



## British Wool Marketing Board Report and Accounts 2017



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## Chairman's Statement



British Wool is an organisation that has gone through major transformation during the past year. Our new management team have a private sector mindset and are up for the challenge to implement necessary changes that will be to the benefit of sheep farmers for years to come. Moving forward, the approved budget for the ensuing year for our stream-lined organisation is showing a drop in operating costs of an initial 7%. This is largely due to the depot productivity efficiency programme that has been implemented, still always being mindful of a satisfactory service level for producers and maintaining quality control.

We have to concentrate on the unique positive attributes that our wool possesses, making it a premium raw material. Going forward, it is envisaged to have a more effective marketing strategy with a greater emphasis on our core product, carpets, which account for over 50% of our wool usage. In many ways we have lost a generation of younger people who are oblivious to the massive range of natural benefits of wool, so an educational programme on many fronts will be required which, over time, will eventually help to raise the value of the product we produce on farm. It is disappointing to report that average wool values due to producers for last season have reduced by 13p/kg, but for the first time our wool is at the same value, in US dollar terms, as New Zealand wool, which is the nearest comparable wool to ours in the world. One of the factors influencing price is that exports to China have reduced to around 25% of our clip, down from around 35% four years ago as their market demand is tending to focus more on the finer types.

The future of sheep farming is on many producers' minds as we move forward towards our proposed exit of the EU. There appears to be a realisation amongst Government officials that without support in those areas where sheep are farmed the industry and countryside appearance would be in disarray. As a stakeholder with 40,000 producers, we assure you that we will not miss any opportunities in putting the necessary case forward. Youth needs to get involved in the regional committees throughout the UK and, as such, provision has been created for up to four co-options on each regional committee.

It gives me great pleasure to welcome both Huw Evans (Welsh Northern) and Jim Robertson (Scottish Southern) on to the board of British Wool, both of whom bring an immense amount of experience and passion to the table. To the retiring members, Bedwyr Jones and Peter Myles, we thank them for their commitment to British Wool and wish them every success in the future.

It has been an honour to serve as Chairman of British Wool and I have relished the challenge, firmly believing that our organisation is in a much stronger position than when I commenced as Chairman.

**Ian Buchanan FRAGS**  
Chairman

# The Board

The Board Members, together with the Executive Officers, who served in the year, are shown below:

## Regional Members

<b>I Buchanan FRAgS</b>	Northern Ireland Region (Chairman)
<b>T Richard</b>	English Southern Region (Vice Chairman)
<b>D Fraser</b>	Scottish Northern Region
<b>R A Cottrill</b>	English Central Region
<b>C Stephenson</b>	English Northern Region
<b>A Marshall</b>	English South Western Region
<b>G W T Havard FRAgS</b>	Welsh Southern Region
<b>B Jones</b> (Retired 31 March 2017)	Welsh Northern Region
<b>H Evans</b> (Appointed 1 April 2017)	Welsh Northern Region
<b>P D Myles</b> (Retired 31 March 2017)	Scottish Southern Region
<b>J Robertson</b> (Appointed 1 April 2017)	Scottish Southern Region

## Independent Members

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

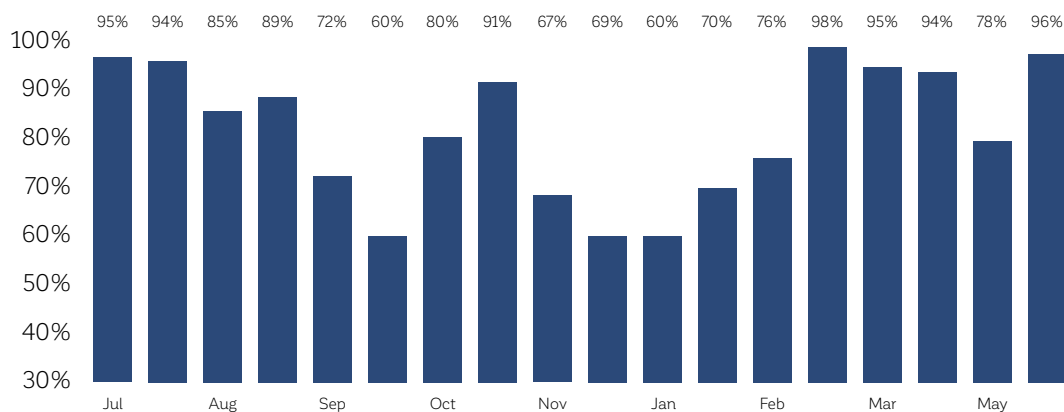
## Executive Officers

<b>J Farren MA (Oxon)</b>	(Chief Executive Officer, Board Secretary) Appointed 1 June 2016
<b>I M Hartley BA FCA</b>	(Chief Executive Officer, Board Secretary) Retired 31 May 2016
<b>M Lambert BA FCA MBA</b>	(Chief Financial Officer) Appointed 28 November 2016
<b>M A Powell</b>	(Chief Operating Officer) Resigned 4 April 2017

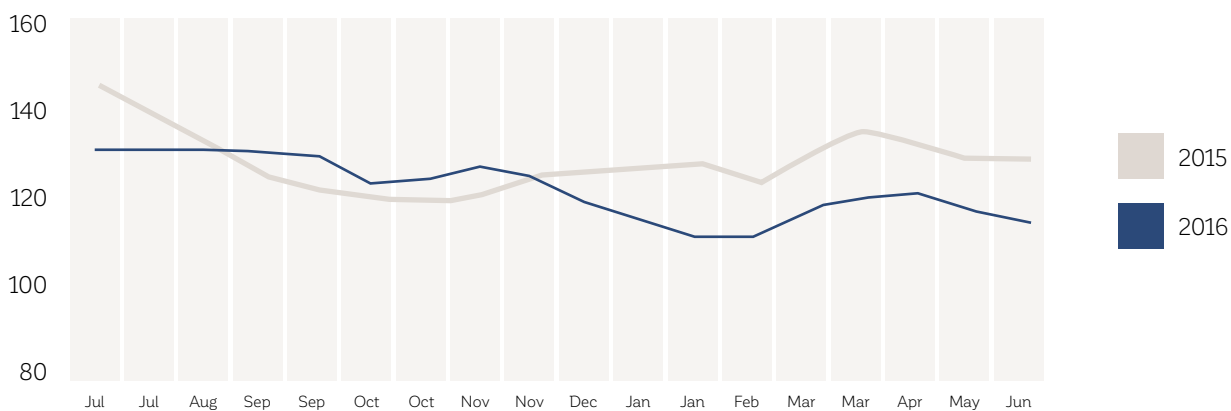
# Year in Summary

## Analysis of Auction Sales

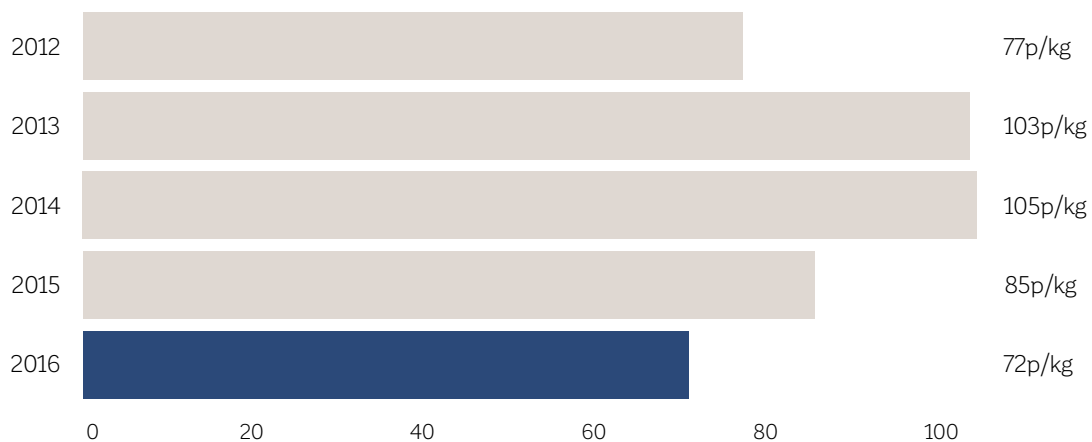
### % Clearances



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



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



# British Wool

## Strategic Pillars

### Increase Auction Price

- > Long term impact, hard to influence short term.
- > Work with our downstream supply chain.
- > Sell British Wool as a distinct quality fibre.
- > Stimulate and drive interest from consumers.
- > Targeted and measurable retailer engagement.
- > Partner with supportive manufacturers.
- > UK and Chinese market focus for the time being.

### Operational Efficiency

- > People with the right skills, ethics and pride in British Wool are recognised and rewarded for high performance.
- > Improve our depot efficiency and productivity.
- > Resilient, scalable and repeatable IT model driving value for the business.
- > Systemise, 'join-up', and optimise our business processes to deliver repeatable and excellent customer service.



# Chief Executive's Statement

## 2016 Performance



“The key to success will be to ensure that all parts of our business are working together in a ‘joined up’ fashion.”

Joe Farren  
Chief Executive

Summary results for the 2016 clip are as follows:

	2016 clip £000	p/kg	2015 clip £000	p/kg
Weight taken in (kg'000)	29,338	n/a	29,005	n/a
Estimated realisable value of the clip	33,828	115.3	37,541	129.4
Total Operating costs (excluding pension)	(12,036)	(41.0)	(12,009)	(41.4)
Pension contribution (cash paid)	(681)	(2.3)	(806)	(2.8)
Other income/(costs)	88	0.3	(132)	(0.4)
<b>Paid and payable to producers</b>	<b>21,199</b>	<b>72.3</b>	<b>24,594</b>	<b>84.8</b>

The global market for crossbred wools like ours turned out to be a difficult one. Overall our auction prices fell 11 percent against last year (average price per kilo of 115.3p versus 129.4p). It is important to contrast this with New Zealand wool whose prices fell circa 30 percent over the same period. The main reason for these falls was the continued movement away, in Chinese outer garments fashions, from the use of our type of wools to synthetic fibres. The price of our wools has undoubtedly been supported to some extent by the depreciation of sterling against the currencies of our overseas buyers.

Our total operating costs (excluding pension contributions) at £12.0 million were flat on last year, albeit they fell on a pence per kilo basis to 41.0p from 41.4p due to the higher weight of wool handled (29.3m kg against 29.0m kg in 2015).

As a result of these movements in our prices and cost base, the average price per kilo paid to you as a group this year is 72.3 p/kg, which is within the 70 - 75 p/kg estimate at the time of our AGM last year.

We have already spent, and are continuing to spend, significant time and money to bring up to an acceptable standard those vital aspects of the business' infrastructure and processes to make British Wool robust and fit for the major challenges it and the industry faces. From IT to property, investment in recent years has been non-existent which, while avoiding costs in a single year, has meant that the total bill for maintenance over a number of years is larger than it would otherwise have been (e.g. property) and that the business was left exposed to serious business interruption risks (e.g. IT).

A new senior management team is now in place to drive the business forward. The team is a strong blend of internally promoted and externally recruited managers which has both a good understanding of our existing business as well as bringing fresh ideas and approaches.

# Chief Executive's Statement

## Stronger together

The Strategic Pillars on page 6 set out where and how we are going to focus our improvement efforts. The key to success will be to ensure that all parts of our business are working together in a 'joined up' fashion to deliver a better service to producers and customers, as well as making the business more efficient. Historically our depots have operated independently of each other and Head Office's interaction with them has largely been confined to reporting their financial performance and setting grading and quality control standards for the depots to follow. We now have a small central operations team of two whose focus is to leverage economies of scale and knowledge across our depot network.

Similarly, our Head Office service line teams need to break down the silos in which they have historically operated so as to ensure that we are all working together to deliver our business' clearly defined objectives. All of us in the business should understand how and why our colleagues do the job that they do. Individuals need to accept ownership and responsibility, particularly for

business processes and projects that require cross team co-operation. Only through this cultural change can we hope to have a base for improving British Wool and, ultimately, returns to producers.

We are also aiming to work closely, for mutual benefit, with partners down our British Wool supply chain. A key plank of this new approach is to create a virtuous circle through our marketing efforts behind British Wool, whereby we are driving consumer interest to partner retailers who feedback to partner manufacturers, ultimately resulting in greater consumer demand for a greater number of British Wool product lines.



“I’m confident, that British Wool will be fit for purpose whatever the consequences of Brexit may be.”

**Joe Farren**  
Chief Executive

# Chief Executive's Statement Outlook

There is an unusual degree of uncertainty around the outlook for prices as we enter the 2017 clip selling season. Brexit will create economic uncertainty for the foreseeable future in the UK, our largest market, though so far this has not materially affected consumer confidence in the UK as a whole.

During my recent visit to our Chinese carpet supply chain, our large users of British carpet wools were relatively sanguine about the outlook for demand in China. Conversely, we are not hearing of any prospects of a pick-up in Chinese demand for our finer wools and the outlook in this segment remains uncertain. The colour of our 2017 clip wool is better, at this stage, than it was in 2016 and this should support prices to some extent.

Since January 2017 we have embedded a new productivity and efficiency programme in our depots. Indications since this time of the realisable cost savings are encouraging and we have set ourselves the target

for 2017 of reducing our total operating costs (excluding pension contributions) by £880,000 (3p/kg at 2016 clip weights). This is an ambitious target to achieve in one year and would represent a 7% reduction in our total operating costs.

The business has not been properly invested in or managed for improvement for many years and it will take four or five years to get British Wool to a place where returns for producers are as high as they could reasonably be, subject always, of course, to the state of global demand for crossbred wools generally. I am confident, however, that British Wool will be fit for purpose whatever the consequences of Brexit may be.

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



# Financial summary

2016/17 has been a significant year in the Board's recent history. On 30 April 2017 depot operations were transferred to the Board from its subsidiary Wool Growers (Great Britain) Limited creating a single unified organisation focussed on working efficiently for producers. This has eliminated an unnecessarily complex organisational structure that has hindered transparency and accountability of the Board to Producers.

The value of the clip has decreased year on year by 14p/kg from 129p/kg to 115p/kg reflecting the worldwide reduction in auction prices. With a cost base that has remained stable over the year the decline in clip value is reflected in the reduction of the value of the clip to producers falling from 85p/kg to 72p/kg. The value placed on year-end stocks of 106p/kg has been supported by auctions subsequent to the end of the year in May and June 2017.

The surplus for the year of £255,000, arising from pensions accounting, will be transferred into the tax exempt Reserve Fund thereby avoiding any tax liabilities in the current year, it is anticipated that this position will not change for the forthcoming year. Since the withdrawal of £3m, withdrawn in 2012 to fund the pension scheme deficit, the Board has replaced £2.2m and will replace the remainder over the next few years without detriment to the returns to producers.

The deficit on the Group's Defined Benefit Pension Scheme (the Scheme) increased by £1.6m before deferred tax to £8.0m at the end of the year. Despite strong investment performance which saw an increase in assets of £3.8m (8.2%), notional liabilities increased by £5.4m (10.3%) due to significant falls in discount rates underpinning assumptions upon which liabilities are calculated.

Such increases in pensions' liabilities are not unique to the Board and present the challenge of managing a deficit whilst balancing the needs of returns to producers. To that end during the year the structure of the management of the Scheme has been reviewed leading to the appointment of a leading firm in professional pension trusteeship as the sole trustee who bring with them considerable experience in the management of pensions deficits. This new arrangement will be overseen by a newly created Board sub-committee comprising the two independent Board members and the CFO.

Despite the post tax surplus of £329,000 in the year the Board's reserves in total have reduced by £1.2m from £15.7m to £14.5m as a consequence of the increase in the deficit in the pension scheme.

**Martin Lambert BA FCA MBA**  
Chief Financial Officer

# Report of the Board

Report on the working of the British Wool Marketing Scheme 1950, for the year 1 May 2016 to 30 April 2017, to be considered at the sixty-seventh annual general meeting of registered producers on 8 November 2017.

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 2017 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.

The number of producers registered under the Scheme at 30 April 2017 was 43,008 (39,763 Active) compared with 43,724 (40,519 Active) at 30 April 2016.

## 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, Wool Testing Authority (Europe) Limited and Committee of London Wool Brokers 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 A Baren (Chairman)  
Mr R A Cottrill  
Mr C Stephenson  
Mr A Marshall

# 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 four times during the year.

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

Mr T Richards (Chairman)  
Mr I Buchanan  
Mr B Jones  
Mr P A Baren

Mr J Farren (Chief Executive), Mr M Lambert (Chief Financial Officer) and Ms S Dennison (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 2017 was voted by producers at the Annual General Meeting of 5 November 2014. 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 (2016: £124,506), including compensation for loss of office of £Nil (2016: £4,541).

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:

	2017 £	2016 £
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	2017 Total £'000	2016 Total £'000
J Farren MA (Oxon)*	101	12	10	123	-
M Lambert BA FCA MBA**	31	2	3	36	-
I M Hartley BA FCA***	16	3	1	20	161
M A Powell****	65	17	6	88	88

Subsequent to the year end J Farren received an incentive payment of £12,000 in relation to the year ended 30 April 2017, this amount has not been provided for.

\* Appointed 1 June 2016

\*\* Appointed 28 November 2016

\*\*\* Retired 31 May 2016

\*\*\*\* Resigned 4 April 2017

# Report of the Board (continued)

## Attendance

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

	Board	Audit Committee	Remuneration Committee	Field Services Committee
I Buchanan (Chair)	7 (7)	2 (2)	3 (3)	2 (2)
T Richards (Vice-Chair)	7 (7)	2 (2)	3 (3)	2 (2)
H Evans	1 (1)	n/a	n/a	1 (1)
G W T Havard	7 (7)	n/a	n/a	1 (2)
A Marshall	7 (7)	2 (2)	n/a	2 (2)
B Jones	5 (6)	n/a	1 (2)	0 (1)
J Robertson	1 (1)	n/a	1 (1)	1 (1)
D Fraser	7 (7)	n/a	n/a	2 (2)
P A Baren	7 (7)	2 (2)	3 (3)	n/a
J C Lucas	7 (7)	n/a	n/a	n/a
R A Cottrill	7 (7)	2 (2)	n/a	2 (2)
C Stephenson	7 (7)	2 (2)	n/a	2 (2)
P D Myles	6 (6)	n/a	n/a	1 (1)

## 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 2017.

Under the terms of our engagement letter dated 15 July 2014 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 2017 with the Board's full annual accounts.

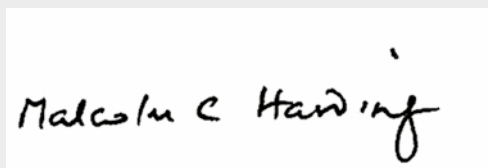
We also read the other information contained in the Report and Accounts 2017 of the Board and considered the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

## 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 on pages 18 - 19 of the British Wool Marketing Board Report and Accounts 2017.

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 2017.



### Malcolm Harding

For & behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

25 July 2017

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  
Sidings Close  
Canal Road  
Bradford  
BD2 1AZ

Tel: 01274 688666 Fax: 01274 652233  
E-Mail: [mail@britishwool.org.uk](mailto:mail@britishwool.org.uk)

# Summary Financial Statement

Summary Balance Sheets as at 30 April 2017

	<b>*Group</b>		<b>Board</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Fixed assets</b>	<b>14,175</b>	14,657	<b>17,357</b>	11,557
Current assets	<b>29,832</b>	32,422	<b>28,651</b>	33,606
Creditors	<b>(19,735)</b>	(22,428)	<b>(19,265)</b>	(23,010)
<b>Net current assets</b>	<b>10,097</b>	9,994	<b>9,386</b>	10,596
<b>Net assets before pension liability</b>	<b>24,272</b>	24,651	<b>26,743</b>	22,153
Amounts falling due after one year			<b>(4,201)</b>	
Pension scheme liability	<b>(8,017)</b>	(6,391)	<b>(8,017)</b>	(6,391)
<b>Net assets including pension liability</b>	<b>16,255</b>	18,260	<b>14,525</b>	15,762
<b>Reserves</b>	<b>16,255</b>	18,260	<b>14,525</b>	15,762

\*Group includes:

**Wool Growers (Great Britain) Limited**

The principal activity is the handling of fleece wool, 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.

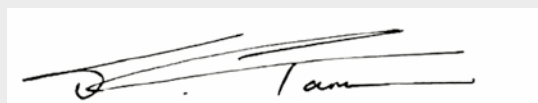
**Committee of London Wool Brokers Limited**

The principal activity is the auctioning of wool, on behalf of the parent company, British Wool Marketing Board.

Accounts approved by the Board on 20 July 2017.



**Ian Buchanan FRAGS**  
Chairman



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

# Summary Financial Statement

## Notes to the Summary Financial Statement

	<b>*Group</b>		<b>Board</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>1. Fixed assets</b>				
Property	<b>11,045</b>	11,204	<b>3,669</b>	-
Plant and equipment	<b>2,671</b>	2,791	<b>2,533</b>	581
Motor vehicles	<b>178</b>	385	<b>30</b>	132
	<b>13,894</b>	14,380	<b>6,232</b>	713
Investments	<b>281</b>	277	<b>11,125</b>	10,844
	<b>14,175</b>	14,657	<b>17,357</b>	11,557
<b>2. Current assets</b>				
Stocks	<b>4,503</b>	4,112	<b>4,215</b>	3,834
Debtors	<b>6,951</b>	6,817	<b>6,796</b>	9,026
Short term deposits - Trading	<b>6,357</b>	9,645	<b>6,357</b>	9,638
Reserve Account - Deposits	<b>10,643</b>	10,362	<b>10,643</b>	10,362
Cash at bank and in hand	<b>1,378</b>	1,486	<b>640</b>	746
	<b>29,832</b>	32,422	<b>28,651</b>	33,606
<b>3. Creditors – Amounts due in less than one year</b>				
Amounts due to producers	<b>16,936</b>	20,362	<b>16,936</b>	20,362
Others	<b>2,439</b>	2,066	<b>2,329</b>	2,648
	<b>19,375</b>	22,428	<b>19,265</b>	23,010
<b>4. Reserves</b>				
Reserve fund	<b>10,643</b>	10,362	<b>10,643</b>	10,362
Board's fund	<b>12,153</b>	13,139	<b>1,598</b>	1,816
	<b>22,796</b>	23,501	<b>12,241</b>	12,178
Pension liability	<b>(8,017)</b>	(6,391)	<b>(8,017)</b>	(6,391)
Related deferred tax asset	<b>1,476</b>	1,150	<b>1,476</b>	1,150
Revaluation Reserve	-	-	<b>8,825</b>	8,825
	<b>16,255</b>	18,260	<b>14,525</b>	15,762
<b>5. Pension Reserve</b>				
At 1st May 2016	<b>(6,391)</b>	(8,732)	<b>(6,391)</b>	(8,732)
Movement in actuarial (losses)/gains during the year	<b>(1,918)</b>	2,052	<b>(1,918)</b>	2,052
Contributions paid	<b>681</b>	806	<b>681</b>	806
Amounts recognised in the Income & Expenditure account	<b>(389)</b>	(517)	<b>(389)</b>	(517)
At 30th April 2017	<b>(8,017)</b>	(6,391)	<b>(8,017)</b>	(6,391)

# Summary Financial Statement

Summary Income and Expenditure Accounts  
for the year ended 30 April 2017

	Group 2016 clip	Group 2015 clip	Board 2016 clip		Board 2015 clip	
	£'000	£'000	£'000	Average p/kg	£'000	Average p/kg
Sales	32,062	36,694	29,858	116.6	33,731	129.9
Stock of 2016 clip held at 30 April 2017	3,970	3,810	3,970	106.2	3,810	125.5
<b>Estimated value of 2016 clip</b>	<b>36,032</b>	40,504	<b>33,828</b>	<b>115.3</b>	37,541	129.4
Advance payments	(4,061)	(4,041)	(4,061)	(13.8)	(4,041)	(13.9)
Net balance payable	(16,936)	(20,362)	(16,936)	(57.8)	(20,362)	(70.2)
Volume premium	(202)	(191)	(202)	(0.7)	(191)	(0.7)
<b>Paid and payable to producers</b>	<b>(21,199)</b>	(24,594)	<b>(21,199)</b>	<b>(72.3)</b>	(24,594)	(84.8)
<b>Retained to cover expenses</b>	<b>14,833</b>	15,910	<b>12,629</b>		12,947	
Operating expenses	(14,905)	(14,719)	(12,036)		(12,009)	
Pension – other finance expense	(389)	(517)	(389)		(517)	
Surplus/(deficit) on realisation of the 2016 clip	38	62	38		62	
<b>Total operating expenses</b>	<b>(423)</b>	736	<b>242</b>		483	
Profit on disposal of fixed assets	(7)	32	(7)		1	
Interest receivable	10	24	16		34	
Share of profits of associated undertakings	4	4	4			
<b>Net surplus before taxation</b>	<b>(416)</b>	796	<b>255</b>		518	
Taxation on surplus	(23)	(199)	74		(180)	
<b>(Deficit)/surplus for the year</b>	<b>(439)</b>	597	<b>329</b>		338	
<b>Transfer to reserve fund</b>	<b>(255)</b>	(800)	<b>(255)</b>		(800)	
<b>Net (deficit)/surplus for the year after Reserve Fund transfer</b>	<b>(694)</b>	(203)	<b>74</b>		(462)	

## Summary Financial Statement

Statement of Other Comprehensive Income (additional pension credits (charges)) for the year ended 30 April 2017

	Group		Board	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Actuarial gain/(losses) immediately recognised	(1,918)	2,052	(1,918)	2,052
Deferred tax	326	(369)	326	(369)
<b>Total other comprehensive income relating to the year</b>	<b>(1,592)</b>	<b>1,683</b>	<b>(1,592)</b>	<b>1,683</b>
Surplus for the year	(439)	597	329	338
<b>Total comprehensive income for the year</b>	<b>(2,031)</b>	<b>2,280</b>	<b>(1,263)</b>	<b>2,021</b>

# Notice of Annual General Meeting

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

The Mercure Hotel  
Southgate  
Exeter  
EX1 1QF

At: 1.00pm on Wednesday 8th November, 2017.

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 3 November 2016.
- 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 2016 to 30 April 2017.
- c. To determine the remuneration of the Board\*.
- d. To appoint auditors. By order of the Board.

**Joe Farren MA (Oxon) (Secretary)**

Wool House  
Sidings Close  
Canal Road  
Bradford  
BD2 1AZ

20 July 2017

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 enquires should be sent in writing to Jean Murphy at Wool House or by email [mail@britishwool.org.uk](mailto:mail@britishwool.org.uk) to be received by 1 November 2017. 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.



**British Wool**

Wool House  
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[britishwool.org.uk](http://britishwool.org.uk)



THE CAMPAIGN FOR WOOL  
Patron: HRH The Prince of Wales