

British Wool Marketing Board
Report and Accounts 2011



CHAIRMAN'S STATEMENT



It is safe to say that without the Board's auction system prices would not have increased to anything like the current level.

This is my first Chairman's statement to wool producers and I have an obvious place to start. Frank Langrish has spent almost all his working life working for, and supporting, the wool industry, the last eleven years as Chairman of the Board. Over that time he has acquired knowledge of the industry from farm to product which must almost be unique, and has helped the Board through difficult times in recent years. It was apt that Frank retired with wool prices at a record high. Tom Tudor has also retired from the Board in the last year. Tom has immense respect in the farming community and was relentless in trying to ensure good value for the producers he represented. On behalf of the Board staff, and all wool producers, I thank them for their efforts and wish them both well in the future.

Congratulations to Trevor Richards and Bedwyr Jones who were elected to the Board in April, representing Southern England and North Wales respectively.

Wool prices are at a 25 year high and this year's Wool Cheque will show a three-fold increase from 2008. The price has risen continually during the sale season and, because the Wool Cheque is an average of prices throughout the season, the Board's auction system has certainly served producers very well. The accurate grading, quality testing and controlled auctioning of wool through the BWMB has undoubtedly helped to drive the increase in price, proving it is the only way to sell your wool because it returns the true market value each year!

It is safe to say that without the Board's auction system prices would not have increased to anything like the current level.

The Campaign for Wool has now run for more than a year and has exceeded all expectations in highlighting the qualities and advantages that wool has in the fibre market. The support HRH Prince Charles has given the campaign has been crucial to its success and, with his involvement, top fashion houses, carpet manufacturers and fabric producers have given wholehearted support. This coming year will see more promotional events in the UK, Germany, Japan, Spain, USA and Norway to continue raising the profile of wool. The BWMB has been at the centre of the campaign, with financial and personnel support, and I am sure it has been a good investment of producer's money, helping to secure better wool prices in the future.

For some years the BWMB Pension Scheme has been running a considerable deficit which is not sustainable. Despite the Board making substantial changes in 2005, in order to ensure some financial stability in the future the Board made the difficult decision to close the present Defined Benefit Scheme and move to a Defined Contribution Scheme. Although most of the deficit relates to employees who have long since left the BWMB employment, the new scheme required the agreement of the present staff. All staff have accepted revised contracts and the Board are grateful for this, recognising the impact this has had, and the contribution they have made. Thank you.

With the closure of the Scheme, the Board has made significant contributions this year to reduce the deficit. With the current agreement of DEFRA and the Devolved Assemblies £3 million has been transferred from reserves to help fund this and so minimise the cost to producers in this year's accounts. Full details are given by Mr Hartley on page 6.

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The Board

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

Regional Members (Current)

Frank Langrish FRAgS Chairman
English Southern Region
Retired 31 March 2011

Malcolm Corbett Chairman
English Northern Region
Appointed 21 April 2011

Hugh Blythe Vice Chairman
Scottish Southern Region
Appointed 21 April 2011

Ian Buchanan ARAgS
Northern Ireland Region

Brian Dallyn
English South Western Region

Gethin Havard
Welsh Southern Region

Ruairidh Mackenzie
Scottish Northern Region

Tom Tudor MBE, FRAgS
Welsh Northern Region
Retired 31 March 2011

Bedwyr Jones
Welsh Northern Region
Appointed 1 April 2011

Nigel Williams
English Central Region

Trevor Richards
English Southern Region
Appointed 1 April 2011

Independent Members

Judith Donovan CBE
Dudley Hutchings

Executive Officers

Ian Hartley BA FCA
Chief Executive Officer
Board Secretary

David Nunn FCA
Chief Financial Officer
Board Secretary
Retired 31 August 2010

Mark Powell
Chief Wool Marketing Officer

The BWMB is crucial in maintaining the industry structure we have in the UK, and the BWMB auction system has been well used by merchants, processors and manufacturers. We thank them for their continued support and recognise that we need a viable "wool chain" in the UK to maintain producer prices.

The Board is confident that prices will remain firm through the new season, and will work hard to ensure improved returns, whilst at the same time keeping a tight control on costs. We are well aware that every penny spent must return good value, otherwise it simply reduces the Wool Cheque to producers.

I would like to thank the staff for their continuing hard work and cooperation, and look forward to another successful year. Remember the BWMB is quite simply a producers Co-op, the more wool it sells, the better the price for all.

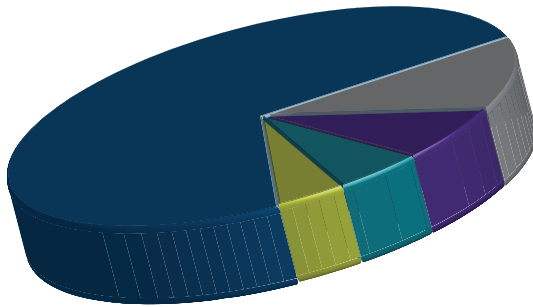
I look forward to your support in the future.



Malcolm Corbett
Chairman

YEAR IN SUMMARY

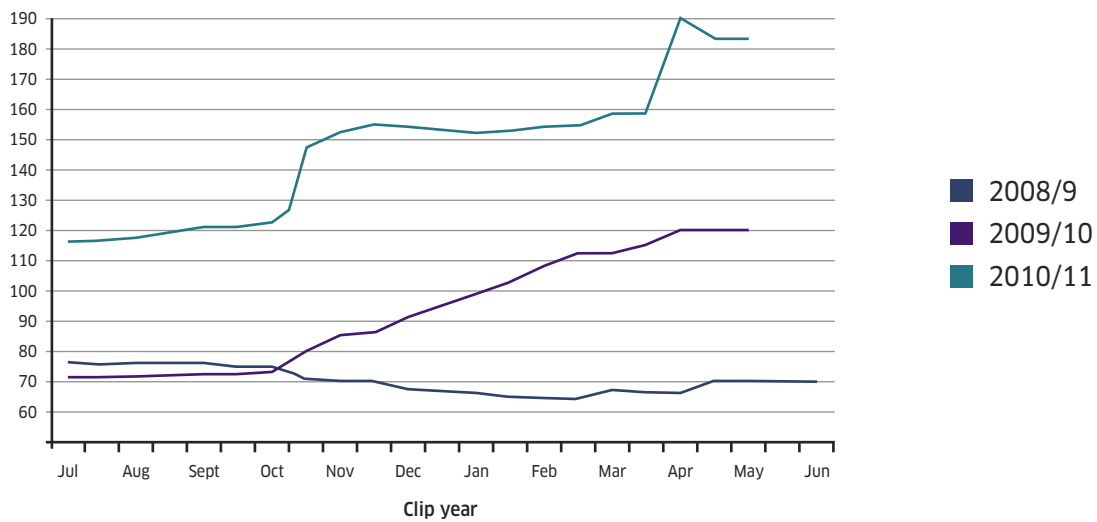
OPERATING COST ANALYSIS



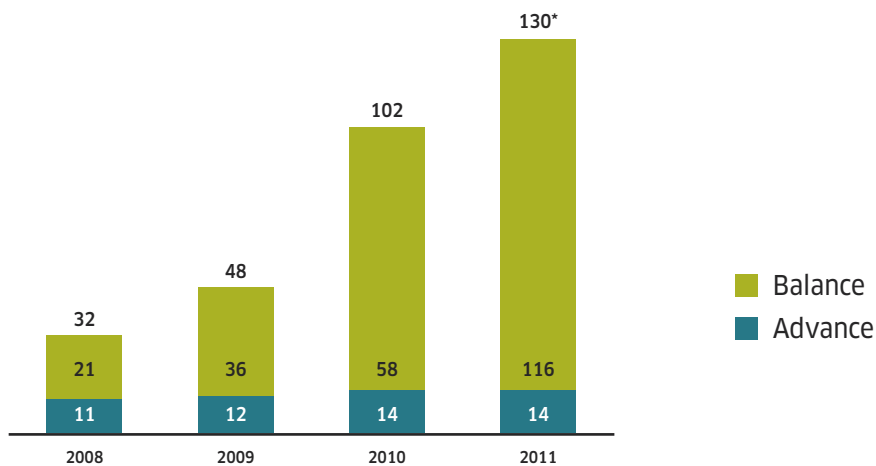
Wool Handling	72%	■
Overheads	12%	■
Marketing	7%	■
Producer Services	5%	■
Administration	4%	■

See page 14 for details

BRITISH FLEECE WOOL PRICE INDICATOR (p/kg) GREASY



AVERAGE WOOL CLIP VALUE (p/kg)



* Estimate. If the actual average auction prices achieved in February, March, April 2011 are maintained during the season to April 2012.

OPERATING & FINANCIAL PERFORMANCE

Strategic Overview

In last year's accounts I stated that "we feel that in the year to 30 April 2011 the clip will fall again before it stabilizes in the following year". However, the clip has stabilized this year, being 28.6 m kg for the year to 30 April 2011. In this environment we need to continually assess the Board's strategy to support the operation.

The strategy outlined last year which is still applicable today is:

- To match the Board's infrastructure with the size and geographical spread of the clip handled, including reducing the number of Grading Depots and increasing the number of Intermediate Depots, where we have installed compacting machines.
- To minimise costs whilst maintaining an acceptable level of service to producers.
- To add value to the product through ongoing marketing, promotion and research & development.

We have now further refined that strategy in the light of the significant importance of pension issues over the last few years:

- To minimise the effect of changes in our pension liability and an objective to be fully funded on a self-sufficiency basis in ten year's time.

In achieving this aim, the Board has, after consulting with staff, decided to close the existing Defined Benefits Scheme as from 31 July 2011 and replace it with a Defined Contribution Scheme - details are given later in the report.

In respect of the current depot structure, as previously reported we have purchased a new depot in Bradford and this has been operational from the beginning of the last season. We have also built an extension to both increase the warehouse space and to provide sufficient office space to move the Head Office to this site later this year.

The new site will provide both greater efficiency within the depot and, we believe, better access and facilities for producer deliveries. A new baling machine has been installed in this depot, which will increase efficiency by being more automated and be able to pack heavier bales and it will be the intention to install more of these in the larger depots, to reduce costs.

As previously mentioned, the Board continues its policy of replacing all sheets (approximately 800,000 in total), with stronger new polyethylene sheets and in the year to 30 April 2011 we purchased 86,000 at a cost of £193,500.

Operating Review

The year to 30 April 2011 saw the clip stabilize at 28.6 m kg.

The average sales price increased from 86.9 p/kg to 144.5 p/kg, the highest level for over 25 years. This reflects the benefit of the auction system, especially in a time of supply shortages and increased demand, particularly from China. The average sale price from Jan-April 2011 was 160.4 p/kg which gives the Board confidence that these prices will continue into next season.

Stock levels at 30 April 2011 increased slightly from 2.5 m to 3.5 m kg but more favourably there was minimal stock at the end of the selling season. The Board is well positioned to meet market demands during the 2011/2012 season.

This position will be enhanced by our marketing and promotional policies. A growing trend towards natural, sustainable fibres, which has been helped by the favourable results of a Life Cycle Analysis of British Wool, has placed British Wool in a favourable position to gain advantage within the current consumer market.

As reported last year, the Board has been an integral player in the Campaign for Wool, launched by HRH The Prince of Wales in January 2010. The Campaign is supported by producer organizations in Australia and New Zealand, as well as from other countries, together with the whole industry chain.

The consumer launch - Wool Week - held in October 2010 has created an increased demand for wool products and the textile industry is keen to satisfy the appetite which is being driven by the widespread media coverage and retail promotion.

The Campaign is a generic wool campaign, highlighting the benefits of the fibre. However, there was strong support for the British Wool angle and this has contributed to improved British Wool prices at auction.

The Campaign is reaching out to be a global Campaign with international launches in 2011 in USA, Japan, Germany, Holland, Australia and New Zealand, and already planned for 2012 in China and Italy.

Financial Performance

The value of the 2010 clip increased from 89.6 p/kg to 146 p/kg. This rise of 56.4 p/kg resulted in an increase in the value of the clip to producers from 47.2 p/kg to 102.3 p/kg.

Therefore, this year's Wool Cheque is, on average, more than double last year and more than three times that of two years ago, and represents the highest producer payment since the Guaranteed Price scheme was abolished in 1992, and the highest payment since 1985.

For the year to 30 April 2011 the Board's operating expenses increased from £10,200,000 to £11,446,000. The major part of this £1,246,000 increase was £1,200,000 additional remuneration paid to Wool Growers (Great Britain) Limited to enable it to meet its costs and to pay pension deficit contributions. We also had increased Legal & Professional costs of £129,000, primarily relating to the closure of the Pension Scheme.

The Board has, as explained below, paid a deficit contribution to the Group's pension scheme this year of £2,602,000. This resulted in an operating deficit of £2,477,000 which was offset by a transfer of £3,000,000 from the Board's Reserve Fund. This transfer was approved by DEFRA and the Devolved Assemblies and the Board is grateful for this approval which recognised the importance of minimising, where possible, the level of future contributions into the Pension Scheme. The overall results for the Board, after the transfer of the £3,000,000, will show a surplus for the year of £516,000, which has had the impact of increasing the Board's Reserve Fund from £1,460,000 to £1,976,000. The Board will need to build up reserves over the next few years in order to generate sufficient funds for future requirements.

Pensions

The Group has a Defined Benefit pension scheme (The British Wool Marketing Board Retirement Benefits Scheme) which provides final salary pension benefits in respect of pensionable service completed before 30 April 2005 and CARE (Career Average) benefits in respect of pensionable service on and from 1 May 2005.

Despite changing to the CARE basis from 1 May 2005, with the recent global volatility in the financial markets, the Board felt that the level of contributions necessary to fund the deficit, and the difficulty in forecasting what that level should be, was not sustainable in the future. It is important to recognise that the vast majority of the deficit relates to prior 1992, under the Guaranteed Price mechanism, together with the fact that the Board took a pension holiday in the 1990's.

The Board, therefore, made the difficult decision to close the current pension scheme, whilst recognising the impact it would have on staff. This change was made by the Board following consultation with the staff, but without the agreement of the Scheme's Trustees. The current scheme closed on 31 July 2011 and was replaced by a Defined Contribution Scheme.

Although the Scheme has been closed, the responsibility for the deficit remains with the Board and the strategy of the Board is that, following the substantial level of contribution to the

Scheme this year, it is in a position within the next few years to move to be fully funded on a self-sufficiency basis.

The results of the Triennial Valuation of the Board's Pension Scheme at 30 April 2009 show an ongoing funding deficit of £7,549,000. The Group's deficit contribution this year is £3,098,000 (Board £2,602,000 and Wool Growers (Great Britain) Limited £496,000). Wool Growers (Great Britain) Limited also paid a further deficit contribution of £670,000 in June 2011.

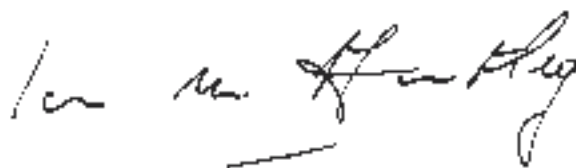
On the accounting basis FRS17, as shown in these accounts, the deficit has decreased from £2,829,000 to £137,000 surplus, before accounting for deferred taxation. (Please note this is on an 'accounting' not 'funding basis' and deficit contributions have to be based on the latter).

Outlook

With the continuing difficulty in global retail markets, market conditions in all markets, domestic and export, will be difficult to predict. However, the increase in the sale value of British Wool has seen the BFWPI at levels not seen for 25 years. Despite the market instability, and with the Campaign for Wool, we believe that this new level of prices can be maintained during the next season and lead to higher producer returns.

Whatever the market conditions, we must continue our strategy. We believe that the clip will maintain around the current level.

- On the basis of the assumption of clip size, we will continue to seek efficiencies within our depot operations and look for opportunities to restructure and re-organise our depots in order to gain operational efficiencies.
- We will continue to seek ways of reducing our transport costs through the further introduction of compacting machines and farm presses and a restructuring of our haulage arrangements.
- We will work with the international textile community, producers, merchants, processors, manufacturers and retailers to raise the profile of wool in the market place, to stimulate demand and ultimately to gain a better price for a unique product.
- We will continue to monitor the level of pension deficit with the intention to be fully funded on a self-sufficiency basis, therefore able to transfer the responsibility of the deficit to an insurance company, and have no further deficit contributions charged to the income and expenditure account.



Ian M Hartley BA, FCA
Chief Executive Officer

WOOL IN THE SPOTLIGHT



The Campaign for Wool (CfW) is a generic campaign highlighting the benefits of the fibre. Within the campaign there has been strong support for the British wool angle and this has contributed to higher British Wool prices at auction.

The CfW has created a new dawn for the fibre in fashion, interiors and the built environment and shown that if we work together with our global colleagues, we can give wool the future it deserves.



REPORT OF THE BOARD

Report on the working of the British Wool Marketing Board Scheme, 1950, for the year 1 May 2010 to 30 April 2011, to be considered at the sixty-first Annual General Meeting of registered producers on 9 November 2011.

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 auditors 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 2011 was unqualified.

1. Business Review

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 and, using subcontractors, grades and values it in accordance with a schedule of prices published at the beginning of the year. The graded wool is subsequently sold at 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 2011 was 46,991 compared with 49,460 at 30 April 2010.

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 13.

3. Audit Committee

The Audit and Remuneration Committees of the Board met on a number of occasions during the year.

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

Mr I Buchanan (Chairman)
Mr G Havard
Mr R D Mackenzie (resigned 21 April 2011)
Mr D A Hutchings
Mr B Dallyn (appointed 21 April 2011)

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

4. Board Members' and Executive Officers' Remuneration

The total Board Members' remuneration is voted by producers at the Annual General Meeting.

The emoluments of the Board Members who served at any time during the year were £114,616 (2010: £115,333).

Regional Board Members each receive emoluments of £8,619 pa (gross) pro rata to their period of office each year and the Chairman receives emoluments of £28,645 pa (gross) pro rata to his term of office each year, and the Vice Chairman receives emoluments of £10,200 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:-

	2011	2010
	£	£
FR Langrish Chairman 1 May 2010 to 31 March 2011	26,258	28,083
M Corbett Chairman Appointed 21 April 2011	-	-
Vice Chairman 1 May 2010 to 30 April 2011	10,200	10,000
Other Board Members who served a full year each received: 1 May 2010 to 30 April 2011	8,619	8,450

Remuneration of the Executive Officers is set by the Board, and for the year to 30 April 2011 was as follows:

all figures in £000

	Basic Salary	Benefits	Pension Conts	2011 Total	2010 Total
I M Hartley BA, FCA	116 (114)	14 (14)	18 (18)	148	146
D Nunn FCA (Retired 31 August 2010)	75 (83)	4 (13)	20 (13)	99	109
M A Powell	60 (55)	11 (10)	9 (9)	80	74

Figures in parentheses show last year's figures.

5. Attendance

	Board	Audit Committee	Field Services Committee
Number of meetings			
M Corbett ¹	7 (7)	n/a	n/a
FR Langrish ²	6 (6)	n/a	2 (2)
I Buchanan	7 (7)	4 (4)	2 (2)
BC Dallyn	7 (7)	n/a	1 (2)
HC Blythe	7 (7)	n/a	2 (2)
GWT Havard	7 (7)	3 (4)	2 (2)
RD Mackenzie	6 (7)	3 (4)	2 (2)
TR Tudor ²	5 (6)	n/a	2 (2)
JN Williams	7 (7)	n/a	2 (2)
DA Hutchings	6 (7)	4 (4)	n/a
T Richards ³	1 (1)	n/a	n/a
B Jones ³	1 (1)	n/a	n/a
J Donovan	7 (7)	n/a	n/a

¹ Appointed Chairman 21 April 2011

² Retired from the Board 31 March 2011

³ Elected to the Board 1 April 2011

() – number of meetings held

6. Statement of Compliance

As a statutory Marketing Board the organisation is not required to comply with the June 1998 Combined Code on Corporate Governance ("the Combined Code") and the 'Revised Code' for reporting periods commencing on or after 1 November 2003. The Board recognises the importance of, and is committed to, ensuring that effective corporate governance procedures are in place. The Board agrees with the principals of the Revised Code and continues to work towards obtaining substantial compliance with the Code.

The Board fails to comply with the revised code in two instances:-

The Chairman is not independent and the Board as a whole meets as a Remuneration Committee.

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 FRS8, 'Related Party Transactions' and full disclosure is made in note 22 of the full accounts.

Independent auditor's statement to the Board of the British Wool Marketing Board

We have examined the Summary Financial Statement ('the summary information') which comprises the Summary Group and Board Income and Expenditure Accounts, the Summary Group and Board Balance Sheets and the Statement of Total Recognised Gains and Losses set out on pages 11 to 14 of the British Wool Marketing Board Report and Accounts 2011.

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.

Respective responsibilities of Board Members and Auditors

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 2011.

Under the terms of our engagement letter dated 29 July 2009 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 2011 with the Board's full annual accounts.

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

Basis of Opinion

We conducted our work in accordance with the Bulletin 2008/3 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the Board's full annual accounts for the year ended 30 April 2011, describes the basis of our audit opinion on those accounts.

Opinion

In our opinion the summary information is consistent with the full annual accounts of the British Wool Marketing Board for the year ended 30 April 2011.

Malcolm C Harding
For & behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment, Neville Street, Leeds LS1 4DW

15 August 2011

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.

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E-Mail: mail@britishwool.org.uk*

Summary Balance Sheets
as at 30 April 2011

*Group				Board	
2011	2010			2011	2010
£'000	£'000		note	£'000	£'000
13,082	11,278	Fixed assets	1	12,212	12,550
35,612	23,040	Current assets	2	35,555	21,406
(28,271)	(12,240)	Creditors	3	(28,425)	(12,186)
7,341	10,800	Net current assets		7,130	9,220
20,423	22,078	Net assets before pension scheme		19,342	21,770
101	(2,037)	Pension scheme assets/(liability)		-	-
20,524	20,041	Net assets including pension assets/(liability)		19,342	21,770
20,524	20,041	Reserves	4	19,342	21,770

*Group includes:

Wool Growers (Great Britain) Limited
Wool Testing Authority (Europe) Limited
Committee of London Wool Brokers Limited

Accounts approved by the Board on 15 August 2011



Malcolm Corbett
Chairman



Ian M Hartley BA FCA
Chief Executive Officer

Group			Board	
2011	2010		2011	2010
£'000	£'000		£'000	£'000
1. Fixed assets				
10,934	9,025	Property	662	892
1,532	1,630	Plant and equipment	519	611
396	424	Motor vehicles	187	203
12,862	11,079		1,368	1,706
220	199	Investments	10,844	10,844
13,082	11,278		12,212	12,550
2. Current assets				
5,687	2,786	Stocks	5,447	2,678
7,064	3,607	Debtors	8,238	3,540
3,746	3,088	Short term deposits - Trading	2,937	3,088
8,542	12,715	Reserve Account - Deposits	8,542	11,485
10,573	844	Cash at banks and in hand	10,391	615
35,612	23,040		35,555	21,406
3. Creditors: Amounts due in less than one year:				
24,285	9,308	Amounts due to producers	24,285	9,308
3,986	2,932	Others	4,140	2,878
28,271	12,240		28,425	12,186
4. Reserves				
8,542	11,485	Reserve Fund	8,542	11,485
11,881	10,593	Board's Fund	1,975	1,460
20,423	22,078		10,517	12,945
101	(2,037)	Pension Reserve*	-	-
-	-	Revaluation Reserve	8,825	8,825
20,524	20,041		19,342	21,770
5. Pension Reserve*				
(2,037)	(1,300)	At 1 May 2010	-	-
(1,425)	(1,559)	Movement in STRGL during the year*	-	-
3,673	1,674	Contributions paid	-	-
1,142	(533)	Amounts recognised in the Income & Expenditure account	-	-
(1,252)	(319)	Deferred Tax on Income & Expenditure Account	-	-
101	(2,037)	At 30 April 2011	-	-

£3m transferred to Income & Expenditure

* These amounts are net of deferred tax

Summary Income and Expenditure Accounts
for the year ended 30 April 2011

Group			Board		Board	
2010 clip	2009 clip		2010 clip		2009 clip	
£'000	£'000		£'000	Average p/kg	£'000	Average p/kg
36,295	22,759	Sales	36,295	144.5	22,759	86.9
5,447	2,647	Stock of 2010 clip held at 30 April 2011	5,447	155.0	2,647	106.1
41,742	25,406		41,742	146.0	25,406	89.6
(4,299)	(3,558)	Advance payments	(4,299)	(15.0)	(3,558)	(12.4)
(24,795)	(9,746)	Net balance payable	(24,795)	(86.6)	(9,746)	(34.0)
(188)	(221)	Storage payments	(188)	(0.7)	(221)	(0.8)
(29,282)	(13,525)		(29,282)	(102.3)	(13,525)	(47.2)
12,460	11,881	Retained to cover expenses	12,460		11,881	
130	170	Carriage charge adjustment	130		170	
520	411	Core testing and bale wrappers	520		411	
9,458	9,524	Operating expenses, net of interest received	11,446		10,200	
-	-	Pension deficit payments				
-	-	British Wool Marketing Board	202		408	
-	-	Additional British Wool Marketing Board	2,400		744	
456	533	Pension service cost net of interest return	-		-	
(1,598)	-	Pension curtailment gain	-		-	
200	350	Impairment of property and dilapidation costs	200		-	
39	55	Provision for 2010 clip realisation costs less adjustment on realisation of the 2009 clip	39		55	
9,205	11,043	Total operating expenses	14,937		11,988	
3,255	838	Operating surplus/(deficit)	(2,477)		(107)	
(12)	4	(Loss)/profit on disposal of fixed assets	(7)		2	
21	(14)	Share of profits/(losses) of associated undertakings	-		-	
3,264	828	Net surplus/(deficit) before taxation	(2,484)		(105)	
(1,414)	(319)	Taxation	-		-	
1,850	509	Net surplus/(deficit) for the year	(2,484)		(105)	
3,000	-	Transfer from Reserve Fund	3,000		-	
4,850	509	Surplus/(deficit) for the year after Reserve Fund transfer	516		(105)	

Increase in net return to producers

Deficit payments as explained on page 6

Transfer to cover deficit position see page 6

Statement of Total Recognised Gains and Losses (STRGL)
for the year ended 30 April 2011

Group		
2010 clip	2009 clip	
£'000	£'000	
4,850	509	Surplus for the year after Reserve Fund transfer
(516)	(2,164)	Actuarial losses immediately recognised
(1,333)	-	Affect of asset limit re curtailment
424	605	Deferred Tax
3,425	(1,050)	Total Recognised Gains and Losses relating to the year

Operating Expenses net of interest received
For the year ended 30 April 2011

		Wool production (weight taken up)	28,620,257 kg		28,673,050 kg	
Group			Board		Board	
2011	2010		2011		2010	
£'000	£'000		£'000	p/kg	£'000	p/kg
Wool Handling						
1,151	1,218	Depot Wool Handling Fees	6,670		6,549	
3,524	3,507	Direct Depot Operating Costs	-		-	
179	193	Carriage on Containers	179		193	
-	30	Show Bale Carriage and Display Costs	-		44	
196	189	Wool Selling and Stock Control Costs	209		189	
150	150	Accounting and Payroll	150		150	
151	139	Wool Storage and Insurance Costs	76		90	
5,351	5,426		7,284	25.5	7,215	25.2
Producer Services						
137	146	Producer Registration and Payments Costs	137		146	
22	35	Producer Mailings	22		35	
292	225	Regional Managers, Shearing and Related Costs	292		225	Increased shearing training costs
12	-	Election Costs	12		-	
38	53	Depreciation Farm Presses, Compactors	38		53	
95	50	Research & Development	95		50	
596	509		596	2.1	509	1.7
Overheads						
730	914	Rent & Rates	62		80	
16	17	General Repairs	16		17	
202	223	Insurance	61		63	
55	62	Telephone	30		41	
39	42	Machine Rental/Maintenance	39		42	
126	129	Printing, Stationery and Postage	94		94	
113	144	Heat and Light	23		30	
52	60	Health & Safety, Environmental	9		14	
35	10	Bank Charges	32		3	
419	399	Depreciation	299		340	
428	311	Audit, Tax and other Legal Costs	365		235	Increased costs associated with pension changes
-	11	Bad Debt	-		11	
56	139	Miscellaneous Overheads	128		126	
2,271	2,461		1,158	4.0	1,096	3.8
Administration and Board Expenses						
365	337	Staff Salaries, NI and Pensions	540		488	
82	72	Staff Travel and Expenses	60		54	
165	159	Board Remuneration and Expenses	165		159	
15	15	Regional Committee Expenses	15		15	
627	583		780		716	
(35)	(35)	Management Charges	(230)		(230)	
592	548		550	1.9	486	1.7
757	676	Marketing	756	2.6	676	2.3
(40)	(80)	Less: 2009 Clip Realisation Provision	(40)	(0.1)	(80)	(0.2)
(69)	(16)	Interest	(58)	(0.2)	(2)	(0.0)
9,458	9,524	Total costs before additional remuneration	10,246	35.8	9,900	34.5
Additional remuneration -						
-	-	Wool Growers (GB) Limited	1,200	4.2	300	1.0
9,458	9,524	Total costs	11,446	40.0	10,200	35.5

NOTICE OF ANNUAL GENERAL MEETING

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

Wool House, Roydsdale Way, Euroway Trading Estate, Bradford, BD4 6SE

at: 5.30 pm on Wednesday 9 November 2011

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

The business to be transacted will be:

- a. To consider the statement of accounts, together with the auditors' report thereon, and the report of the Board on the working of the British Wool Marketing Scheme, 1950, for the past year 1 May 2010 to 30 April 2011.
- b. To determine the remuneration of the Board.
- c. To re-appoint auditors.

By order of the Board

IAN M HARTLEY (SECRETARY)
15 August 2011
Bradford, W. Yorkshire.

Note: Any registered producer will be entitled to speak on any matters arising out of the report and accounts, but no business other than that given in this notice will be transacted at the meeting (British Wool Marketing Scheme, Paragraph 86 (2)).

britishwool.org.uk

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

aboutwool.com

A new website aimed at the consumer designed to inform, inspire and connect.

campaignforwool.org

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



THE CAMPAIGN FOR WOOL
WYTON, LEISTON, PRINCE OF WALES



BRITISH WOOL MARKETING BOARD

Wool House, Roydsdale Way, Euroway Trading Estate, Bradford, BD4 6SE

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