,776 38,682 495,632	85,373 ) /
		£562,090	£85,373
7	DEBTORS	1986 £	1985 £
		1,131,973	
	Trade debtors Other debtors Prepayments and accrued income	75 <b>,</b> 580	63,174 53,565
		£1,207,553	E116,739
	and this one year)	1986 £	<u> </u>
- 8	CREDITORS (amounts falling due within one year)		
	Trade creditors	494,463	69,923
	Other creditors	8,443	144,496 5,435
	Taxation and social security	233,584	65,615
	Accruals.	112,026	324,909
	Polemes due to group company - advance	46,463	144,644
	- accrued interest and royalties - current account	212,109	48,804
	가 있었다. 1945년 - 1945년	£1,107,088	£803,326
	물건있다. 마루바 마하하는 보다 보는 후 보고 보고 그렇게 되고 있다. 하는 생산, 당하 보고 도착한 속이 되는 것으로 보고 하다고 있다. 생산		
	CREDITORS (amounts falling due after one year	1986 £	1985 £
	Balauce due to group company - advance	£1,210,926	£718,133

NOTES TO THE ACCOUNTS - 31 AUGUST 1986 (CONTINUED)

	1986	1985
9 DEFERRED TAXATION	t E	£ .
Excess of capital allowances claimed over depreciation Other timing differences	on 96,000 (16,000)	
	£80,000	
#####################################	1986	1985
10 CALLED UP SHARE CAPITAL  Authorised	£500,000	£500,000
. 1 sill4d charge of fl each	£250,000	£250,000
Allotted and fully paid shares of £1 each	<del> </del>	1995年,在2016年

## 11 PENSION COMMITMENTS

Employees of the Company are 'Contracted-In' to the State Scheme and Employer /Employee contributions are made accordingly. In addition there is a Group Company Pension/Life Assurance scheme administered by Standard Life. This is a 'Money-purchase' Non-Contributory scheme open to all employees after a qualifying period of service.

## 12 ULTIMATE HOLDING COMPANY

The ultimate holding company is WD - 40 Company incorporated in California.