



British Wool

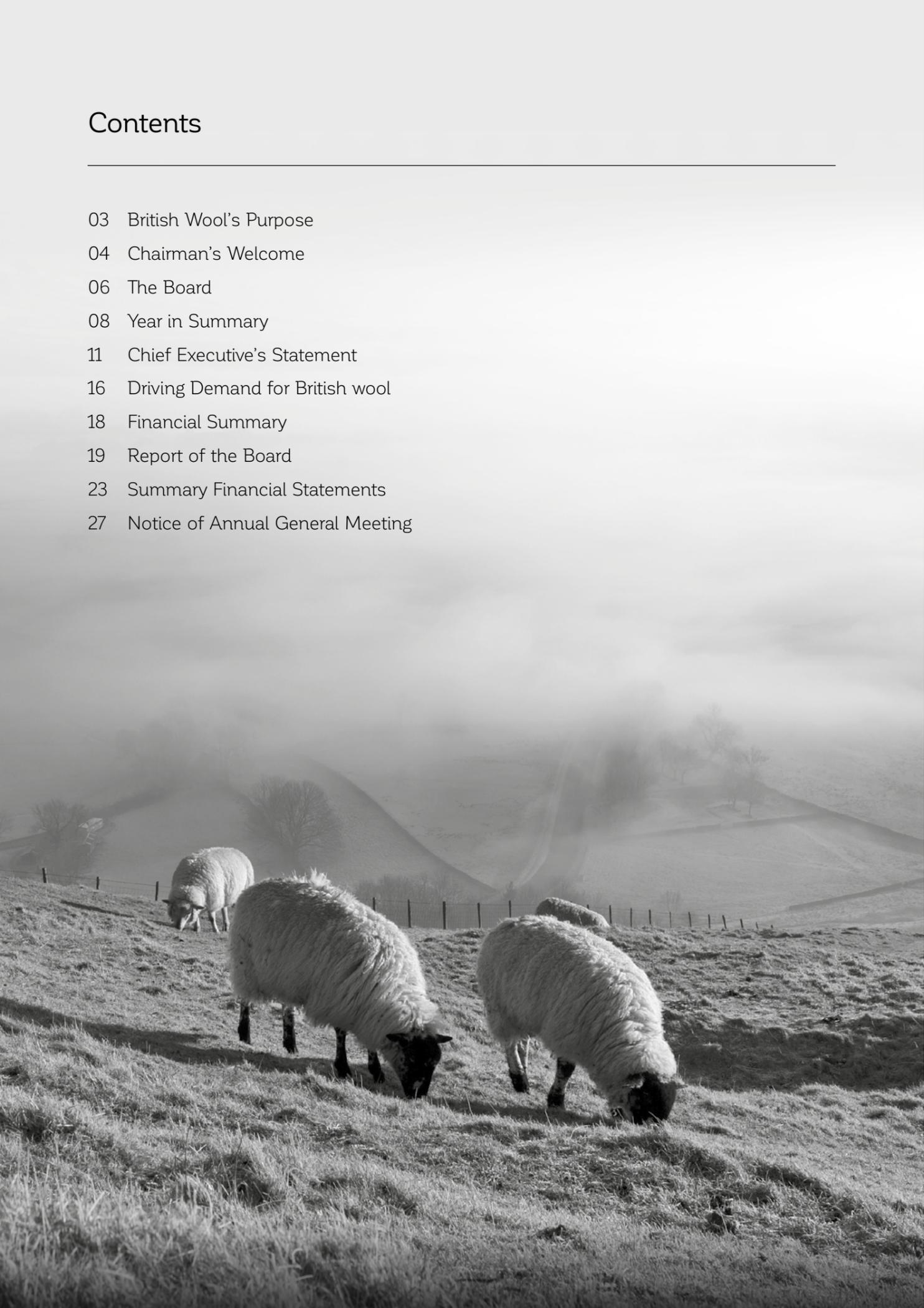
Report and Accounts

2022



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British Wool's Purpose

Our purpose is to drive sustainable demand for British wool in order to maximise returns for our members.

Our three strategic pillars are:



Key principles:

British Wool is a member led organisation.

British Wool works on behalf of its members under cooperative principles.

British Wool accepts wool from all UK sheep farmers regardless of type, location and quantity.

British Wool markets the wool collectively to maximise the value of wool for all sheep farmers in the UK.

Chairman's Welcome



The last twelve months have brought about some significant challenges for sheep farmers, with Covid restrictions continuing to affect many aspects of life. This has been compounded in recent months by the global supply chain disruption caused by Russia's invasion of Ukraine, which has led to considerable cost inflation across the agricultural sector – from fuel and energy to fertiliser and feed.

When combined with the changes to government agricultural subsidies post-Brexit, and the ongoing pressure on sustainability, it would be fair to say that British sheep farmers are seeing the biggest changes in the industry for more than 50 years.

Whilst lamb prices have generally been fairly buoyant in recent months, increased costs mean that margins and cash flow remain under pressure for most farms.

In the face of all this uncertainty it is more important than ever that our members maximise the value of all of their farm outputs to ensure a sustainable future.

To that end, as a farmer marketing organisation, British Wool has been continuing a relentless focus on efficiency and demand generation to increase the value of British wool. We recognise that the returns for wool have been disappointing in recent years and everything we do as an organisation is to try to address this.

In the last year, our focus on cost reduction has seen us strip around £1m out of our operating costs, all of which has been passed back to our farmer members. This equates to around 7p/kg wool on average. We've also changed our haulage arrangements to offer free onward haulage to make things easier for members, and we continue to support the wider sheep industry through the provision of subsidised shearing training courses – which saw more than 800 shearers trained over the 2021 season, despite the challenges of Covid restrictions. Encouragingly wool prices and the returns we are able to make to you, our members, have more than doubled, yes this is from a low base but nevertheless it is certainly heading in the right direction.

We also have a clear focus on pushing demand for British wool, through our customer marketing activity and licencing arrangements for use of the British Wool brand, and you can read more about this in Andrew's update.

When it comes to governance, it has also been a busy time. This year has seen long-standing board member in the South West, Alan Marshall, retire from the board and I would like to take this opportunity to thank Alan for his service and contribution and wish him well for the future. Alan has been replaced on the board by Alan Derryman, who will be well known to many of you. Alan has been a senior shearing instructor for Southern England for 30 years and is a past chairman of the National Sheep Association in the South West. We have also seen the re-election of Donald Fraser (Scottish Northern) and John Davies (Welsh Southern) as Regional Board Members.

During the last year we have also launched a board members' manual and guidance for our regional committees to ensure that they are effective and deliver real farmer representation. Our regional representatives are critical to providing us with feedback and grassroots input, and in November 2022 we will be running regional elections, with all nine regions and 81 representatives up for election this year. Representatives will be appointed for a three-year term commencing January 1, 2023, and I urge you to get involved in the governance of your organisation to ensure its future success.

As part of being a statutory member marketing board, British Wool has also undergone a detailed review with Defra over the last twelve months. Whilst this hasn't been finalised as yet, the initial feedback suggests that British Wool is seen as playing an important role for British sheep farmers due to the number and variety of breeds in the UK and the low international value of raw wool. We are part of a complex international supply chain, and the role of a strong farmer-run organisation is seen

as critical to the future. In particular, many farmers are reliant on British Wool's ability to create economies of scale in the wool market and would be unlikely to be able to access sales opportunities for their wool without it.

In addition, the review suggests that the onward supply chain is also largely reliant on British Wool to collect and grade wool which meets customer requirements. Our regular auction sales being essential to allow them to run year-around businesses. The conclusion of these initial findings suggests that without British Wool, it is likely that a large proportion of wool would go uncollected and unsold, adding cost at farm level, as well as the environmental impact that would bring.

Outlook

Whilst the Defra review still needs to be concluded, it seems clear that British Wool has an important role to play in the future. We all face challenging times with considerable uncertainty. Yet, as an organisation, we continue to work hard to add value to your wool and are always seeking to reduce our operating costs and maximise our returns so that we can deliver the maximum value for your wool.

Our unique approach minimises price volatility in an uncertain world and, whilst we know that there is more to do to achieve a viable return for wool, we are confident that by working together, we can grow the market for British wool as a high quality sustainable fibre for the benefit of all.

Jim Robertson
Chairman

The Board

The non-executive board members, together with the Executive Officers, who served in the year, are shown below:

Regional Members

J Robertson	Scottish Southern Region (Chairman)
B Kelly	Northern Ireland Region (Vice Chairman)
H Evans	Welsh Northern Region
D Fraser	Scottish Northern Region
J Davies	Welsh Southern Region
A Marshall	English South Western Region (Retired 31 March 2022)
C Stephenson	English Northern Region
R Blanden	English Southern Region
K Drury MRAC	English Central Region
A Derryman	English South Western Region (Appointed 1 April 2022)

Independent Members

R Davies
J Lea FCMA

Consultant to the Board

M Ilincic* (Resigned 29 July 2021)
*Not appointed under the British Wool Marketing Scheme (Approval) Order, 1950.

Executive Officers

A Hogley CFA (Chief Executive Officer)
A Whelan ACA (Chief Financial Officer, Board Secretary)

Biographies of board members are shown on the British Wool website (www.britishwool.org.uk/the-board).

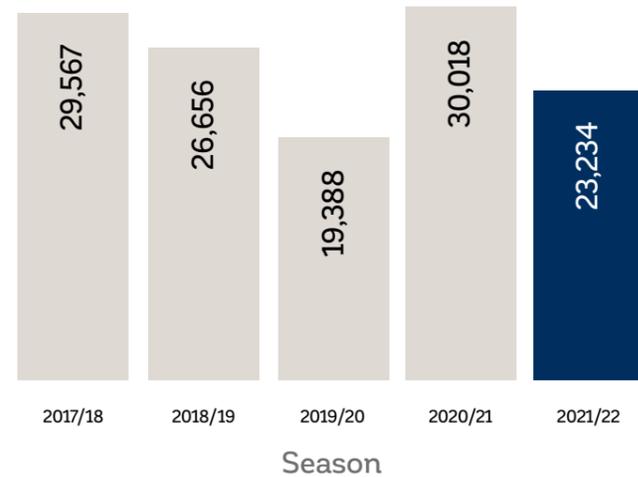


Year in Summary

Sales of Greasy Wool / kgs / 2017 – 2022



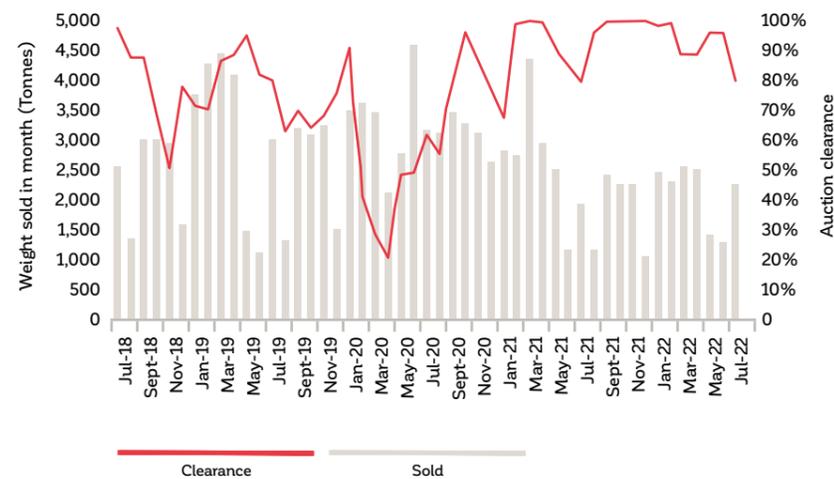
Sales volumes returned to usual sales levels after the pandemic.



British Wool Sales / July 2018 – July 2022



Strong sustained demand throughout the year which has helped support the price recovery.

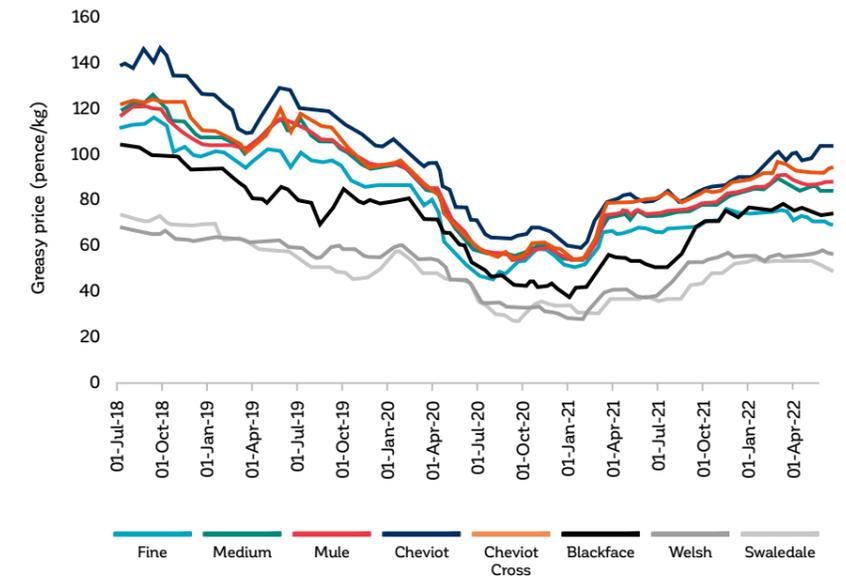


Year in Summary (continued)

Auction Prices by Type / July 2018 – April 2022



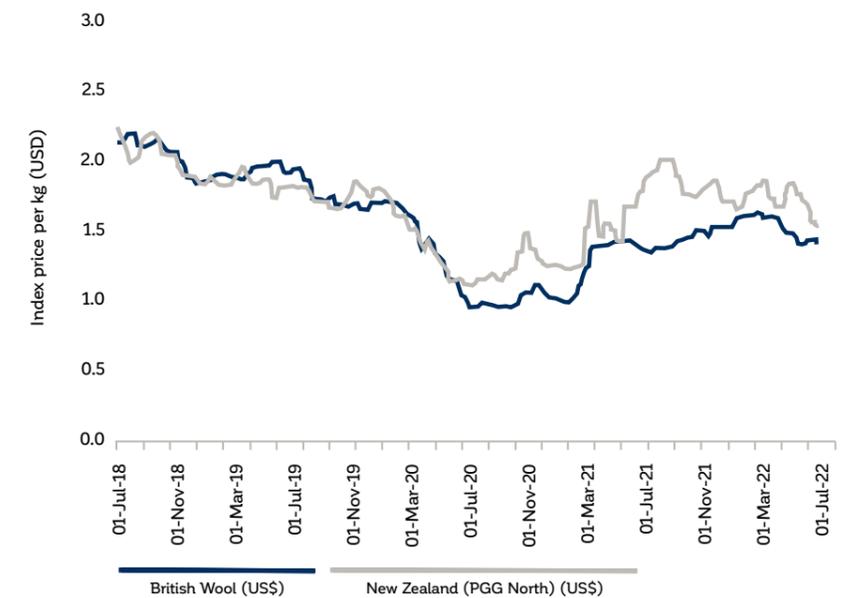
Strong recovery since the pandemic with prices increasing across the board.



British Wool Index price v's New Zealand



Crossbred wool prices have seen encouraging recovery with British wool prices closing the gap on NZ prices as the year progressed.



Year in Summary (continued)



29,546

members delivered their wool to British Wool in the 2021 season.



3,130

new and returning members in the 2021/22 clip year.



2.3 million

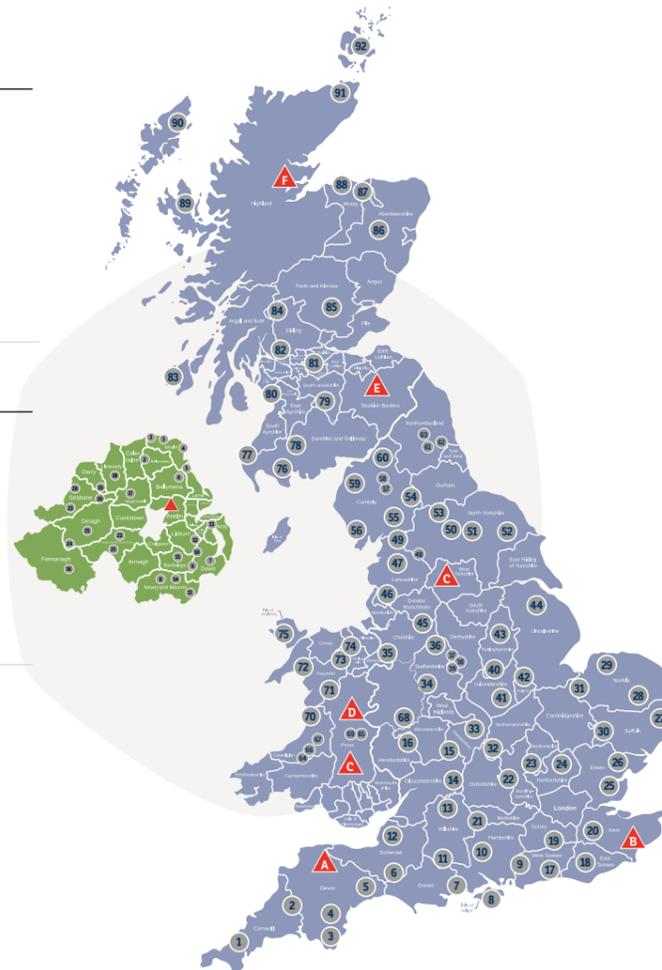
kilograms of wool received from the new and returning members.

90%

of members are within one hour of a British Wool drop off point.

123

number of British Wool drop off points.



Chief Executive's Statement



“Increasingly end users value the quality and provenance that British Wool is able to provide by collectively marketing the UK clip on behalf of its members. This is feeding through to increased demand for wool sourced through the collective marketing scheme which bodes well for the new season despite the global economic challenges.”

Andrew Hogley CFA
Chief Executive Officer

Summary results of the Board for the 2021 clip are as follows:

	2021 clip £'000	p/kg	2020 clip £'000	p/kg
Weight taken in (kg'000)	23,016	n/a	23,425	n/a
Estimated realisable value of the clip	18,101	78.6	13,912	59.3
Total underlying operating costs (excluding pension)	(9,278)	(40.3)	(9,820)	(41.9)
Exceptional and transformation allowances/costs	(500)	(2.2)	(985)	(4.2)
Total operating costs	(9,778)	(42.5)	(10,805)	(46.1)
Pension contributions (cash paid)	(695)	(3.0)	(662)	(2.8)
Other income/costs	948	4.1	1,183	5.1
Paid and payable to members	8,576	37.1	3,628	15.5

Overview

Having been in place as British Wool's CEO for just over a year I wanted to share my reflections on the state of the market, our work to drive demand, our relationship with members, and the changes we have implemented within British Wool.

Clarity of purpose is key to everything British Wool strives to deliver and over the last year we have taken a systematic approach to defining our mission, ethos and strategy.

- Our mission is to drive sustainable demand for British wool in order to maximise returns for our members.
- Our ethos is one of inclusivity. British Wool is a farmer led organisation that works on behalf of its members under cooperative principals, handling wool from all

UK sheep farmers regardless of type, location and quantity. We market the wool collectively, in a managed way throughout the year, to maximise the value of wool for all sheep farmers in the UK.

- Our strategy to achieve our mission is based upon three pillars; maximising the price of British wool, strengthening British Wool's member engagement to maximise intake, and British Wool as an organisation.

As Jim mentioned in his statement this has been underpinned by work to strengthen British Wool's governance. Over the last year Defra has been conducting a review of British Wool, and as we await its conclusions we believe the organisation is well placed to deliver value for its members into the medium to long-term.

Chief Executive's Statement (continued)

Market Conditions

The economy in general, and the wool market in particular, has faced significant challenges over the last couple of years. The macro-economic environment remains extremely challenging; the conflict in Ukraine is driving increased prices across most sectors and markets, and higher interest rates will inevitably impact on consumer confidence and spending. In addition Covid continues to weigh on international trade, particularly with China where lockdowns are ongoing. These factors are cause for concern but despite this I see increased reason to be positive about the market for British wool.

There are two key reasons for optimism. Firstly provenance and traceability are becoming much more important to end users and this is helping British Wool to attract new licensees of scale. Secondly the hospitality sector, which is a key end market for British Wool, is in recovery.

Developing British Wool's brand identity is crucial if we are to differentiate the wool we handle on behalf of our members from the global commodity wool market.

British Wool has a strong story to tell on behalf of our members; the UK leads the world on animal welfare standards, British farming has strong environmental sustainability standards, British Wool provides quality assurance through our grading system, British Wool has the ability to offer a fully traceable product and British



British Wool has a strong story to tell on behalf of our members;
the UK leads the world on animal welfare standards

Wool has high social responsibility standards. Wool is still largely traded as a global commodity but recent success with traceability partners and types such as Herdwick demonstrate that we can achieve better returns for our members by working collaboratively with end users and providing focussed marketing support.

With much of the world now reopen for travel the hospitality sector is in recovery. I am confident that this will lead to increased demand for crossbred wool from the contract carpet sector which services businesses such as hotels, cruise ships, airports, cinemas and casinos. Traditionally this has been a very strong market for British Wool and we are optimistic that this recovery will lead to increased demand for our products.

International wool markets have been turbulent over the last year. In this context it has been reassuring that the British market has seen a steady improvement over the last twelve months; we implemented a new online auction system during the year, auction prices have risen considerably from the lows we witnessed in the depths of Covid and, as at the time of writing, the 2021 clip is 99.5% sold. We have a healthy stock position as we move into the 2022 wool selling season.

Whilst we know that wool prices still need to improve further, British Wool continues to track well against New Zealand wool prices. This is our closest comparable wool.



Auction prices have risen considerably ... and as at the time of writing the 2021 clip is
99.5% sold

Chief Executive's Statement (continued)

Driving Awareness and Demand

Driving sustainable demand for British wool is at the core of our mission. We do this through engaging with processors and manufacturers and by building brand awareness with consumers.

As highlighted above our brand identity is built upon animal welfare, environmental sustainability, quality assurance, traceability and social responsibility. This is supported by a licensee toolkit and PR activity to increase the consumer recognition of the British Wool brand.

Our licensing scheme has continued to grow, with a number of new manufacturers joining in the past twelve months, including clothing manufacturer Fred Perry. The scheme helps consumers to identify products with a genuinely high British wool content across a broad range of categories including carpets, clothing, beds, bedding, transport fabrics and knitting yarn. Manufacturers that meet our strict criteria can use our logos on their products and have access to quality point of sale material which tells the wool story and outlines the environmental and welfare benefits of buying British. Other projects over the past year have included the launch of an online shop (selling British Wool products direct to consumers), creation of a traceable wool scheme, and widespread product development projects with existing and new licensees.

We also continue to work hard to raise the profile of British Wool with consumers and the trade to build sustainable value for the long term. British Wool now has a social media following in excess of 100,000. We have made great strides in generating more demand for the incredible natural fibre that is wool.

In response to the increased consumer interest in provenance we launched a traceable wool scheme in the year which involved trials at three of our larger depots. These have been successful and we are now rolling out a system which allows us to trace the provenance of every bale that we sell across our full grading network. Four end customers paid a premium over the auction price for more than 500 tonnes of fully traceable wool through the year. We are optimistic that we will see further growth in demand over the coming years. The scheme enables manufacturers to offer fully traceable British wool products and also allows us to deliver enhanced returns to our members. The scheme delivered additional value for British wool as a whole and also allowed the farmers involved in this scheme to receive an additional premium for their wool. We will work hard to sell the benefits of this approach to a broader range of end users so that we can extend the benefit to more members over time.

Member Returns

Our aspiration is that wool should be profitable for our members to grow. Whilst returns to our members for the 2021 clip year are significantly better than the previous year I accept that they are not where we need them to be. Our members need to trust that British Wool is working on their behalf, we must not take this for granted.

British Wool made significant progress over the last year in monetising the clip, albeit from a low base. The average sale value of the 2021 clip increased to 78.6p per kilo from 59.3p per kilo for the 2020 clip.

We have also had a real focus in the last year on delivering operational cost savings so that we can improve wool returns to our members. Ahead of the 2021 season we announced a significant restructuring of the organisation with the closure of four grading depots. This was not an easy time within British Wool; a significant number of staff were made redundant whilst employees that we were able to retain had to adapt to new working practices and in some cases relocate. Throughout the restructuring we wanted to ensure that our service to members was maintained and where possible enhanced. After our first full year since we made the changes I'm glad to say the restructuring led to a material reduction in our cost base. The savings amount to around £1m per year, equivalent to around 7p/kg on the wool price on an ongoing basis. As a result we have a more effective and efficient organisation better able to deliver for our members.

Overall, we were able to return £8.6m to our members for the 2021 clip with the average payment of 37.1p per kilo. This represents a considerable recovery from the returns on the 2020 clip (average 15.5p per kilo). We believe the returns were, on average, better than what was offered by our competitors.

Returns to our members were also enhanced by introducing free haulage from all of our collection sites across the UK. This increased the value received for around 25% of our members by £5.15 per wool sheet. The additional value on organic certified wool increased to £1 per kilo and was available for most wool types. We simplified our payments paperwork to make it clearer and easier to understand for members and continue to support the industry with shearing training, and advocacy on behalf of our members.

Chief Executive's Statement (continued)

Outlook

Uncertainty in the wider economy will likely continue to weigh on the wool market and beyond over the coming year. In this context we cannot become complacent. British Wool must continue to focus on the elements of our business that we can control, exert influence where we can make a difference for members and ensure the organisation has the resilience to face the challenges which come from factors that are outside of our control.

We should be optimistic about the progress that British Wool is making as we look to invest in our future. During the 2022 season we are deploying a new IT system for recording wool grading on the depot floor, introducing full traceability on wool sales and we have recently purchased a new warehouse facility to better serve our members in the Scottish borders and Northern England from the 2023 season.

Collective marketing of British wool through a farmer owned business is essential to maintaining market access for all UK sheep farmers and maximising the value of their wool. By working together, our members benefit from the efficient way that British Wool collects,

grades and tests wool. We add value by delivering a consistent product to the market at a scale that allows for economic processing. In these challenging times, our unique approach also helps to minimise price volatility by selling through the year. In addition our ongoing activity to promote British wool to trade customers and consumers continues to make progress and drive demand.

We know we need to deliver improved wool prices on a consistent basis to restore wool as part of our members' income, but we are confident for the future. We have never seen as much interest from manufacturers, brands and consumers for British wool, which bodes well. With a growing focus on sustainability, we are confident that we can continue to develop the British Wool brand leveraging its environmental, renewable and now traceable credentials as a fibre, to drive value creation and demand.

I would like to take this opportunity to thank the team at British Wool for all their hard work and commitment over the past year in what have been difficult circumstances at times, and our board and regional representatives for their constructive feedback and strategic insight.



During the 2022 season we are deploying a new IT system for recording wool grading on the depot floor, introducing

full traceability on wool sales



We add value by delivering a consistent product to the market at a scale that allows for

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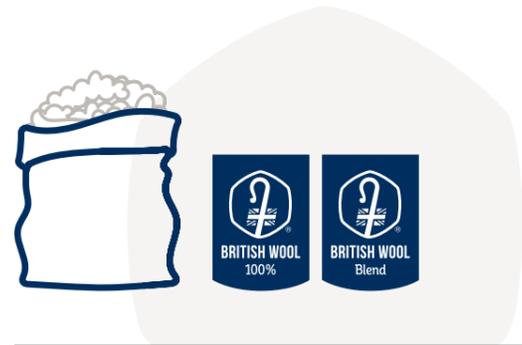
Driving Demand for British wool



new licensees on board
– up from 73 since 2021.



new product ranges launched
throughout the year.



of our clip is
under license.



people are currently **following**
our social media channels.

Driving Demand for British wool



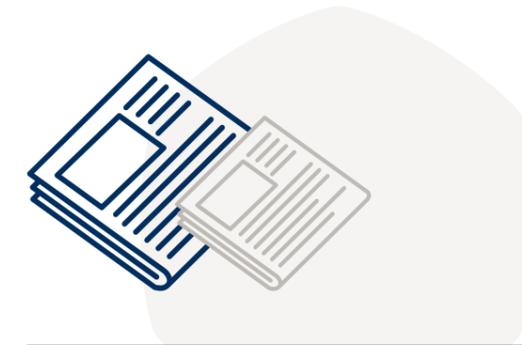
average unique visitors to our
website every month with 40%
via the British Wool Shop.



products were ordered
through the British Wool Shop.



kilograms of traceable
wool have been sold.



people have been reached
through our PR activity.

Financial Review

As outlined in the Chairman and CEO's statements, the 2021 clip year to 30 April 2022 and the current 2022 clip year continue to be very challenging following the impact of Covid-19 globally in recent years and more latterly the conflict in Ukraine.

On the back of the low wool returns for 2020 clip caused by Covid-19, intake volume of the 2021 clip fell slightly to 23.0m kilos (2020 clip: 23.4m kilos). However, despite this reduction, the average value of the 2021 clip has increased to 78.6p per kilo (2020 clip: 59.3p per kilo) as wool markets continue to recover from Covid-19. Overall, the 2021 clip was valued at £18.1m (2020 clip: £13.9m).

As reported last year, following the impact of Covid-19, the business took the very tough decision to cease grading at four of our depots ahead of the 2021 clip year, making staff redundant. Many others costs were either put on hold, reduced, or cut completely. As a result of these actions, our operating costs have fallen to £9.3m (2021 £9.8m) as well as being able to offer free haulage for wool dropped at collection centres this year. It should be noted that operating costs were £11.0m in 2020 before the restructure and operating costs of £9.3m this year represents a £1.7m reduction and equates to 7.4p per kilo additional value for members. Overall, operating cost per kilo has reduced by 2p to 40p (2021: 42p, 2020: 41p).

Like all business, we are seeing significant cost inflation pressures during 2022. Whilst we continue to manage these are best we can, unfortunately many are out of our hands and we expect operating costs to increase in the year ahead. It has obviously proved very important that we made the cost savings when we did as these will help to absorb some of the increases we are now facing.

Following the restructuring, the Irvine, Porthmadog and Liskeard depots have been sold (albeit smaller parts of Irvine and Porthmadog have been leased back as part of the sale agreement) for £1.9m. We have also sold for £0.2m a small parcel of land at our South Molton depot to a local haulier who had been renting it for c.30 years on a peppercorn rent. All these sales were completed during the year and generated an overall profit of £0.6m. This is obviously a good result at this time of Covid-19 and wider economic uncertainty.

In terms of pensions, the overall pension deficit for accounting purposes has reduced by £4.2m over the last year from £6.2m to £2.0m at 30 April 2022. The scheme liabilities (the amount of money needed to pay current and future pensions) has reduced significantly by c.£8m for various reasons but in particularly due to an increase in the discount rate driven by increasing interest rates.

The scheme assets (investments) have fallen by c.£3.9m because financial markets have fallen largely due to the ongoing conflict in Ukraine. The combination of these two factors, together with the £0.7m contributions paid by the Board into the pension scheme over the year, means that the pension scheme deficit has reduced significantly.

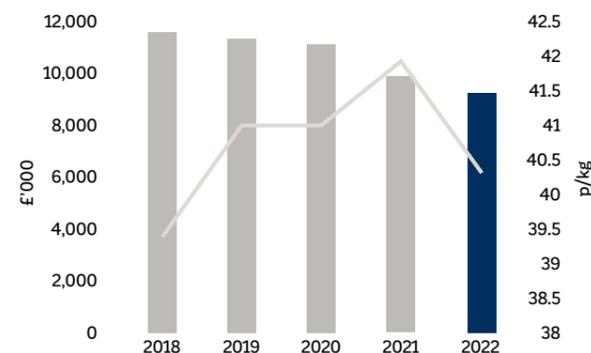
Due to the increasing value of the wool sold during the year and the property sales proceeds, our cash balances have increased by £6.4m to £12.7m. The £9.5m reserve fund is cash covered at the year end which is a requirement of our financial arrangement with the Government. In order to maintain the average member payment per kilo for the 2020 clip in line with what the competition was offering, a £0.7m reserves fund adjustment was made last year. This year, for the 2021 clip, no reserve fund adjustment has been made because the overall average payment for members of 37.1p (2020 clip: 15.5p) per kilo is actually on average more than the competition was offering for main wool grades.

Overall, the financial health of British Wool is looking very positive. Wool auction prices are recovering, operating costs have been reduced by £1.7m, £0.6m of profit generated from property sales, pension scheme liability reduced by £4.2m to £2.0m, and overall cash balances increased by £6.4m to £12.7m.

Andy Whelan ACA
Chief Financial Officer

Operational Costs

British Wool has consistently reduced its operating costs over recent years as well as the p/kg this year.



*Excludes pensions and exceptions.

Report of the Board

Report on the workings of the British Wool Marketing Scheme 1950 for the year 1 May 2021 to 30 April 2022 to be considered at the seventy second annual general meeting of registered members on 9 November 2022.

The Summary Financial Statement is only a summary of information contained in the Group's full consolidated accounts and the report of the Board. It does not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group as would be provided by the full Report and Accounts. For further information the full Report and Accounts, which contain the consolidated annual accounts and the auditor's report on those accounts, should be consulted.

A copy of the full Report and Accounts will be provided, free of charge, to any registered members upon receipt of a request addressed to the Secretary of the Board at the Board's Head Office.

The auditor's report on the full accounts for the Group for the year ended 30 April 2022 was unqualified.

1. Principal Activity

The principal activity of the Board is to ensure the organised marketing of wool produced in the United Kingdom (except the administrative county of Zetland). The Board receives wool from registered members, grades and sells through public auction. Sale proceeds are used to meet payments to members for the wool received and to meet the cost of operations. Any surplus funds available are due to members and are carried forward for payment in subsequent years.

2. Accounts Presentation

In addition to the presentation of financial information concerning the performance and year-end position of the Board, the annexed summary Financial Statements also set out the consolidated results and financial position of the group of companies controlled by the Board. The Board has consolidated the results of its subsidiary companies. The subsidiary companies are Wool Growers (Great Britain) Limited and Wool Testing authority (Europe) Limited.

The summary Income and Expenditure Accounts are shown on page 23.

3. Committees

The Board is ultimately responsible for the management of the Group, the Group's strategy and overseeing the Group's performance. The non-executive board members support the executive management team in delivering sustainable added value for members and delegate day-to-day responsibility to executive management and certain matters to a number of Board committees.

Audit & Risk Committee

The Audit & Risk Committee is responsible for financial and narrative reporting, internal controls and risk management including core compliance programmes and non-financial assurance, internal audit and external audit.

Remuneration Committee

The Remuneration Committee agrees the framework for the remuneration of the chairman, board members and executive officers.

Report of the Board (continued)

Members Communications and Shearing Committee

The Member Communications and Shearing Committee (previously known as the Producer Marketing and Shearing Committee) includes representatives from the member communications and shearing team and provides oversight of British Wool's member facing activity which includes marketing, communications, shearing training and field services.

Pensions Committee

The board identified the defined benefit pension scheme deficit as a principal risk and from May 2017 established the Pensions Committee to provide oversight of the scheme.

Governance Working Group ("GWG")

The Governance Working Group reviews the governance and legal structures, and board effectiveness including a periodic review of all governance documentation and updated them where necessary using relevant up to date industry standards.

Attendance

During the year the Board Members attended the following number of meetings of the Board and its Committees (the number of meetings the Board Member is eligible to attend is shown in brackets):

	Board	Audit	GWG	Remuneration	Member Comms
J Robertson (Chairman)	8(8)	3(4)	11(11)	2(2)	n/a
B Kelly (Vice Chairman)	8(8)	2(4)	8(11)	2(2)	n/a
H Evans	8(8)	n/a	n/a	n/a	2(2)
D Fraser	8(8)	n/a	n/a	n/a	2(2)
A Marshall (Retired 31 March 2022)	7(7)	n/a	n/a	n/a	2(2)
C Stephenson	7(8)	3(4)	n/a	n/a	n/a
J Davies	8(8)	n/a	n/a	2(2)	2(2)
R Blanden	8(8)	n/a	11(11)	n/a	2(2)
K Drury	8(8)	4(4)	n/a	n/a	2(2)
A Derryman (Appointed 1 April 2022)	1(1)	n/a	n/a	n/a	n/a
J Lea	8(8)	4(4)	10(11)	n/a	n/a
R Davies	6(8)	2(4)	7(11)	2(2)	n/a
M Ilincic* (Resigned 29 July 2021)	2(2)	n/a	n/a	n/a	n/a
A Whelan	8(8)	4(4)	10(11)	n/a	n/a
A Hogley	8(8)	4(4)	11(11)	n/a	n/a

*Consultant to the Board, not appointed under the British Wool Marketing Scheme (Approval) Order, 1950.

Report of the Board (continued)

4. Board Members' and Executive Officers' Remuneration

The total Board Members' and Consultant remuneration for the year ending 30 April 2022 was voted by members, at the Annual General Meeting of 10 November 2021. The emoluments of the Board Members and Consultant who served at any time during the year were £126,810 (2021: £133,583). A payment of £13,813 was also paid as compensation for loss of office to an ex-board member who ceased being a board member in an earlier year.

Regional Board Members each receive emoluments of £9,218 pa (gross) pro rata to their period of office each year; the Chairman receives emoluments of £30,635 pa (gross) pro rata to their term of office each year and the Vice Chairman receives emoluments of £10,908 pa (gross) pro rata to their period of office each year.

The emoluments of the Chairman, Vice Chairman, Board Members and Consultant for the year were as follows:-

	2022 £	2021 £
Chairman (1 May 2021 to 30 April 2022)	30,635	30,635
Vice Chairman (1 May 2021 to 31 March 2022)	10,908	9,999
Other board members and consultant who served a full year each received	9,218	9,218

Remuneration of the executive officers for the year was as follows:

	Basic Salary £'000	Benefits £'000	Pensions Contributions £'000	2022 Total £'000	2021 Total £'000
J Farren*	-	-	-	-	80
A Hogley**	113	8	7	128	58
A Whelan	97	1	6	104	103

In addition to the above emoluments, £71,247 was paid to J Farren as compensation for loss of office in the prior year.

* Resigned 4 November 2020.

** Appointed 5 November 2020.

5. Statement of Compliance

As a Statutory Marketing Board the organisation is not required to comply with the Combined Code on Corporate Governance ("the Code"). The Board recognises the importance of, and is committed to, ensuring that effective corporate governance procedures are in place. The Board agrees with the principles of the Code and continues to work towards obtaining substantial compliance with the Code.

The Board fails to comply with the Code in one instance:

Under the terms of the British Wool Marketing Scheme 1950, Regional Board Members, including the Chairman, are elected and, as such, are deemed not to be independent according to the principles of the Code.

The Group continues to employ an Internal Audit function whose effectiveness is reviewed annually by the Audit Committee.

The Group has complied with the requirements of FRS102 in respect of 'Related Party Transactions' and full disclosure is made in note 20 of the full accounts.

Report of the Board (continued)

Respective Responsibilities of Board Members and Auditor

The Board Members are responsible for preparing the Summary Financial Statement and the other information contained within the British Wool Marketing Board Report and Accounts 2022.

Under the terms of our engagement letter dated 26 February 2019 our responsibility is to report to the Board on the consistency of the Summary Financial Statement within the British Wool Marketing Board Report and Accounts 2022 with the Board's full annual accounts.

We also read the other information contained in the Report and Accounts 2022 of the Board and considered the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Independent Auditor's Statement to the Board of the British Wool Marketing Board

We have examined the Summary Financial Statements which comprise the Summary Group and Board Income and Expenditure Accounts, the Summary Group and Board Balance Sheets and Group and Board Statement of Other Comprehensive Income as set out in the full British Wool Marketing Board report and Accounts 2022.

This statement is made solely to the Board, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board those matters we have been engaged to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board, as a body, for our work, for this statement, or for the opinions we have formed.

In our opinion the Summary Financial Statement is consistent with the full annual accounts of the British Wool Marketing Board for the year ended 30 April 2022.



Keith Miller (Senior Statutory Auditor)

for and on behalf of Moore (NW) LLP,
Chartered Accountants
Statutory Auditors
110 – 114 Duke Street
Liverpool
L1 5AG

3 August 2022

Summary Financial Statements

Summary Income and Expenditure Accounts for the year ended 30 April 2022

	Group 2021 clip	Group 2020 clip	Board 2021 clip	Average p/kg	Board 2020 clip	Average p/kg	
	£'000	£'000	£'000		£'000		
Sales	15,529	11,971	15,147	78.3	11,312	58.1	Auction prices impacted by Covid.
Stock of 2021 clip	2,954	2,600	2,954	80.3	2,600	65.6	
Estimated value of 2021 clip	18,483	14,571	18,101	78.6	13,912	59.3	Auction prices recovering.
Advance payments to members for wool	(80)	(253)	(80)	(0.3)	(253)	(1.1)	
Balance payable to members for wool	(7,626)	(3,085)	(7,626)	(33.0)	(3,085)	(13.2)	
Premiums	(870)	(290)	(870)	(3.8)	(290)	(1.2)	
Paid and payable to members	(8,576)	(3,628)	(8,576)	(37.1)	(3,628)	(15.5)	Returns to members recovering and on average more than our competitors.
Retained to cover expenses	9,907	10,943	9,525		10,284		
Operating expenses	(9,851)	(10,777)	(9,278)		(9,820)		Operating costs reduced by £0.5m on top of £1.2m in prior year.
Transformation adjustments	-	(485)	(500)		(985)		£0.5m inter-company rent. £0.5m of restructuring cost in prior year.
Total operating expenses	(9,851)	(11,262)	(9,778)		(10,805)		
Retained after operating expenses	56	(319)	(253)		(521)		
Pension – other finance income/(expense)	(231)	(307)	(231)		(307)		
Deficit on realisation of the 2020 clip	(19)	(73)	(19)		(73)		
Trading deficit	(194)	(699)	(503)		(901)		
Profit/(loss) on sale of assets	566	-	566		-		£0.6m profit on sale of four properties during the year.
Interest receivable	6	4	6		4		
Dividends received	-	-	275		199		
Share of loss of associated undertakings	(5)	(13)	(5)		(13)		
Net surplus/(deficit) before taxation	373	(708)	339		(711)		
Taxation on surplus/(deficit)	(74)	195	(53)		201		
Surplus/(deficit) for the year	299	(513)	286		(510)		
Transfer from reserve fund	-	700	-		700		Reserve fund used in prior year to support member wool payments.
Net surplus/(deficit) for the year after reserve fund transfer	299	187	286		190		

Summary Financial Statements

Statement of Other Comprehensive Income (additional pension charges) for the year ended 30 April 2022

	Group		Board	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Actuarial gains/(losses) immediately recognised	3,684	1,659	3,684	1,659
Deferred tax	(612)	(566)	(612)	(566)
Other comprehensive income/(loss) for the year net of tax	3,072	1,093	3,072	1,093
Surplus/(deficit) for the year	299	187	286	190
Total comprehensive income/(loss) for the year	3,371	1,280	3,358	1,283

Summary Financial Statements

Summary Balance Sheets as at 30 April 2022

	Note	*Group		Board		
		2022	2021	2022	2021	
		£'000	£'000	£'000	£'000	
Fixed assets	1	9,862	11,583	13,949	15,606	Four properties sold with a carrying value of £1.5m for £2.1m hence £0.6m profit on sale.
Stocks		3,844	3,096	3,407	2,944	
Debtors		3,315	4,251	3,738	4,608	
Reserve account – deposits		9,450	5,069	9,450	5,069	
Cash at bank and at hand		3,206	1,180	2,193	3	Cash increased by £7m to £12m and reserve fund now cash covered.
Total current assets		19,815	13,596	18,788	12,624	
Creditors	2	(9,815)	(4,451)	(14,306)	(8,920)	Creditors increased due to amount owed to members increasing as member returns increased.
Net current assets		10,000	9,145	4,482	3,704	
Net assets before pension liability		19,862	20,728	18,431	19,310	
Pension scheme liability	4	(2,014)	(6,162)	(2,014)	(6,162)	Pension deficit reduced by £4m due to increasing inflation and interest rates and Government Bond yields meaning the liability is discounted more.
Net assets including pension liability		17,848	14,566	16,417	13,148	
Reserves	3	17,848	14,566	16,417	13,148	

*Group includes:

Wool Growers (Great Britain) Limited

The principal activity is the handling of fleece wool and supplying blended wool products to third parties on behalf of the parent organisation, British Wool Marketing Board.

Wool Testing Authority (Europe) Limited

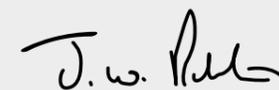
The company provides wool sampling and testing services, to customers engaged in the wool textile industry, using accreditation gained from the United Kingdom Accreditation Service and the International Wool Textile Organisation.

Associated undertakings:

Ulster Wool Group Limited

The company is a 50% owned associated undertaking, incorporated in Northern Ireland, and provides wool handling services.

Accounts approved by the Board on 26 July 2022 and signed on its behalf by:



Jim Robertson
Chairman



Andrew Hogley
Chief Executive Officer

Summary Financial Statements

Notes to the Summary Financial Statement

	*Group		Board	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1. Fixed assets				
Property	8,763	10,456	2,127	3,672
Plant and equipment	894	918	785	885
Motor vehicles	24	23	12	19
	9,681	11,397	2,924	4,576
Investments	181	186	11,025	11,030
	9,862	11,583	13,949	15,606
2. Creditors – Amounts due in less than one year				
Amounts due to members	7,445	2,345	7,445	2,345
Others	2,370	2,106	6,861	6,575
	9,815	4,451	14,306	8,920
3. Reserves				
Reserve fund	9,450	9,444	9,450	9,444
Board's fund	10,034	10,205	(222)	(38)
	19,484	19,649	9,228	9,406
Pension liability	(2,014)	(6,162)	(2,014)	(6,162)
Related deferred tax asset	378	1,079	378	1,079
Revaluation reserve	–	–	8,825	8,825
	17,848	14,566	16,417	13,148
4. Pension Reserve				
At 1st May 2021	(6,162)	(8,176)	(6,162)	(8,176)
Movement in actuarial losses during the year	3,684	1,659	3,684	1,659
Contributions paid	695	662	695	662
Amounts recognised in the Income & Expenditure account	(231)	(307)	(231)	(307)
At 30 April 2022	(2,014)	(6,162)	(2,014)	(6,162)

Notice of Annual General Meeting

Notice is hereby given that the seventy-second annual general meeting of members registered under the British Wool Marketing Scheme 1950 will be held in person (and live streamed via Zoom) at:

Wool House
Sidings Close
Canal Road
Bradford
BD2 1AZ

At 3.00pm on Wednesday 9th November 2022.

The Chairman of the meeting will be the Chairman of the board.

The business to be transacted will be:

- To approve the minutes of the last AGM held on 10 November 2021.
- To consider the statement of accounts, together with the auditor's report thereon, and the report of the Board on the working of the British Wool Marketing Scheme 1950 for the past year 1 May 2021 to 30 April 2022.
- To determine the remuneration of the board*.
- To reappoint auditors.

By order of the board.

Andy Whelan ACA (Secretary)

Wool House
Sidings Close
Canal Road
Bradford
BD2 1AZ

18 August 2022

Note:

*The recommendation is for the Remuneration of the board to remain unchanged.

Any registered member will be entitled to enquire on any matters arising out of the report and accounts preferably through the submission of an enquiry prior to the meeting. Questions will be taken from the meeting on the day. Such enquiries should be sent in writing to Kam Dlay-Lewis at Wool House or by emailing mail@britishwool.org.uk to be received by 6 November 2022. No business other than that given in this notice will be transacted at the meeting (British Wool Marketing Scheme 1950, Paragraph 86 (2)).

britishwool.org.uk

The website offers comprehensive up to date information about all British Wool activities and operations.

campaignforwool.org

The Campaign website offers information on the global wool campaign and the opportunity for individuals and businesses to join the Campaign.



British Wool

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