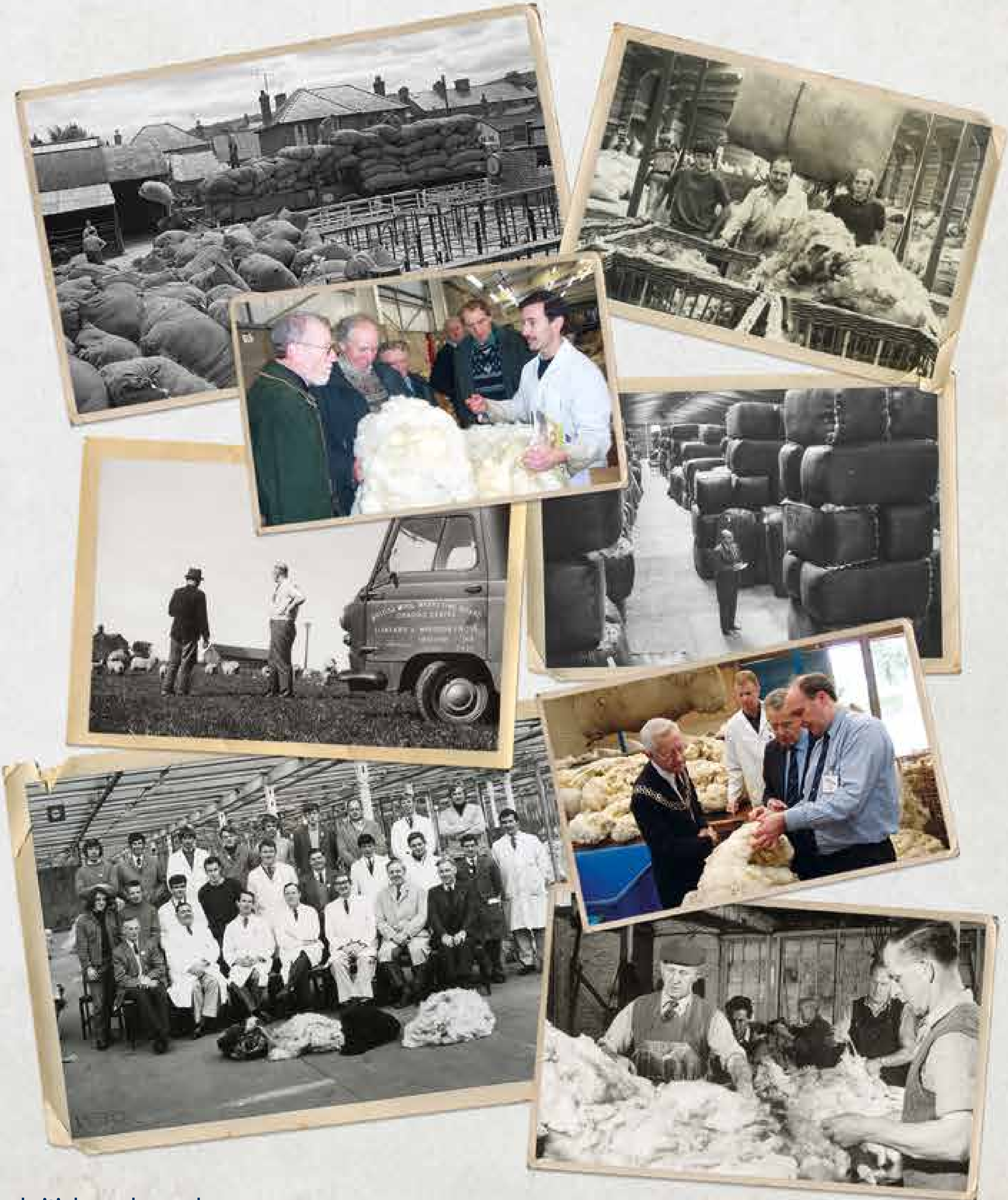
British Wool
Report and Accounts 2025



britishwool.org.uk

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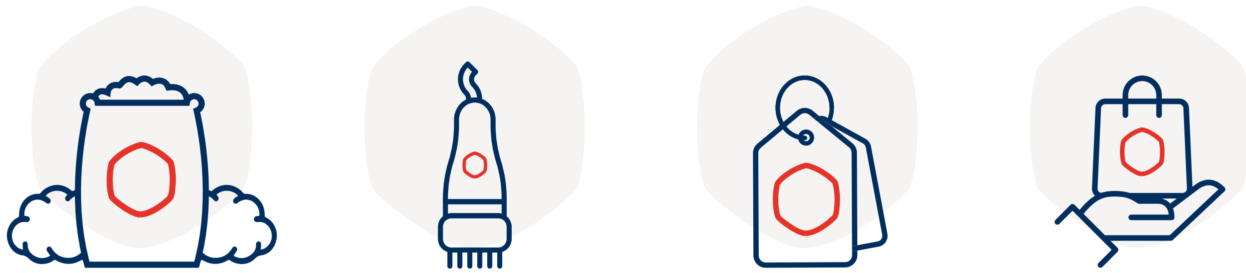
British Wool’s Purpose

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

British Wool’s vision is to provide the best possible return to members through the collective marketing of the UK wool clip.



For UK sheep farmers to recognise the value we add by collecting, grading, and promoting their wool.

For our team to provide efficient high-quality service and excellent shearing training to members.

For the end brands we work with to specify British wool in their products and value our support for innovation.

For consumers to choose to buy products made from British wool.

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

Chairman's Welcome

The past 12 months have brought favourable returns for sheep farmers across the country, whether in the fat lamb section, ewe trade or through the seven-year-high wool prices we've experienced. There's much to be positive about right now, and long may it continue.

As always, our team at British Wool has been working tirelessly to deliver the best possible returns for our members. This sustained effort has played a part in the encouraging rise in both price and demand we've seen across the market.

While we recognise that achieving truly sustainable wool prices – particularly those exceeding the cost of shearing – remains a challenge, we believe we are well-positioned to improve returns. With a strong brand, robust systems and a dedicated team behind us, we're confident in the journey ahead.

Stronger together

Being a member of British Wool offers UK sheep farmers a range of valuable benefits that go beyond simply selling their wool. British Wool operates as a farmer-owned organisation, ensuring members receive fair value for their fleece while supporting a collective marketing system that maximises returns through auction. Membership also provides access to valuable services such as fleece collection, grading and traceability, as well as shearing training.

Indeed, more than 800 people have enrolled on our shearing and wool handling courses in the last year, including 191 young farmers, who benefit from a 50 percent discount. We continue to subsidise shearing and wool handling courses amounting to around £150,000 per year to ensure safe, efficient and high-quality fleece harvesting, to promote fleece care and presentation to maximise value for members, to benchmark UK shearers on the global stage and to uphold industry standards, safeguarding animal welfare.

Chairman's Welcome (continued)

Our commitment to professional shearing at the highest level was also reflected in our support for record-breaking attempts. In July 2024, Welsh shearer Meirion Evans set a new British shearing record by shearing 791 sheep in nine hours. This was followed by Staffordshire shearer Nick Greaves, who broke the world lamb shearing record in August 2024, shearing 764 lambs in eight hours. Meanwhile, Scottish shearer Una Cameron achieved a new women's world record, shearing 517 sheep in nine hours.

Crucially, British Wool is the only organisation that is investing in promoting British wool to global markets, supporting training and shearing infrastructure, and developing new opportunities for wool use. For our farmer members, this means not only improved long-term income prospects but also being part of a sustainable, nationally supported supply chain that values heritage, quality and cooperative strength.

Driving wool volume to grow returns

Over recent years, we've seen a decline in the volume of wool handled, which has had a direct impact on returns – around 7p per kilogramme. If we had handled all the wool produced in the UK, returns may have been up to 15p higher per fleece – a tangible difference for all our members.

As inflation continues to drive up costs, particularly in labour and energy, processing remains more expensive year on year. The most effective way to protect and enhance member returns is by increasing the volume of wool we handle, enabling us to spread fixed costs more efficiently and deliver stronger collective value.

To support this, we're encouraging members to work together. When a full load of approximately 100 wool sheets (about six tonnes) is gathered at a single location, we will arrange free haulage to the nearest grading depot. This collaborative approach benefits everyone.

We have also responded to member feedback regarding access to drop-off points. As a result, we're planning to open additional collection sites over the next two years. Our ambassadors, county representatives and board members are playing a key role in their regions, encouraging farmers to return to marketing their wool through British Wool.

Creating value in the market for British wool

I'm delighted to see the ongoing progress being made with our brand licensing scheme, which allows manufacturers and retailers to display the distinctive Shepherd's Crook mark on products verified to contain genuine British wool, backed by independent testing and marketing support. We now have 172 licences, up from 55 in 2020, which is growing brand awareness, instilling consumer confidence and helping partner brands stand out in a crowded sustainable-fibre market.

As a further development, our traceability scheme – launched in 2021 – continues to add value, generating £160,000 of additional income in the last year and attracting new customers, particularly in bedding and interiors sectors. This scheme ensures every bale of wool can be traced back to its originating farm and regional grading depot. This transparency not only meets consumer demand for provenance but also enables our members to command a premium, with over 700,000 kg of traceable wool sold last season.

Overall, the combined efforts of our marketing team and wool sales team are helping to create new markets and raise awareness of British wool as a sustainable fibre. In turn, this adds value to British sheep farmers, and it is encouraging to see the ongoing progress being achieved.

British Wool is the only organisation that is investing in promoting British wool to global markets, supporting training and shearing infrastructure, and developing new opportunities for wool use...

Chairman's Welcome (continued)

Governance and engagement

In April, we welcomed two new board members, Rosie Keenan in the Scottish Northern region and Richard Spencer in the English Central region. Their experience and regional insight will be invaluable. Rosie and Richard replaced Eleanor Mackintosh and Kate Drury respectively. We concluded a search programme with Defra and devolved administrations, which saw 67 applications for the two independent board member roles to replace Jonathan Lea and Rhys Davies, whose terms end in June 2025 and September 2025 respectively. David Williams replaced Jonathan from 1 July 2025, and Susan Millin will replace Rhys from 1 October 2025. While we warmly welcome the new board members, we are also very sorry to see Eleanor, Kate, Jonathan, and Rhys depart. They have all made huge contributions to the board and the business, for which we are very grateful, and we wish them all the very best.

Our ambassador programme continues to go from strength to strength, with representatives helping to promote British Wool and our fibre at agricultural shows and within their local communities.

To further enhance engagement in key wool-producing areas, we've appointed three seasonal field officers covering Derbyshire and Staffordshire, Dumfries and Galloway, and Northern Ireland. Their focus is on raising awareness of British Wool in their regions by visiting auction marts, attending shows and contacting farmers directly to talk about this year's wool.

NexGen Tree Shelters Limited ("NexGen")

In June 2024, British Wool invested in NexGen to support the development of an innovative, sustainable wool product which had real potential in the marketplace. This investment, funded from our reserves, had the potential to significantly enhance the demand for low-demand wool types, creating real value for our farmer members into the future.

Despite making positive progress, unfortunately, NexGen was not able to achieve sufficient production efficiencies to deliver profitability and, as a result, back in April 2025, the decision was taken to appoint administrators. This outcome was obviously hugely disappointing for all concerned but such investment in innovation always carries some risk. At the time, we felt that the potential upside outweighed the risks, but unfortunately, that wasn't the case. I would like to reassure you that this situation has not impacted the wool price that we can pay, as it was funded entirely out of reserves.

Celebrating our heritage

This year marks our 75th anniversary – a milestone worth celebrating. We are proud of our heritage and of the journey we have shared with our members.

We'll be hosting a series of anniversary events around the country, and I hope to catch up with as many of you as possible at one of these celebrations. In the meantime, thank you for your ongoing support – it is through ongoing collaboration and collective marketing that we will deliver value.

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
J Davies	Welsh Southern Region
C Stephenson	English Northern Region
K Drury (Resigned 17 January 2025)	English Central Region
A Derryman	English South Western Region
P Chantler	English Southern Region
E Mackintosh (Retired 31 March 2025)	Scottish Northern Region
R Spencer (Appointed 1 April 2025)	English Central Region
R Keenan (Appointed 1 April 2025)	Scottish Northern Region

Board Appointed Member

J Taylor	(Formally appointed 16 May 2024)
J Lea FCMA	(Appointed 1 July 2025 to 31 July 2025)

Independent Members

R Davies	
J Lea FCMA	(Retired 30 June 2025)
D Williams FCA	(Appointed 1 July 2025)

Executive Officers

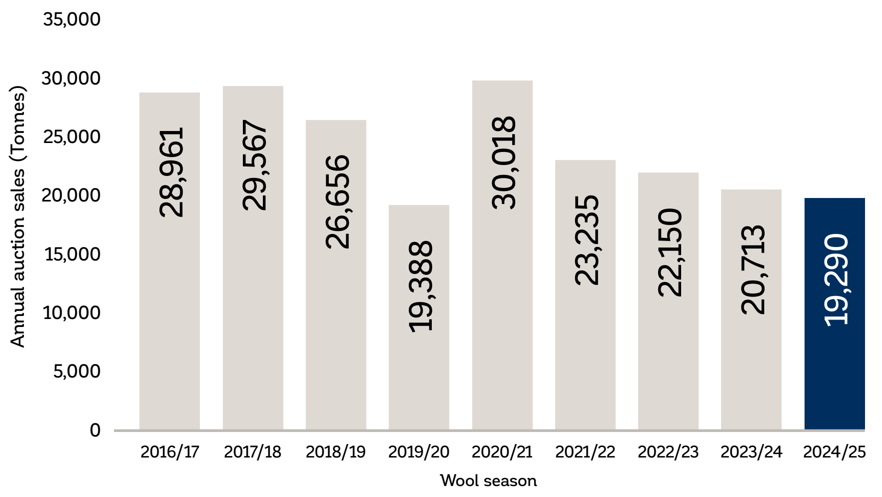
A Hogley CFA	(Chief Executive Officer)
A Whelan ACA	(Chief Financial Officer, Board Secretary)

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

Year in Summary

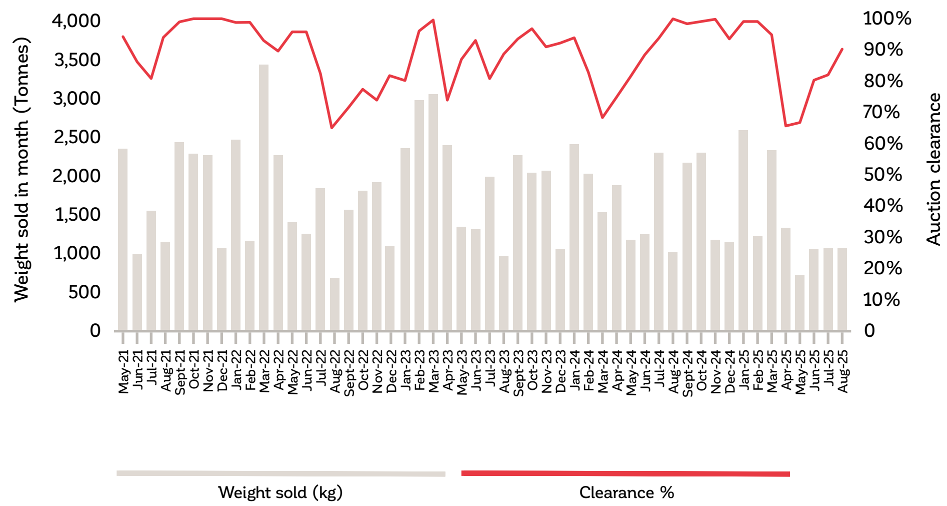
Sales of Greasy Wool / kgs / 2016 – 2025

After disruption due to the pandemic in 2019/20 and 2020/21 all wool handled is now sold within the year.



British Wool Sales / May 2021 – August 2025

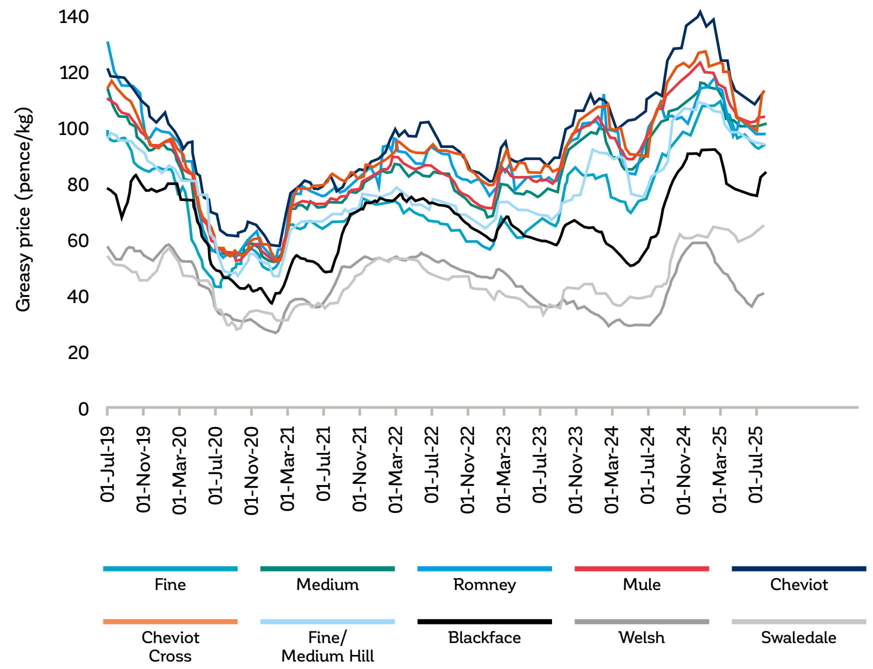
British Wool saw strong demand and high clearances from August 2024 to March 2025. This left relatively little wool to carry into the new season even with weaker sales in April and May 2025.



Year in Summary (continued)

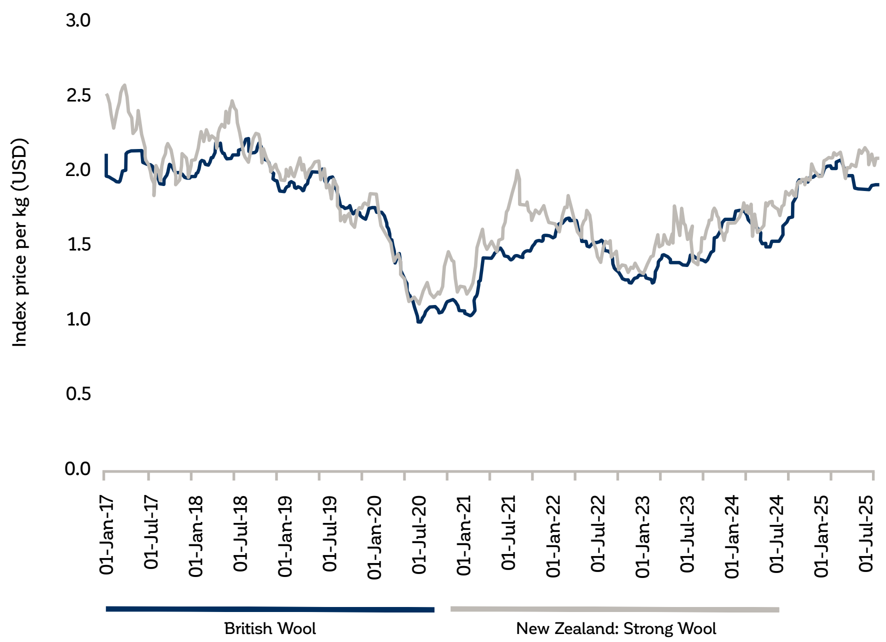
Auction Prices by Type / July 2019 – July 2025

Prices for all major types of British wool continue to recover. Prices achieved during the peak of the selling season in late 2024/early 2025 were back at pre-pandemic levels in nominal terms.



British Wool and New Zealand Strong Wool Prices (US$)

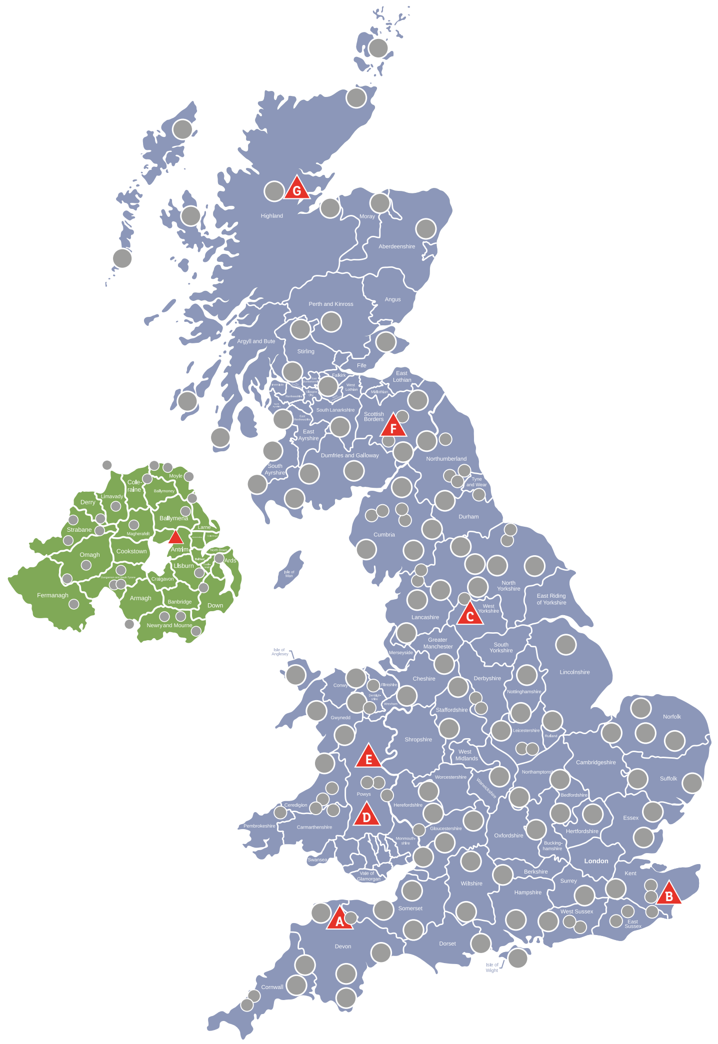
British wool continues to trade in line with equivalent types of New Zealand wool. On a clean basis in US$ terms the market for crossbred wool is clearly strengthening.



Year in Summary (continued)

90%

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



168

Collection Centres

25,792

members delivered their wool to British Wool in the 2024 season.

2,580

new and returning members in the 2024 clip year.

1.65 million

kilograms of wool received from the new and returning members.

Chief Executive's Statement

"British Wool continues to focus on its strategic goals as it works to deliver on its mission of driving sustainable demand in order to maximise returns for members."

Andrew Hogley CFA
Chief Executive Officer

Summary results of the Board for the 2024 clip are as follows:

	2024 clip £'000	p/kg	2023 clip £'000	p/kg
Weight taken in (kg'000)	**19,290**	**n/a**	**20,732**	**n/a**
Estimated realisable value of the clip	19,201	99.5	16,756	80.8
Total underlying operating costs (excluding pension)	(10,778)	(55.9)	(11,167)	(53.9)
Exceptional and transformation allowances/costs	(500)	(2.6)	(500)	(2.4)
Total operating costs	(11,278)	(58.5)	(11,667)	(56.3)
Pension contributions (cash paid)	(550)	(2.9)	(550)	(2.7)
Other income/costs	554	2.9	654	3.2
Paid and payable to members	**7,927**	**41.1**	**5,193**	**25.1**

Overview

- British Wool's primary strategic goal is to maximise the value of wool on behalf of its members. We seek to achieve this through branding and promotion whilst also ensuring that British Wool provides consistently graded wool to market through a competitive sale process. British Wool has over recent years established a clear brand, supported by focussed promotional activity which is leading to increased demand from manufacturers. This is evidenced by the continued growth in the licensee scheme and improved brand awareness. As a natural product, wool quality varies season to season, but British Wool's grading system, backed by IWTO accredited test results, ensures that our customers have confidence in the product we sell. The auction is once again competitive across all core types thus ensuring that members receive full market value for their wool.
- Engaging with members and stakeholders, coupled with a clear focus on service delivery, is crucial to delivering the strategic goal of maximising intake. Low wool returns over the past few years have clearly been a challenge in this regard but with strengthened demand feeding through to improved prices, British Wool has an opportunity to handle more UK wool if we can provide a convenient local service for members and communicate the market recovery effectively. As British Wool moves into the 2025 season, our team has taken feedback from the member survey on board and will be opening additional collection centres across the UK.
- Given that the depots and collection network represent that vast majority of British Wool's cost base operational efficiency remains a key strategic priority. The traceability system, which was rolled out across the network over the past few years, is providing real time data to maximise labour efficiency and we continue to make changes to the property portfolio to balance cost against storage requirements and service provision for both members and customers.

Overview (continued)

- British Wool also continues to actively pursue new revenue opportunities. In the 2024 clip year we provided a contract grading service to merchants in the Republic of Ireland for the first time and handled wool from the Isle of Man for the second time. Traceable sales also continue to build year on year and are now making a material contribution to the overall level of member returns.

Commodity markets have strengthened

British Wool controls its operations and strives to influence the market, but it does not control the global commodity price of wool, nor does it control the volume of wool produced in the UK.

Global commodity prices for cross bred wool saw a significant improvement during the 2024 selling season. Colleagues in New Zealand cleared their excess stock in mid-2024 since when there has been a much improved supply/demand dynamic in the global market.

Prices for both British wool and New Zealand wool improved steadily from July with the British Wool index and average auction price steadily increasing through to March 2025. The British Wool index increased from £1.21 in July 2024 to £1.62 in March 2025 and the average greasy auction price increased from £0.82 per kg in July to £1.10 in March 2025.

Uncertainty over trade tariffs, particularly between China and the USA, led to a partial loss of confidence towards the end of the selling season with the index falling back to £1.38 by June 2025.

With strong clearances through much of the selling season British Wool had a relatively low stock position at the end of April 2025 to carry over into the new season. The average sale price for the year reached £1.00 per kg, an improvement of £0.18 per kg versus the £0.82 per kg in the 2023 clip year. This supported increased member returns for the year with core grades of Medium, Mule, Romney, Cheviot and Cheviot Cross returning £1.15 to £1.35 for a typical fleece.

Whilst these returns are much improved, they still fall short of the levels that would be required to cover typical shearing costs. British Wool would need to achieve an average selling price of at least £1.25 per kilo to cover the cost of shearing for most types. On an inflation adjusted basis this is where our members' wool was selling pre-Covid.

Global commodity prices for cross bred wool saw a

significant improvement during the 2024 selling season

The British Wool index

increased from £1.21 in July 2024 to £1.62 in March 2025

Volumes remain under pressure

Poor returns for wool over the last five years have led to a significant minority of UK farms keeping hold of their wool. Improved returns will hopefully stem this trend.

The volume of wool handled by British Wool on behalf of its members fell by 7% in the 2024 clip year. Multiple factors feed into the volume of wool handled; the number of breeding ewes in the UK is clearly a key driver, as are fleece weights, British Wool's market share relative to its competitors, and the growth in the number of shedding sheep.

One additional factor that has become increasing apparent over the last few years is that a significant minority of sheep farmers have not seen the value in delivering their wool due to the low returns. This has become a significant issue since the Covid-19 pandemic and management estimates that as much as 20% of the wool grown in the UK over the past couple of years has not made it to market, whether that be through British Wool or one of its farm gate competitors.

Defra figures suggest that the number of breeding ewes in the UK fell by 4% for the UK as a whole between June 2023 and June 2024 with the trend further deteriorating in the December 2024 census figures. Sampling suggested that fleece weights were relatively light again in the 2024 clip year. Competitor activity is static and British Wool believes that its market share of UK wool is stable.

Overall, the volume of wool British Wool handled through its network fell from 20.7m kg to 19.3m kg, a drop of 7%. The 1.4m kg reduction in wool volume equated to a revenue reduction of £1.4m. Given that British Wool has a largely fixed cost base lower volumes have a direct impact upon member returns. Declining volumes do not just lead to weaker returns for British Wool's members but also undermine the long-term viability of UK wool processing upon which British Wool's members depend to market their wool. The UK wool industry as a whole needs to retain scale.

Driving demand for British wool

The core of British Wool's strategic focus remains on driving demand to achieve better sale prices, improving service and engaging with members to maximise the volume of wool handled through our network, and maintaining operating efficiency.

Driving sustainable demand for British wool is at the core of British Wool's mission. Wool now represents less than one percent of global fibre production and British wool represents just one percent of the global wool supply. British Wool needs to give processors, manufacturers, brands and consumers a reason to specify wool, specifically British wool in end products.

British Wool continues to play an active role in promoting wool through international forums such as the Campaign for Wool and the International Wool Textile Organisation. Through these bodies British Wool can raise awareness for the benefits of wool over synthetic fibres and has also worked to challenge the Product Environmental Footprint (PEF) legislation which was set to position natural fibres as being more damaging to the environment than synthetics.

British Wool's clear brand identity and licensee scheme are clearly having a positive impact on demand for British wool. We now have 172 brand partners specifying British wool in their end products and in combination these brands are buying more than half of all the wool we handle on behalf of members. This is supporting the sale price of British wool. Auction prices for core types compare favourably to equivalent types of New Zealand wool and international buyers are paying a premium for scoured British wool over comparable wools from other origins.

Our strategy involves working closely with manufacturers and retailers through the licensee scheme to promote wool in their products, ensuring they source wool from our members. A number of key initiatives this year are worthy of note. British Wool's Yarn and Fabric collections have generated multiple new leads at key trade fairs such as Premier Vision and Pitti Filate. British Wool has undertaken a detailed GAP analysis versus RWS (Responsible Wool Standard) providing the welfare assurance to enable brands to specify British wool as an approved fibre. In addition to our continued presence in Japan and China, British Wool also attended its first trade show in India. This is a growing market for textile production which is now buying around 25% of New Zealand wool production.

British Wool has also undertaken several consumer facing promotions in the UK. The most high profile of these "Shaun loves Wool" campaign, a three year collaboration between British Wool, the Campaign for Wool and Shaun the Sheep to promote wool carpets to consumers in the retail environment. Our consumer facing activity is having an impact; British Wool's brand awareness has increased by seven percentage points over the past year.

Expanding the business

British Wool has made progress in developing new revenue streams to further enhance member returns.

In the 2023 clip year British Wool handed the wool from the Isle of Man through the Brecon depot for the first time. This was repeated in 2024. Whilst volumes are relatively modest (less than 100 tonnes) this model provided a blueprint to improve network utilisation and member returns by offering grading services and ancillary services to third parties.

In the 2024 season the Muckamore depot in Northern Ireland provided a contract grading service to Irish standards, handling approximately 500 tonnes of wool on behalf of wool merchants in the Republic of Ireland. This volume was sufficient to improve the operating efficiency of the Muckamore depot.

It is essential that British wool's infrastructure and people are fully utilised if the costs of operations are to be controlled. Additional income generated from services such as contract grading and sorting directly supports member returns. British Wool is actively seeking further opportunities to improve the utilisation of its depot network to support member returns.

During the year British Wool also made an investment in Nexgen Tree Shelters Limited ("NexGen") to support innovation and the development of a process to produce biodegradable tree shelters made from a bio composite that utilised mountain wools. Given the low value of core types such as Swaledale and Welsh Mountain it is imperative that we seek out new markets that have the potential to pay a sufficiently high price for these types to make a meaningful return to members. Whilst Nexgen was partially successful it was unable to overcome the challenge of producing the shelters fast enough and consistently enough to be profitable. Additional significant funds were required to address these production constraints which unfortunately could not be raised. Disappointingly, NexGen was therefore unable to continue, and we had to write off our investment. The investment was written off against reserves to ensure that wool returns saw no negative impact.

Our consumer facing activity is having an impact; British Wool's brand awareness has

increased by seven percentage points over the past year

Additional income generated from services such as contract grading and sorting

directly supports member returns

Chief Executive's Statement (continued)

Member returns increased 70% year on year

The average auction price for the 2024 clip year was £1.00 per kg. This was the highest average selling price for five years and compared to £0.81 per kg in the 2023 season, £0.74 per kg for the 2022 season, £0.79 per kg for the 2021 season, and £0.60 for the 2020 season.

Overall, British Wool was able to return £7.93m to members for the 2024 clip with the average payment of 41p per kilo, an increase of 70% year on year for core grades. Returns are very sensitive to the volume of wool handled and we need to encourage those that have not delivered their wool over recent years to do so if returns for all members are to improve.

British Wool also continues to support the industry by providing structured shearing training and advocating for the sheep industry alongside our peers in the farming unions and the NSA. As a member led organisation, we recognise the need to work with other stakeholders to advocate for our members' interests.

Outlook

Whilst there has been some market hesitancy over recent months due to tariff uncertainty, I believe that market fundamentals are improving. Demand from key sectors such as contract carpet and bedding is robust and the supply of equivalent cross bred wool from New Zealand continues to fall.

Many factors do however remain outside of our control and as such British Wool must continue to focus on the elements of our business that it can control, exert influence where it 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.

British Wool has made good progress in developing its brand and working with end users through the licensee scheme. We are striving to improve member service and convenience by adding more collection centres and operationally we seek to offset pressures such as the increased National Insurance burden through network optimisation and by maximising labour efficiency. New revenue streams are also starting to make an impact and feed through to member returns.

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 market at a scale that allows for economic processing and drive demand by promoting our members' product to trade customers and consumers.

Established in 1950 to secure the best possible net return for farmers, British Wool remains committed to collecting wool from all sheep farmers, regardless of quantity, quality, type, or location. British Wool is the only organisation in the world that collects, grades, sells and promotes fleece wool on behalf of sheep farmers. By building on this legacy of cooperation, we can shape a sustainable future for British wool – one that delivers stronger returns and recognises the real value wool offers to consumers.

As we celebrate our 75th Anniversary this year I would like to take this opportunity to thank all of the team at British Wool for all their hard work and commitment over the past year. None of what we achieve would be possible without the teams in our depot network and collection sites, testing lab, shearing instructors, head office, and member representatives.

British Wool has made good progress in developing its brand and working with end users through the licensee scheme. We are striving to improve member service and convenience by adding more collection centres...

In 2025, British Wool celebrates its 75th anniversary with a series of events planned throughout the year. These events will primarily honour our members and staff while also serving as a valuable opportunity for media coverage to raise awareness of British Wool and drive consumer demand.

Some of our key milestones include:

1950
British Wool Marketing Board

British Wool Marketing Board (now British Wool) was established to support UK sheep farmers, ensuring fair prices and promoting the industry globally.

1957
Bowen technique introduced

Working with British Wool, New Zealanders Godfrey and Ivan Bowen introduced the Bowen Technique of shearing to the UK. By using the free hand to stretch the sheep's skin, this method improved the quality of the shorn fleece and remains widely practiced today.

1970
Shepherd's Crook Mark

The trademarked Shepherd's Crook Mark was launched – the world's only symbol that assures consumers they are buying products made with genuine British farmers' wool.

1977
Heading North

British Wool relocated its Head Office to the heart of the wool textile industry, moving into Oak Mills in Clayton, Bradford.

1979
IWTO

British Wool became a full member of IWTO (The International Wool Textiles Organisation) which exists to promote close co-operation between producers and users of wool throughout the world.

1984
Japan office opened

Japan was the largest overseas market at the time; the Tokyo office played a key role in expanding British Wool's presence.

1999
First shearing training courses

Due to a shortage of sheep shearers, British Wool committed to preserve shearing as a traditional, rural skill and became accredited by the NPTC as the shearing assessment centre in the UK, delivering internationally recognised training and qualifications.

2002
Electronic wool auction

The first computerised auction system was held, replacing the open cry.

2004
Wool Testing Authority (Europe) Ltd.

A new IWTO-accredited wool testing laboratory opened in Wales, providing first-class facilities and certification services for greasy and scoured wool to customers across the Northern Hemisphere.

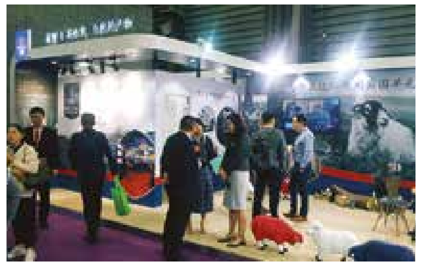
2010
The Campaign for Wool

The Campaign for Wool was launched at Wimpole Farm in Cambridgeshire by HM King Charles III (then HRH The Prince of Wales), with British Wool as one of the founding partners supporting this major global initiative.

Photo: © Rex Features.

2018
China office opened

A major market for British wool, the Shanghai office was established to support and grow this trade.



2021
Online marketplace

A one-stop destination for genuine British wool products was launched.

2022
Traceability scheme

A farm-traceable wool scheme was launched to ensure the unique story of each farm and flock is carried through to the finished product, giving consumers confidence in British wool and boosting demand.

Financial Review

During the 2025 financial year, total wool intake declined by 7%, falling to 19.3 million kilos from 20.7 million kilos in the previous year. As explained in the CEO report, this reduction was largely due to falling sheep numbers and a number of years of low member payments. It is therefore pleasing to report that for the 2025 financial year, member payments for the 2024 clip are up 70% for core grades on the previous year.

During the year, the average auction price increased from c. £0.81 per kilo to £1.10 per kilo in March 2025 before falling to just under £1.00 per kilo due to the global uncertainty caused by US-China tariff announcements. Despite weaker demand and softer prices at auction toward year-end, the overall average clip value for the 2024 clip increased to 99.5 pence per kilo, up from 80.8 pence for the 2023 clip. As a result, the total clip value was £19.2 million, compared to £16.8 million for the previous year.

The business continues to face pressure from increasing costs such as the National Minimum Wage increasing by 10% during the year. Despite this, we are proud to pay the Real Living Wage and was able to keep our wage spend flat year on year due to operational efficiencies. These efficiencies, along with reduced intake, also resulted in lower haulier and packaging costs meaning our total operating expenses decreased from £11.2 million to £10.8 million. However, lower intake does mean our operating costs per kilo increased 2p to 56p.

Our defined benefit pension scheme deficit remained largely unchanged at £1.9 million on an accounting basis because improvements in the deficit like the annual contributions were countered by the uncertainty in financial markets caused by tariff announcements. During the year we have changed the scheme's investment portfolio, exiting an illiquid property fund, and we have introduced new options designed to provide more certainty for pensioners whilst helping to reduce long-term scheme liabilities. An actuarial valuation as at 30 April 2024 was finalised by the end of July 2025 and will see contributions reduce by over 10% per year.

In June 2024, British Wool invested £0.6 million from reserves for an 8.25% stake in NexGen Tree Shelters Ltd ("NexGen"), the company pioneering biodegradable shelters crafted from wool. The investment secured a board seat and wool-supply exclusivity and the funding was to complete the automated production machinery and move the company into production. The machines were built and a batch of shelters produced and supplied to a customer receiving positive reviews. However, NexGen couldn't achieve consistent quality or production speed for the business to be profitable in the long run.

Financial Review

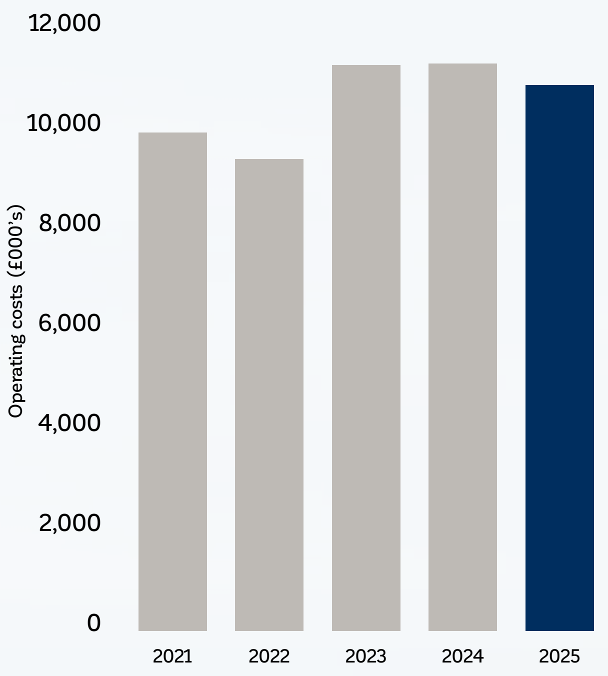
The machines required significant further investment to achieve this and that could not be raised. Unfortunately, in May 2025, liquidators were appointed to wind up the business and our investment has been fully written off against reserves in the 30 April 2025 accounts. As the investment was written off to reserves, there is no impact on the returns to members.

Despite the drop in intake, the increased value of the clip and reduced operating costs, means the average payment to members increased by 16.0p to 41.1p per kilo for the 2024 clip (2023 clip: 25.1p). At the year-end, the group's cash balance was £9.6 million compared with £7.6 million in 2024.

Following Defra's review of the British Wool scheme in 2022, the old Financial Arrangement expired on 30 April 2023 and was replaced by a new Framework Agreement between Defra, the Devolved Administrations and British Wool effective 1 May 2025. This modern agreement primarily codifies governance protocols and our relationship with Government, without introducing financial limits or constraints.

British Wool has successfully increased member payments, improved operational efficiencies, and maintained a strong financial position during the 2025 financial year, demonstrating resilience and commitment to delivering value to its members. As we move into the new season, we are optimistic about continuing this positive momentum and further enhancing our services and support for our members.

Operational Costs



Report of the Board

Report on the workings of the British Wool Marketing Scheme 1950 for the year 1 May 2024 to 30 April 2025 to be considered at the seventy-fifth annual general meeting of registered producers on 12 November 2025.

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 2025 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 for the Shetland Islands). 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 27.

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.

Members Engagement Committee

The Member Engagement Committee includes representatives from the member engagement team and provides oversight of British Wool's member facing activity which includes marketing, communications, and member service and engagement.

Report of the Board (continued)

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 Committee

The Governance Committee is responsible for ensuring that the business is adhering to the highest standards of governance and acts as a watchdog, ensuring that the business operates with integrity and efficiency.

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	Pensions	Remuneration	Member Engagement	Governance
J Robertson (Chairman)	7(7)	5(5)	n/a	3(3)	n/a	3(3)
B Kelly (Vice Chairman)	7(7)	5(5)	3(3)	3(3)	n/a	3(3)
H Evans	7(7)	5(5)	n/a	n/a	3(3)	n/a
C Stephenson	7(7)	n/a	n/a	n/a	n/a	3(3)
J Davies	7(7)	5(5)	n/a	3(3)	n/a	n/a
K Drury (Resigned 17 January 2025)	4(5)	n/a	n/a	n/a	2(2)	2(2)
A Derryman	7(7)	n/a	3(3)	n/a	3(3)	n/a
P Chantler	7(7)	n/a	n/a	3(3)	3(3)	n/a
E Mackintosh (Retired 31 March 2025)	6(6)	5(5)	n/a	n/a	n/a	n/a
J Lea	6(7)	5(5)	3(3)	n/a	3(3)	3(3)
R Davies	7(7)	3(5)	n/a	3(3)	n/a	3(3)
J Taylor	6(7)	n/a	n/a	n/a	2(3)	n/a
R Spencer (Appointed 1 April 2025)	1(1)	n/a	n/a	n/a	n/a	n/a
R Keenan (Appointed 1 April 2025)	1(1)	n/a	n/a	n/a	n/a	n/a
A Whelan	7(7)	5(5)	3(3)	n/a	3(3)	3(3)
A Hogley	7(7)	3(5)	n/a	n/a	3(3)	3(3)

Report of the Board (continued)

4. Board Members' and Executive Officers' Remuneration

The total Board Members' remuneration for the year ending 30 April 2025 was voted by members, at the Annual General Meeting of 8 November 2023. The emoluments of the Board Members who served at any time during the year were £132,187 (2024: £126,042).

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

	2025 £	2024 £
Chairman (1 May to 30 April)	**30,635**	30,635
Vice Chairman (1 May to 30 April)	**10,908**	10,908
Other regional 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	**2025 Total £'000**	2024 Total £'000
A Hogley	141	1	8	**150**	144
A Whelan	124	1	7	**132**	128

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 18 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 2025.

Under the terms of our engagement letter dated 5 May 2023 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 2025 with the Board's full annual accounts.

We also read the other information contained in the Report and Accounts 2025 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 Summary Statement of Other Comprehensive Income as set out in the full British Wool Marketing Board Report and Accounts 2025.

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 2025.

Simon Turner (Senior Statutory Auditor)
for and on behalf of Armstrong Watson Audit Limited
Chartered Accountants
Statutory Auditors
Leeds

1 August 2025

Summary Financial Statements

Summary Income and Expenditure Accounts for the year ended 30 April 2025

	Group 2024 clip	Group 2023 clip	**Board 2024 clip**		Board 2023 clip	
				Average		Average
	£'000	£'000	**£'000**	**p/kg**	£'000	p/kg
Sales	**16,280**	14,130	**15,945**	**100.3**	13,588	81.9
Stock of 2024 clip	**3,256**	3,168	**3,256**	**96.0**	3,168	76.2
Estimated value of 2024 clip	**19,536**	17,298	**19,201**	**99.5**	16,756	80.8
Balance payable to members for wool	**(7,623)**	(4,849)	**(7,623)**	**(39.5)**	(4,849)	(23.4)
Premiums	**(304)**	(344)	**(304)**	**(1.6)**	(344)	(1.7)
Paid and payable to members	**(7,927)**	(5,193)	**(7,927)**	**(41.1)**	(5,193)	(25.1)
Retained to cover expenses	**11,609**	12,105	**11,274**		11,563	
Operating expenses	**(11,373)**	(11,930)	**(10,778)**		(11,167)	
Transformation adjustments	**–**	–	**(500)**		(500)	
Total operating expenses	**(11,373)**	(11,930)	**(11,278)**		(11,667)	
Retained after operating expenses	**236**	175	**(4)**		(104)	
Pension – other finance income/(expense)	**(168)**	(189)	**(168)**		(189)	
Deficit on realisation of the prior year clip	**(120)**	(114)	**(120)**		(114)	
Trading deficit	**(52)**	(128)	**(292)**		(407)	
Profit/(loss) on sale of assets	**4**	–	**4**		–	
Interest receivable	**161**	142	**136**		119	
Dividends received	**–**	–	**270**		325	
Loss on impairment of investment	**(591)**	–	**(591)**		–	
Share of loss of associated undertakings	**(6)**	(14)	**(6)**		(14)	
Net surplus/(deficit) before taxation	**(484)**	–	**(479)**		23	
Taxation on surplus/(deficit)	**9**	(174)	**4**		(130)	
Deficit for the year	**(475)**	(174)	**(475)**		(107)	

Average selling price for the year back to over £1/kg.

Returns to members increased by 16p to 41.1p/kg.

Operating expenses down c.£0.6m.

Write off of NexGen investment. Funded from reserves so member returns not impacted.

Summary Financial Statements

Statement of Other Comprehensive Income (additional pension charges) for the year ended 30 April 2025

	Group		Board	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Actuarial losses immediately recognised	**(448)**	(1,905)	**(448)**	(1,905)
Deferred tax	**112**	476	**112**	476
Other comprehensive loss for the year net of tax	**(336)**	(1,429)	**(336)**	(1,429)
Deficit for the year	**(475)**	(174)	**(475)**	(107)
Total comprehensive loss for the year	**(811)**	(1,603)	**(811)**	(1,536)

Summary Financial Statements

Summary Balance Sheets as at 30 April 2025

		*Group		Board	
	Note	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Fixed assets	1	**11,866**	12,315	**16,339**	16,578
Stocks		**3,969**	4,033	**3,519**	3,607
Debtors		**3,360**	2,220	**4,063**	2,916
Cash at bank and at hand		**9,631**	7,560	**9,235**	6,306
Total current assets		**16,960**	13,813	**16,817**	12,829
Creditors	2	**(10,624)**	(7,075)	**(16,209)**	(11,619)
Net current assets		**6,336**	6,738	**608**	1,210
Net assets before pension liability		**18,202**	19,053	**16,947**	17,788
Provisions		**–**	(8)	**–**	–
Other creditors		**(4)**	(6)	**–**	–
Pension scheme liability	4	**(1,939)**	(1,873)	**(1,939)**	(1,873)
Net assets including pension liability		**16,259**	17,166	**15,008**	15,915
Reserves	3	**16,259**	17,166	**15,008**	15,915

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 31 July 2025 and signed on its behalf by:

Jim Robertson
Chairman

Andrew Hogley CFA
Chief Executive Officer

Summary Financial Statements

Notes to the Summary Financial Statement

	*Group		Board	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
1. Fixed assets				
Property	**10,602**	10,849	**4,346**	4,437
Plant and equipment	**979**	1,151	**876**	998
Motor vehicles	**118**	142	**107**	126
	11,699	12,142	**5,329**	5,561
Investments	**167**	173	**11,010**	11,017
	11,866	12,315	**16,339**	16,578
2. Creditors – Amounts due in less than one year				
Amounts due to members	**7,847**	5,076	**7,847**	5,076
Others	**2,777**	1,999	**8,362**	6,543
	10,624	7,075	**16,209**	11,619
3. Reserves				
Board's fund	**17,713**	18,570	**7,637**	8,494
Pension liability	**(1,939)**	(1,873)	**(1,939)**	(1,873)
Related deferred tax asset	**485**	469	**485**	469
Revaluation reserve	**–**	–	**8,825**	8,825
	16,259	17,166	**15,008**	15,915
4. Pension Reserve				
At 1st May	**(1,873)**	(327)	**(1,873)**	(327)
Movement in actuarial losses during the year	**(448)**	(1,907)	**(448)**	(1,907)
Contributions paid	**550**	550	**550**	550
Amounts recognised in the Income & Expenditure account	**(168)**	(189)	**(168)**	(189)
At 30 April	**(1,939)**	(1,873)	**(1,939)**	(1,873)

Notice of Annual General Meeting

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

Wool House
Sidings Close
Canal Road
Bradford
BD2 1AZ

At 2pm on Wednesday 12th November 2025.

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 13 November 2024.

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 2024 to 30 April 2025.

c. To determine the remuneration of the board.

d. To reappoint auditors.

By order of the board.

Andy Whelan ACA (Secretary)
Wool House
Sidings Close
Canal Road
Bradford
BD2 1AZ

30 September 2025

Note:

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 9 November 2025. 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 Wool Board 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.

75 YEARS
BRITISH WOOL
1950 - 2025

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