



# British Wool

## Report and Accounts 2019



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## Chairman's Statement



The main challenges that British Wool have faced during the past year, have been largely beyond our control. After a good start at the early wool sales in the summer and early autumn, the unforeseen US-China trade war and the failure of any Brexit agreement being reached, led to a fall in consumer confidence and demand for wool, in particular for carpet wool types. At the time of writing, we have a new Prime Minister in place, and the likelihood of no deal Brexit as a result. In the short term, at least, this could have severe consequences for the farming industry.

However despite these issues, I believe we have performed relatively well to maintain average prices at similar levels to last year. In comparison to the prices seen in New Zealand, who produce the nearest comparable wool to ours, we have been consistently higher after many years of being discounted by up to 20%.

I believe that this is due to several strategic initiatives within the business. Firstly in July 2018, we launched an agency buyer service to make it easier for new buyers to access the auction. This has led to more competition within the auction room, and we have also welcomed a new buyer who is purchasing for the Chinese market. This is really encouraging after many years of buyers disappearing.

Secondly we are continuing to search for new markets in China who are not only the largest processors of wool in the world but also have the fastest growing middle class who already purchase wool products in very significant quantities. To help capitalise on this market, we opened a new office in Shanghai in October. As well as implementing our new brand licensee scheme, we are looking for new product opportunities to help increase the value of our wool. We have already received our first orders for new products and look forward to good growth in this area over the coming 12 months.

We are pleased to welcome three new people to the board of British Wool. Brendan Kelly has become our Northern Ireland member and brings a wealth of farming and shearing experience with him. John Davies has replaced Gethin Harvard in the Welsh Southern region. Gethin has completed 12 years on the board and has been a huge asset to the

business with his sound thoughts and suggestions always well received. John has already stepped into his new role extremely well. Marko Ilincic has joined as a non-executive member having spent many years working and living in the Far East as Lego's director for Asia. His marketing experience is already proving invaluable, as we look to expand our business in China.

Looking forward, I believe that a completely natural and biodegradable fibre like wool should have a far greater use as we battle the manufacture of synthetic products and the resultant pollution caused throughout the world. I believe there are two types of plastic pollution, firstly the visual one that we all observe with floating debris all over our seas and oceans. Secondly there is the unseen micro particle pollution caused by washing of synthetic products and the non-biodegradable nature of these products in landfill. We cannot fight this battle on our own and need more support from government as well as continuing to work alongside organisations like IWTO and the Campaign for Wool to promote wool as a natural environmentally sustaining alternative to plastic products.

With a deal with Europe looking increasingly unlikely, it is even more important that we, as producers, pull together in these uncertain times. We as a board and British Wool's loyal and energetic employees at head office and in the depots are committed to continuing to provide a good service to our producers.

**Trevor Richards**  
Chairman

# The Board

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

## Regional Members

<b>T Richards</b> (Chairman)	English Southern Region
<b>J Robertson</b> (Vice Chairman)	Scottish Southern Region
<b>R A Cottrill</b>	English Central Region
<b>H Evans</b>	Welsh Northern Region
<b>D Fraser</b>	Scottish Northern Region
<b>G W T Havard FRAgS</b> (Retired 31 March 2019)	Welsh Southern Region
<b>J Davies</b> (Appointed 1 April 2019)	Welsh Southern Region
<b>B Kelly</b>	Northern Ireland Region
<b>A Marshall</b>	English South Western Region
<b>C Stephenson</b>	English Northern Region

## Independent Members

**P A Baren FCA**  
**J C Lucas BA, ACA**

## Non-Executive Member

**Marko Illinic\*** (Appointed 1 February 2019)

## Executive Officers

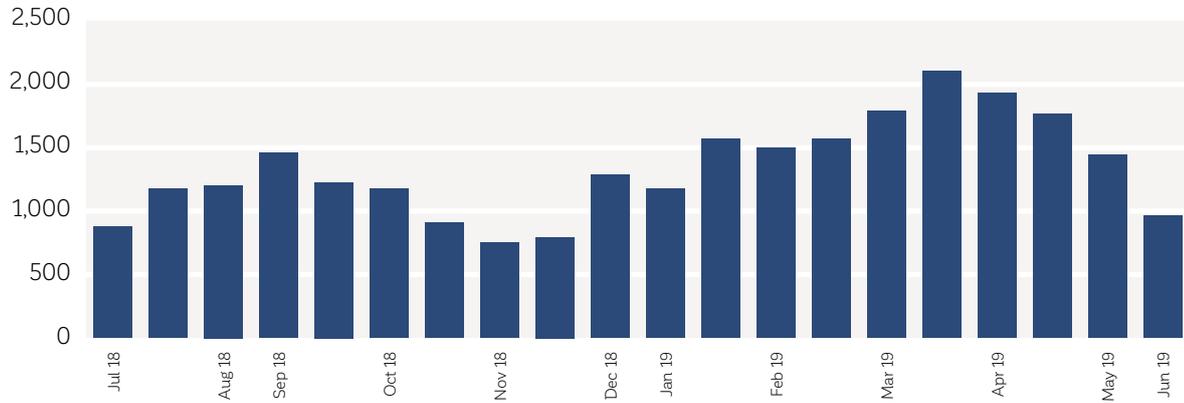
<b>J Farren MA (Oxon)*</b>	(Chief Executive Officer)
<b>S C Holder FCA*</b>	(Chief Financial Officer, Board Secretary) Appointed CFO 1 June 2018, Appointed Board Secretary 28th February 2019

\*Not appointed under the British Wool Marketing Scheme Statutory Instrument 1950's (No.1326) Act.

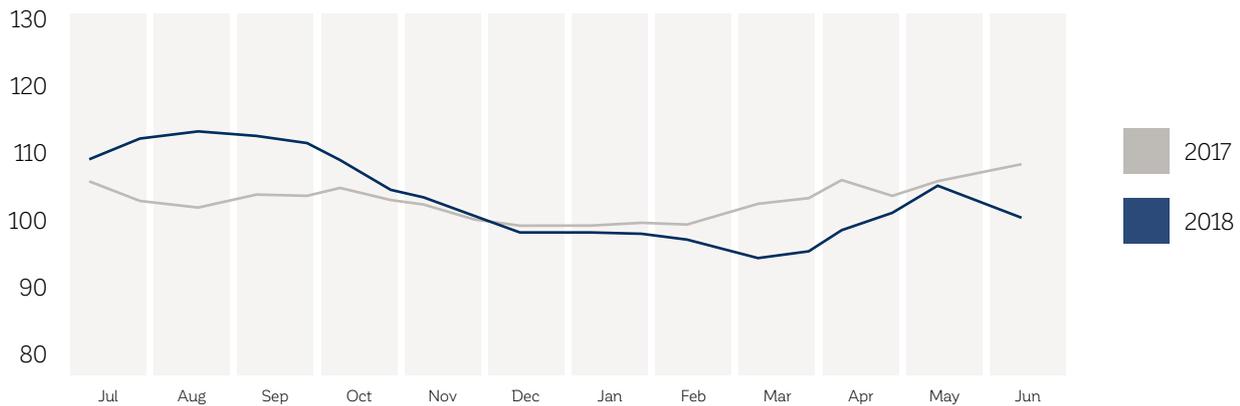
# Year in Summary

## Analysis of Auction Sales

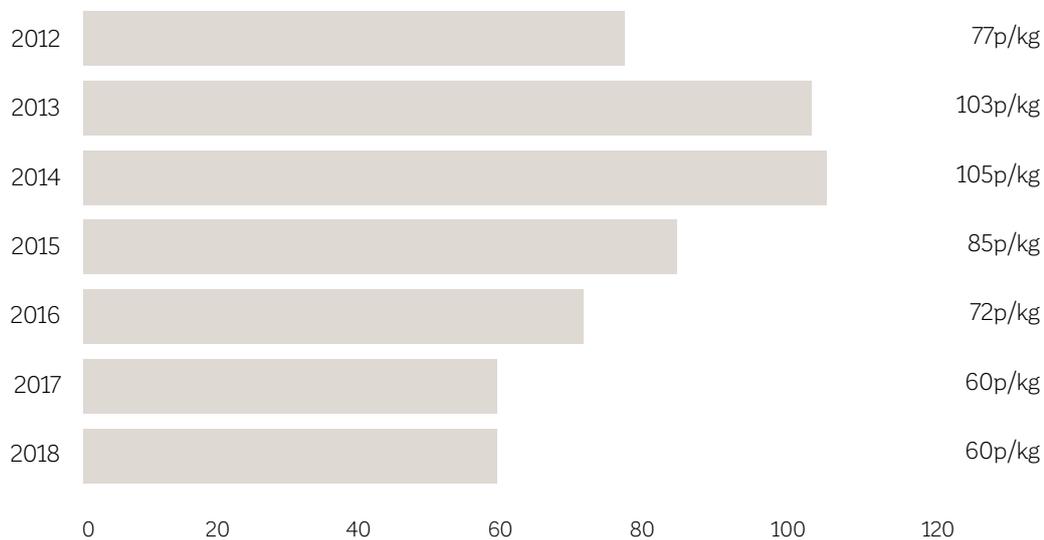
### Weight Sold (Tonnes)



### British Wool Price Indicator (p/kg) Greasy



### Average Wool Clip Value (p/kg) (After all costs and excluding VAT)



# Chief Executive's Statement

Performance for the Year Ended 30 April 2019



“Our development activities in China are gaining momentum and will make a meaningful contribution to revenue this year”

Joe Farren  
Chief Executive

Summary results for the 2018 clip are as follows:

	2018 clip £'000	p/kg	2017 clip £'000	p/kg
Weight measured (kg'000)	<b>27,170</b>	<b>n/a</b>	<b>28,955</b>	<b>n/a</b>
Estimated realisable value of the clip	27,233	100.2	29,318	101.3
Total underlying operating costs (excluding pension)	(11,129)	(41.0)	(11,414)	(39.4)
Exceptional and transformation allowances/costs	(590)	(2.2)	(432)	(1.5)
Total operational costs	(11,719)	(43.1)	(11,846)	(40.9)
Pension costs	(600)	(2.2)	(663)	(2.3)
Other income, funding and adjustments	1,390	5.1	616	2.1
<b>Paid and payable to producers</b>	<b>16,304</b>	<b>60.0</b>	<b>17,425</b>	<b>60.2</b>

The average price per greasy kilo achieved for the 2018 clip was in line with that of 2017. As I said in my report last year, we entered the 2018 selling season on a rising trend. From late February onwards the supply of substitute European wools tightens, and eventually dries up, and the Chinese return from their Spring Festival giving new demand impetus for our wools. This rising trend was sustained until September 2018 when the US-Chinese trade war started which had the effect of significantly dampening Chinese demand for all our wool types. This factor, combined with growing consumer and business anxiety in the UK regarding the possibility of a 'No Deal' Brexit, saw demand for our wools drop significantly as our price index fell 11% between September and December 2018.

At the start of December 2018, we decided to take two important initiatives: firstly, we launched a four auction trial which saw us make a further number of small, but together material, changes to the format of our auction to increase competitive tension; and, secondly, we decided to accept lower sale weights for a period with the aim of supporting prices. The auction trial proved successful and, following consultation with our merchant customers, we have continued with this format since. The action taken contributed to stabilising prices at that time.

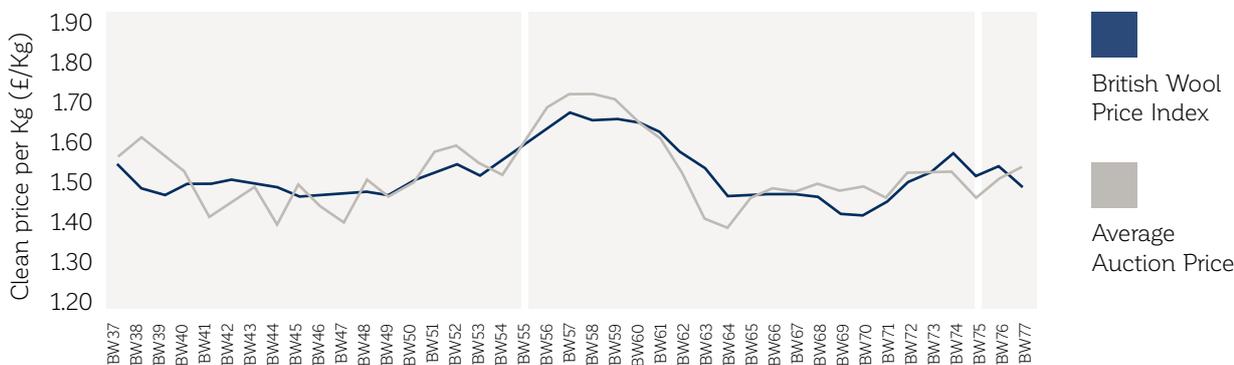
From March onwards we saw the benefit of our efforts in China as orders from a new Chinese customer started to come through the agency buyer at the auction. Confidence in China returned somewhat seeing improved demand, with the notable exception of carpet types. By the end of June 2019 we had only a small carry-over of wool into the new season in line with previous years.



The situation with regards to carpet types is unlikely to improve until the US-Chinese trade dispute is resolved as exports to the US represented the majority of Chinese carpet manufacturers' export sales and such potential export sales would currently have a significant import tariff imposed making them uneconomic in many cases.

The graph below shows our British Wool price index and our average auction price from the start of the 2017 season to July 2019.

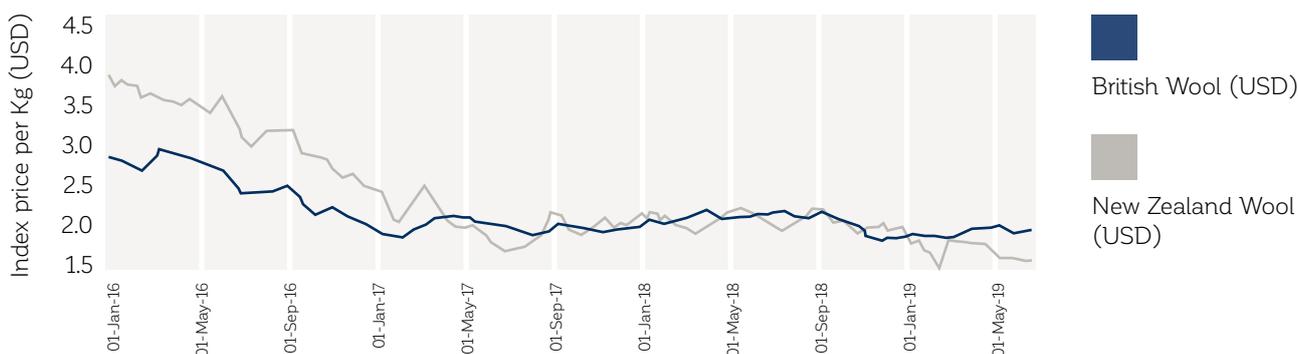
### British Wool Price Index v Average Auction Price



The graph below shows the relative price performance of British and New Zealand wool in US\$ terms (eliminating relative local currency strength impact). British Wool achieved 3% higher prices on average in the 2018 season for British wool than were paid for New Zealand wool whereas, prior to 2017, British wool's prices were at a circa 20% discount to New Zealand's. I think our continuous efforts to introduce more competition to our auctions as

well as the start of our new downstream marketing program in the UK and China have helped support British Wool prices in a very difficult cross bred wool market and, consequently, helped us achieve better value relative to other cross bred wools. I note with interest that the New Zealand wool industry is currently seeking to establish a central marketing body, having wound up their own wool board in the early 1990s.

### British and New Zealand Wool Relative Price Performance



Our 2018 clip weight received was 27.2 m kg, representing a fall of 6.2% on 2017. This fall was due to the poor weather conditions in the winter of 2017/18, and, in particular, the loss of sheep in the severe snowy weather of March 2018, referred to in the media at the time as 'The Beast from the East'. For the five years prior to that our clip weight received had been remarkably consistent, being close to 29 m kg throughout that period.

cost savings, we have made further significant savings across many areas, including depot labour and procurement, resulting in a further drop in underlying operating costs.

Two years ago we set ourselves the ambitious target of reducing the business's annual underlying operating costs by £880,000 and I am pleased to say we have now achieved that target. Building on last year's substantial

The average price per kilo paid this year is 60.0 p/kg compared to 60.2 p/kg last year. The board considers that maintaining prices in line with last year was a good result in the face of the twin headwinds of the US-Chinese trade war and an increasing loss of consumer and business confidence in the UK due to the threat of a 'No Deal' Brexit. We managed to hold prices due to many initiatives that are successfully underway and which are reviewed below.

# Chief Executive's Statement (continued)

## Stronger together

We are making good progress with our new downstream marketing, auction optimisation and depot improvement programs.

### **Increase Value Per Kilo**

- > We launched an agency buying service at the start of last season. This service allows buyers to place orders with an agent prior to the sale who bids on their behalf. Consequently, the buyer need not be present in the auction room. The agency buyer was the fourth largest buyer at the auction last season and significantly increased competition in the room;
- > Towards the end of last season a new buyer joined the auction and is bidding in their own right, having started trading through the agent, again increasing competition. This is our first new auction buyer in 10 years;
- > As discussed above, we believe our adoption of a tactical approach to structuring our auction has had an immediate impact in supporting prices through the 2018 season;
- > Lambs' wool will now be graded and auctioned throughout the season to maximise its price, rather than doing all of this at the end of the season;
- > The roll-out in the UK of our new audited brand licensing program is proving successful, enabling us to concentrate our marketing resources on product ranges that are genuinely British wool rich, thereby creating value for our brand partners in carpet, beds, bedding, knitwear and apparel. We started the roll-out of the same brand program in China in the spring and it is attracting considerable interest;
- > We opened a small marketing office in Shanghai, China, in October 2018 to support our marketing efforts in this very large and attractive market for wool rich products. We are currently establishing a British wool presence on the most important Chinese social media platforms to stimulate consumer interest in our brand and British wool rich products;
- > Our product development program is gaining momentum. In June 2019 we entered into a trading and marketing partnership with the largest manufacturer of beds and bedding products in China. We have other product development initiatives underway with Chinese manufacturing partners which we anticipate will come to market within the next 12 months;

- > We are committed to continuing to offer all the wool we receive at our auctions, so that the merchants enjoy continuous supply of the full range of British wools in commercial quantities. In light of this, the wools required for our new product development contracts, such as the Chinese bedding one mentioned above, are purchased at the auction by the agent on behalf of our commercial subsidiary, Wool Growers (GB) Limited, who in turn supplies these to our development partners.

### **Improve Service to Producers**

We are committed to improving the service we offer to producers, both at depot and in head office. Key improvements made in the last 12 months include:

- > For this 2019 season we have opened up a further two new intermediate depots in Derbyshire at Ashbourne and Longford. Remember that producers who drop their wool at an intermediate or grading depot avoid any onward transport cost;
- > Our depots are now opening an hour earlier than previously at 7am in the busy summer months to create more flexibility as to when wool can be dropped off. This has the added benefit of increasing labour productivity;
- > The extension and refurbishment of our warehouse at Liskeard in Cornwall is complete which means Liskeard has more storage capacity and hence more flexibility as to when it can take producer wool;
- > For the 2019 season in Northern Ireland we sent out wool sheet labels pre-printed with the producer's details to save producers having to write these details in themselves. Feedback has been very positive and it is likely we will roll this initiative out across the UK next season;
- > We have simplified our producer payment statement somewhat this year and intend to improve it further for next season; and
- > We have improved the efficiency with which we process producer notifications and payments. More than 99% of producer payments are now made within five working days of the receipt of their wool being on our system. The fewer than 1% of delayed payments are due to an outstanding query with the producer such as missing registration or bank details.



## Chief Executive's Statement (continued) Outlook

With no end in sight to the US-Chinese trade war and an increasing chance of a 'No Deal' Brexit the outlook for the market in our carpet wools could get worse before it gets better. Our efforts marketing British wool more effectively on behalf of our carpet manufacturing partners may offset these increasingly negative trends to some extent.

The outlook for the non-carpet wools market is brighter and our product development initiatives in this area are starting to bear fruit. Our development activities in China are gaining momentum and will make a meaningful contribution to revenue this year.

**Joe Farren MA (Oxon)**  
Chief Executive Officer



# Financial Summary

There have been a number of changes in the year both legislative and operational which have impacted the reported results for the Board and the Group. One of the most significant changes is in respect of the defined benefit pension scheme following the ruling in the Lloyds Banking Group case.

This ruling provides an obligation on trustees to ensure there is equality in the pension benefits for these schemes provided to men and women between 17 May 1990 and 5 April 1997. The impact of this 'Guaranteed Minimum Pension' (GMP) adjustment on the Board's profits is £421,000. This ruling will impact all companies that were running occupational defined benefits schemes on a contracted out basis between these dates.

The actuarial deficit in respect of the pension scheme, based on the assumptions used for FRS102 as at 30 April 2019, increased by £605,000 up to £7.6 million at the end of the year. This increase has been driven by an assumed decrease in the discount rate, assumed increase in the inflation rate and the cost of the GMP adjustment. These factors have been offset by an increase in the schemes' assets and contributions by the Board.

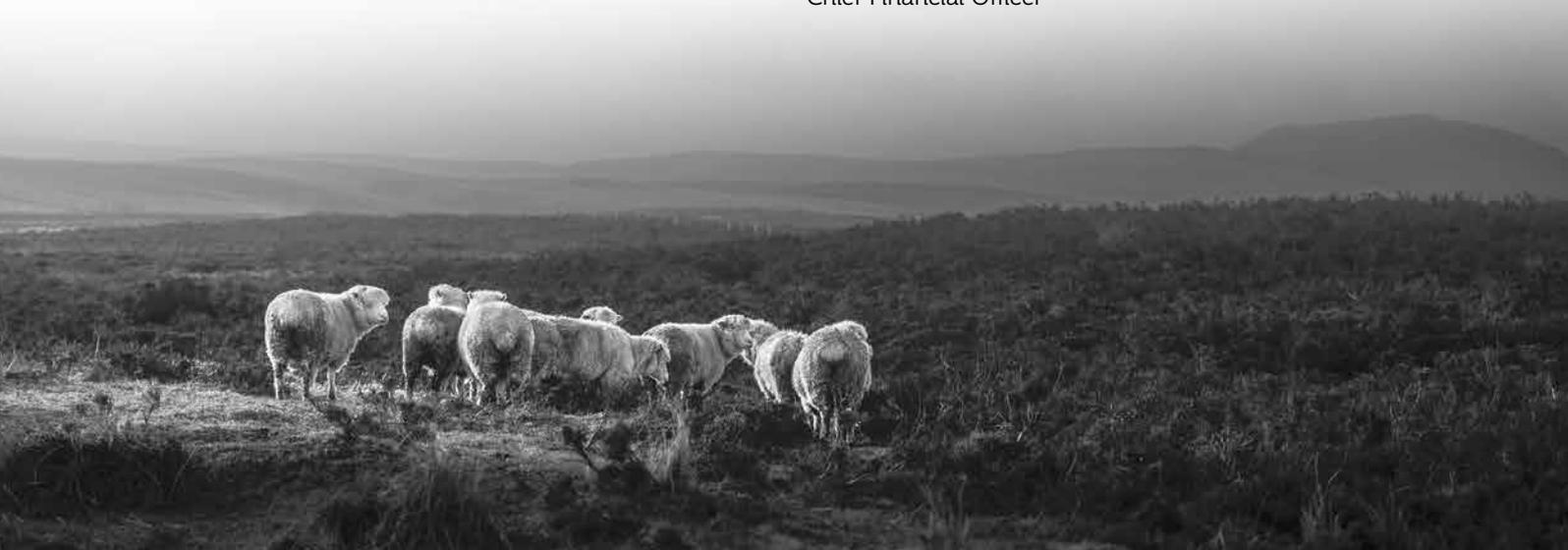
In order to manage the pension liabilities and effectively balance the returns to the producers, proposals on investment strategy and liability management continue to be actively progressed, driven by the Pension Committee. In particular, changes have been made to the investment platform to allow faster and more cost efficient movements in funds. It should be noted that liabilities are sensitive to changes in discount rates; a repayment plan to address the deficit issues has been agreed with the Trustees.

During the year there have been further operating cost savings achieved, as part of the continuing focus on reducing the overall fixed cost base. Even though the auction price per kilo achieved for the wool has been maintained, the volume of the clip has fallen by an exceptional degree for the reasons explained by the Chief Executive; this inevitably increases the operating cost per kilo and would ordinarily mean that there are fewer funds available to distribute to producers.

To mitigate this as much as possible dividends of £600,000 have been paid by cash generating subsidiaries into the British Wool Marketing Board. Dividends will continue to be paid as appropriate in future years. These payments cover the rental charges of £500,000 from Wool Growers (Great Britain) Ltd and provide an additional cash contribution to improve the returns to producers. Further, as part of the 2018 Financial Agreement an adjustment has been made to the reserve fund of £600,000 to maintain the 2018 clip payment at similar levels to the prior year.

The net trading deficit result shown, after dividends and after the reserve adjustment, reflects the impact of the unavoidable GMP adjustment. It should be noted that this provision does not have an immediate cash impact but is reflected in the accounts in accordance with FRS102.

**Steve Holder FCA**  
Chief Financial Officer





# Report of the Board

Report on the working of the British Wool Marketing Scheme 1950, for the year 1 May 2018 to 30 April 2019, to be considered at the sixty-ninth annual general meeting of registered producers on 13 November 2019.

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 Board or 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 producer 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 2019 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 producers, grades and sells through public auction. Sale proceeds are used to meet payments to producers for the wool received and to meet the costs of operations. Any surplus funds available are due to producers 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 17.

## 3. Committees

### *Audit Committee*

The Audit Committee of the Board met on four occasions during the year. The members of this committee who served during the year were:

Mr P Baren (Chairman)  
Mr R Cottrill  
Mr B Kelly  
Mrs J Lucas  
Mr C Stephenson

# Report of the Board (continued)

## Remuneration Committee

The purpose of the Committee is to establish a formal, fair and transparent procedure to determining the annual salaries and benefits for all the staff and executives. The Remuneration Committee met three times during the year.

The members of the committee who served during the year were:

Mr T Richards (Chairman)  
Mr P Baren  
Mr R Cottrill  
Mr J Robertson

The Chief Executive Officer, Chief Financial Officer and Group HR Manager attended meetings by invitation of the Committee.

The terms of reference for both Committees include the operations of the Board's subsidiary companies.

## 4. Board Members' and Executive Officers' Remuneration

The total Board Members' remuneration for the year ending 30 April 2019 was voted by producers at the Annual General Meeting of 14 November 2018. Any such vote takes effect from the next 1 May following the Annual General Meeting. The emoluments of the Board Members who served at any time during the year were £124,506 (2018: £124,506).

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 £30,634 pa (gross) pro rata to his term of office each year, and the Vice Chairman receives emoluments of £10,909 pa (gross) pro rata to his period of office each year.

The gross emoluments of the Chairman and Board Members for the year were as follows:

	2019 £	2018 £
Chairman	30,634	30,634
Vice Chairman	10,909	10,909
Other Board Members 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	2019 Total £'000	2018 Total £'000
J Farren MA (Oxon)	127	16	13	156	137
Steve Holder FCA*	88	1	9	98	0

Subsequent to the year-end J Farren received an incentive payment of £6,350 (2018:£9,873) in relation to the year ended 30 April 2019, this amount has not been provided for.

\* Appointed 1 June 2018

## Report of the Board (continued)

### 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):

	<b>Board</b>	<b>Audit Committee</b>	<b>Remuneration Committee</b>	<b>Producer Communications Committee</b>
T Richards (Chair)	7(7)	n/a	4(4)	n/a
J Robertson (Vice-Chair)	7(7)	n/a	4(4)	n/a
P Baren	7(7)	4(4)	3(4)	n/a
R Cottrill	7(7)	4(4)	4(4)	n/a
H Evans	7(7)	n/a	n/a	1(1)
D Fraser	6(7)	n/a	n/a	1(1)
G Havard (retired 31 March 2019)	5(6)	n/a	n/a	1(1)
B Kelly	6(7)	4(4)	n/a	n/a
J Lucas	7(7)	4(4)	n/a	n/a
A Marshall	7(7)	n/a	n/a	1(1)
C Stephenson	7(7)	4(4)	n/a	n/a
J Davies (appointed 1 April 2019)	1(1)	n/a	n/a	n/a

### 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 19 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 2019.

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 2019 with the Board's full annual accounts.

We also read the other information contained in the Report and Accounts 2019 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 Statement which comprises the Summary Group and Board Income and Expenditure Accounts, the Summary Group and Board Balance Sheets and Recognised Gains and Losses set out in the full British Wool Marketing Board Report and Accounts 2019.

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 2019.



**Keith Miller (Senior Statutory Auditor)**

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

3 September 2019

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

British Wool Marketing Board  
Wool House  
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BD2 1AZ

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# Summary Financial Statement

## Summary Balance Sheets as at 30 April 2019

	*Group		Board	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed assets</b>	<b>12,917</b>	13,540	<b>16,745</b>	17,004
Current assets	<b>24,239</b>	25,462	<b>23,353</b>	24,513
Creditors	<b>(14,221)</b>	(15,048)	<b>(18,704)</b>	(19,440)
<b>Net current assets</b>	<b>10,018</b>	10,414	<b>4,649</b>	5,073
<b>Net assets before pension liability</b>	<b>22,935</b>	23,954	<b>21,394</b>	22,077
Pension scheme liability	<b>(7,637)</b>	(7,032)	<b>(7,637)</b>	(7,032)
<b>Net assets including pension liability</b>	<b>15,298</b>	16,922	<b>13,757</b>	15,045
<b>Reserves</b>	<b>15,298</b>	16,922	<b>13,757</b>	15,045

Note: Creditors have been restated to reflect the strict legal position where liabilities are contractually repayable on demand.

\*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 company, 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 29 August 2019.



**Trevor Richards**  
Chairman



**Joe Farren MA (Oxon)**  
Chief Executive Officer

# Summary Financial Statement

## Notes to the Summary Financial Statement

	*Group		Board	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>1. Fixed assets</b>				
Property	10,973	10,953	3,955	3,756
Plant and equipment	1,637	2,197	1,671	2,116
Motor vehicles	72	131	40	29
	<b>12,682</b>	13,281	<b>5,666</b>	5,901
Investments	235	259	11,079	11,103
	<b>12,917</b>	13,540	<b>16,745</b>	17,004
<b>2. Current assets</b>				
Stocks	3,895	3,609	3,500	3,362
Debtors	6,389	5,769	6,781	6,053
Reserve Account – Deposits	10,101	10,660	10,101	10,660
Cash at bank and in hand	3,854	5,424	2,971	4,438
	<b>24,239</b>	25,462	<b>23,353</b>	24,513
<b>3. Creditors – Amounts due in less than one year</b>				
Amounts due to producers	11,768	12,561	11,768	12,561
Others	2,453	2,487	6,936	6,879
	<b>14,221</b>	15,048	<b>18,704</b>	19,440
<b>4. Reserves</b>				
Reserve fund	10,101	10,660	10,101	10,660
Board's fund	11,416	11,942	1,050	1,240
	<b>21,517</b>	22,602	<b>11,151</b>	11,900
Pension liability	(7,637)	(7,032)	(7,637)	(7,032)
Related deferred tax asset	1,418	1,352	1,418	1,352
Revaluation Reserve	-	-	8,825	8,825
	<b>15,298</b>	16,922	<b>13,757</b>	15,045
<b>5. Pension Reserve</b>				
At 1st May 2018	(7,032)	(8,017)	(7,032)	(8,017)
Movement in actuarial (losses)/gains during the year	(390)	727	(390)	727
Contributions paid	600	663	600	663
Amounts recognised in the Income & Expenditure account	(815)	(405)	(815)	(405)
At 30th April 2019	<b>(7,637)</b>	(7,032)	<b>(7,637)</b>	(7,032)

Note: Creditors have been restated to reflect the strict legal position where liabilities are contractually repayable on demand.

# Summary Financial Statement

Summary Income and Expenditure Accounts  
for the year ended 30 April 2019

	Group 2018 clip	Group 2017 clip	Board 2018 clip		Board 2017 clip	
	£'000	£'000	£'000	Average p/kg	£'000	Average p/kg
Sales	<b>25,187</b>	28,387	<b>24,075</b>	<b>101.5</b>	26,205	100.8
Stock of 2018 clip held at 30 April 2019	<b>3,158</b>	3,113	<b>3,158</b>	<b>94.4</b>	3,113	105.3
<b>Estimated value of 2018 clip</b>	<b>28,345</b>	31,500	<b>27,233</b>	<b>100.2</b>	29,318	101.3
Advance payments to producers for wool	<b>(3,809)</b>	(3,963)	<b>(3,809)</b>	<b>(14.0)</b>	(3,963)	(13.7)
Balance payable to producers for wool	<b>(12,081)</b>	(13,185)	<b>(12,081)</b>	<b>(44.5)</b>	(13,185)	(45.5)
Volume premium	<b>(414)</b>	(277)	<b>(414)</b>	<b>(1.5)</b>	(277)	(1.0)
<b>Paid and payable to producers</b>	<b>(16,304)</b>	(17,425)	<b>(16,304)</b>	<b>(60.0)</b>	(17,425)	(60.2)
<b>Retained to cover expenses</b>	<b>12,041</b>	14,075	<b>10,929</b>		11,893	
Operating expenses	<b>(12,486)</b>	(13,518)	<b>(11,129)</b>		(11,414)	
Transformation adjustments	<b>(108)</b>	68	<b>(590)</b>		(432)	
Total operating expenses	<b>(12,594)</b>	(13,450)	<b>(11,719)</b>		(11,846)	
Retained after operating expenses	<b>(553)</b>	625	<b>(790)</b>		47	
Pension – other finance expense	<b>(815)</b>	(405)	<b>(815)</b>		(405)	
Deficit on realisation of the 2017 clip	<b>(10)</b>	(114)	<b>(10)</b>		(114)	
<b>Trading surplus/(deficit)</b>	<b>(1,378)</b>	106	<b>(1,615)</b>		(472)	
Profit/(Loss) on sale of assets	<b>(12)</b>	17	<b>(36)</b>		14	
Interest receivable	<b>42</b>	17	<b>41</b>		17	
Dividends received	<b>–</b>	7	<b>600</b>		506	
Share of profits/(loss) of associated undertakings	<b>(24)</b>	(22)	<b>(24)</b>		(22)	
<b>Net surplus/(deficit) before taxation</b>	<b>(1,372)</b>	125	<b>(1,034)</b>		43	
Taxation on (deficit)/surplus	<b>72</b>	(54)	<b>70</b>		(127)	
<b>Surplus/(deficit) for the year</b>	<b>(1,300)</b>	71	<b>(964)</b>		(84)	
<b>Transfer from/(to) reserve fund</b>	<b>600</b>	–	<b>600</b>		–	
<b>Net surplus/(deficit) for the year after reserve fund transfer</b>	<b>(700)</b>	71	<b>(364)</b>		(84)	

Note: Dividends received have been restated in the Income and Expenditure Account in order to represent a more accurate reflection of the trading position of the British Wool Marketing Board.

## Summary Financial Statement

Statement of Other Comprehensive Income (additional pension credits (charges)) for the year ended 30 April 2019

	Group		Board	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Actuarial gains/(losses) immediately recognised	<b>(390)</b>	727	<b>(390)</b>	727
Deferred tax	<b>66</b>	(124)	<b>66</b>	(124)
Total other comprehensive income/(loss) for the year net of tax	<b>(324)</b>	603	<b>(324)</b>	603
Loss for the year	<b>(1,300)</b>	71	<b>(964)</b>	(84)
Total comprehensive income/(loss) for the year	<b>(1,624)</b>	674	<b>(1,288)</b>	519



# Notice of Annual General Meeting

Notice is hereby given that the sixty-ninth annual general meeting of producers registered under the British Wool Marketing Scheme 1950 will be held at:

Crown Plaza  
Wellington Street  
Leeds  
LS1 4DL

At: 1.00pm on Wednesday 13th November 2019.

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

The business to be transacted will be:

- a. To approve the minutes of the last AGM held on 14 November 2018.
- b. 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 2018 to 30 April 2019.
- c. To determine the remuneration of the Board\*.
- d. To appoint auditors.

By order of the Board.

**Steve Holder FCA**

Wool House  
Sidings Close  
Canal Road  
Bradford  
BD2 1AZ

30 August 2019

Note:

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

Any registered producer will be entitled to enquire on any matters arising out of the report and accounts through submission prior to the meeting, no 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](mailto:mail@britishwool.org.uk) to be received by 8 November 2019. 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](http://britishwool.org.uk)**

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

**[campaignforwool.org](http://campaignforwool.org)**

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



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THE CAMPAIGN FOR WOOL  
Patron: HRH The Prince of Wales