



BRITISH HALLMARKING COUNCIL

Annual Report and Accounts for the year ended 31 December 2021

Annual Report and Accounts for the year ended 31 December 2021

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as amended by the Government Resources
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BRITISH HALLMARKING COUNCIL (“The Council”) REPORT 2021

1. INTRODUCTION

The Annual Report and Accounts for 2021 are drafted in accordance with the Government Financial Reporting Manual.

2. PERFORMANCE REPORT

a. Overview

Statement of the Chair for the year 2021

Hallmarking performs a vital role in consumer protection, ensuring the integrity of precious metal items and giving the buyer and any subsequent owner the assurance that the item is what it purports to be. The British Hallmarking Council’s role in regulating hallmarking in turn gives the assurance that the consumer and the industry require in order to ensure a level playing field in an increasingly competitive market. The UK jewellery industry is a significant player within the UK economy. Jewellery purchases may be significant investments for consumers. It is important to keep the hallmarking industry strong to provide protection for consumers and for business.

2021 and the start of 2022 have seen continuing uncertainty in the business world, and in the industries and businesses related to hallmarking.

The effects of the UK's exit from the EU continue to be felt as new procedures are absorbed into day to day movement of goods and the uncertainties about the general state of the economy continue. Further effects are anticipated as the picture evolves and border controls are changed. The Council maintains a watching brief on these issues and receives regular updates from government. There have been some positive effects where customers have moved hallmarking work into the UK but the overall picture shows a net movement of hallmarking business out of the UK. The International Hallmarking Convention is of considerable importance against this background. The UK Assay Offices continue to work hard to maintain the UK's influence in the Convention.

The covid-19 pandemic continued and continues to present challenges to businesses with staff absences due to illness or isolation putting pressure on operations and this affects manufacturers and retailers as well as the Assay Offices.

However, activity levels towards the end of 2021 were high, which has given an encouraging boost to hallmarking operations across the UK.

Against this background of fluctuating operating conditions, the Council has sought to maintain operations and focus on priorities for action.

Enforcement of hallmarking law remains a key focus for the BHC. An essential precondition for enforcement of the law is education about its requirements. The BHC and its Education & Enforcement Committee (“E&E Committee”) will build on 2021’s development and launch of the online version of the Dealers Notice which gives a fresh impetus to enforcement work. The BHC and the Assay Offices will continue to publicise the new form of notice and the requirements of the Hallmarking Act as they apply in retail settings. The HALO Award for online retailers who take an innovative approach to making hallmarking requirements visible and helpful to consumers will strengthen the education of retailers and the public in the requirements of hallmarking law and how it protects consumers.

Enforcement is carried out by Trading Standards teams in local authorities. These teams have been subject to progressive cuts over the last years and have been put under additional pressure from Covid-19 pandemic issues such as pressure on staffing and being diverted to enforcement issues relating to the pandemic. Despite pandemic operating conditions and ever-dwindling Trading Standards resources, there have been some effective and encouraging initiatives by Trading Standards, which were reflected in the entries for

the 2021 Touchstone Award. The Touchstone Award for 2022 will seek to build on this important activity.

Online retail, which grew rapidly during the first two years of the pandemic, continues to be the major area of concern as the growth in online sales of jewellery shows no sign of abating. The E&E Committee's work with two Trading Standards Primary Authorities for major online retail platforms resulted in visible action. The BHC plans to build on the relationships with these Primary Authorities, and also to establish links with other major online retail platforms to work on enhanced compliance. It is hoped that discussion can continue on the proposal for Protecting and Promoting Hallmarking, which had to be put on ice during the pandemic.

The BHC is tracking the adequacy of enforcement powers in the context of the increasing internet based compliance issues and when appropriate may make representation to Ministers.

Operational integrity is, as always, essential to the strong reputation of UK hallmarking. During 2021 the Applications Committee made significant progress on its programme of revalidation visits to sub-offices and will continue this programme during 2022. The Queen's Assay Master liaises with the Applications Committee to avoid duplication and joins the committee's meetings when required.

The Technical Committee, overseeing technical consistency, continues to work on updating the

Hallmarking Guidance Notes, and a review of changes needed to bring the Hallmarking Act up to date. The committee also advises on queries from the jewellery industry and provides guidance when required.

2022 sees The Queen's Platinum Jubilee. The commemorative mark approved by the BHC in 2021 was submitted to the Lord Chamberlain's Offices and the Assay Offices commenced applying the mark alongside hallmarks in November 2021. The commemorative mark provides opportunities to publicise hallmarking and its importance for consumer protection and for the reputation of UK hallmarking.

All of this work is supported by effective governance and organisation of the running of the BHC. Two new members have joined the Council and following the induction process will be invited to join appropriate committees or working groups. One Council member, who has served for two terms of three years, has kindly agreed to serve for a further year to the end of 2022 as the recruitment process did not bring forward any suitable applicant from the trade as required by the Hallmarking Act and this extension was approved by the Department for Business, Energy & Industrial Strategy (BEIS). Consideration will be given to ways to raise the profile of the BHC council member role within the industry to encourage future applicants. The process for appraisals of Council members will continue. Committee meetings will continue to be held by virtual means, as this has proved a successful and economical way

of conducting business and enabled better continuity of committee work. Face to face meetings of the full Council are planned to be reintroduced in 2022, subject to pandemic conditions at the time, and the ability to set up a virtual meeting as an alternative, or allow for some participants to attend by virtual means, is a useful backup. Interim virtual briefing meetings have been introduced between the two main business meetings to ensure Council members remain informed and engaged.

Our good relationship with our sponsor body in government continues, particularly with the BEIS representative Richard Sanders of the Office for Product Safety and Standards (OPSS).

Finally I would like to thank all those who have served on the Council over the past year for their support and contributions. The work of the Council is highly specialised and the expertise of our members, together with their collective experience of the Council's activities, is essential to its effective operation.

I would also like to thank Geraldine Swanton of Shakespeare Martineau for her professional advice on legal aspects of hallmarking and Sue Green for her diligence and efficiency in providing excellent Secretarial support.

Noel Hunter OBE

Chair

6 June 2022

Functions of the British Hallmarking Council (“the Council”)

The Council is an Executive Non-Departmental Public Body established and governed by the Hallmarking Act 1973 (HMA). The Council’s sponsoring body for 2021 was the Office for Product and Safety Standards (OPSS) which is part of BEIS.

The Council is funded entirely by the UK’s four Assay Offices according to a formula prescribed by the HMA. The Council has neither staff nor premises and normally meets twice a year in Assay Offices’ premises by rotation. The statutory functions of the Council are set out in the Hallmarking Act s13 and are as follows:

- to ensure that adequate facilities for assaying and hallmarking of precious metal are available as from time to time required in the UK and supervising the activities of Assay Offices accordingly;
- to take all steps appearing to be open to the Council for ensuring the enforcement of the law with respect to hallmarking;
- to advise the Secretary of State with respect to all matters concerning the application of the HMA including any matter which may be referred to the Council by the Secretary of State;
- to advise the Secretary of State on: making of orders and regulations under the Hallmarking Act; amending the law as it affects hallmarking, whether directly

or indirectly, including advice as to the application of some or all of the provisions of the Hallmarking Act to any metal other than gold, silver, platinum and palladium;

- to fix the maximum charges for assaying and hallmarking of articles of precious metal manufactured in or intended for sale in the UK;
- to advise the Secretary of State on any need for the establishment of a further Assay Office or for the closure of, or amalgamation with, another Assay Office;
- to assist those enforcing the Hallmarking Act by the provision of such technical and other services of the Council as may be available, to appoint such officers as the Council considers appropriate to act as inspectors and otherwise for detecting offences and enforcing the HMA by or on behalf of the Council, and, otherwise than in Scotland, to institute proceedings accordingly
- to authorise any Assay Office to carry on its business in whole or in part (subject to any conditions which may be specified by the Council) in such place, whether in the UK or elsewhere, as may be specified by the Council additional to the place at which the Assay Office is otherwise authorised;
- to make temporary or permanent arrangements between Assay Offices whereby facilities specified in

any case by the Council need not be afforded at an Assay Office but are afforded at another or others;

- to issue directions or regulations to Assay Offices (all or any individual Assay Office) as to the equipment and procedures to be provided and adopted in the assaying and hallmarking precious metals and in relation to other matters on which directions/regulations may be issued by the Council under the Hallmarking Act; or
- to do anything with the Council's statutory powers which is calculated to facilitate the discharge of any or all of its functions.

Key risks

The Council's key risks are identified and set out in its risk register. This risk register was reviewed in 2021 by a working group and updated following discussion at the Council meeting in October 2021. It is reviewed and updated from time to time. Current key risks include uncertainties following the UK's withdrawal from the EU, issues relating to turnover of Secretary of State-appointed members, and unforeseen external events leading to difficulties meeting objectives.

This year, one risk has been identified as having a high impact and a high likelihood of occurring:

- International and trade with other countries: there remain uncertainties relating to the ultimate effects on the industry of the UK's withdrawal from the EU.

These relate to procedures for movement of goods and the extent of movement of hallmarking business out of the UK. This remains a central concern for the BHC, the Assay Offices and the industry as it has an impact on the health of the precious metal industry. The BHC and the Assay Offices continue to receive information updates from government. Continued membership of the International Hallmarking Convention (IHC) remains important, as does the effectiveness of the IHC. All four Assay Masters participate in IHC work and ongoing contact with BEIS as the UK's representative on the IHC remains important. International trade will be a standing agenda item for JAOC meetings and full Council meetings.

Issues relating to turnover of Secretary of State-appointed members of the Council include:

- Potential for loss of one or more Secretary of State-appointed members and loss of corporate knowledge and experience on the BHC's committees: the changes to the number of terms members are allowed to serve have the potential to impact on the BHC's work.
- Failure to recruit members with the relevant specialist knowledge and experience: the provisions of the Hallmarking Act relating to members with experience of specific sectors allow for a range of insights but, when combined with restrictions on how many

terms members may serve, presents challenges in recruitment. In 2021 no suitable candidate from the trade came forward, and an extension had to be agreed for an existing member's term.

Representations have been made on both issues.

The BHC has also given consideration to the risks of unforeseen external events leading to failure to meet objectives in light of the Covid-19 pandemic, noting that events can develop rapidly and have a major impact. The pandemic plan from March 2020 covered day to day operation, payments systems, core business and statutory functions, and public facing services. Key elements of this plan now form part of the BHC's daily working and contingency planning including:

- All committee and working group meetings are held by virtual means unless there are specific circumstances requiring a face to face meeting.
- Risk assessments will be conducted before confirming any face to face meeting, with appropriate measures being taken.
- Assay Offices now report to each Council meeting on up to date risk planning, so that information can be shared about possible events that might impact the industry, the Assay Offices or the work of the BHC.

Performance Summary

At its meeting in October 2020 the Council approved a draft budget for 2021 with alternative scenarios

depending on developments in the Covid-19 pandemic. The 2021 business plan was circulated and implemented at the start of 2021 and was confirmed at its meeting in April 2021. Progress against the business plan and budget was reviewed at its meeting in October 2021.

- Transition and future trade with Europe and rest of the world: the uncertainties and concerns continued from the previous year and the BHC continued to engage with BEIS discussions and disseminated information, including acting as joint host of a webinar on the issues for jewellery industry representatives.
- Enforcement strategy: the Touchstone Award was relaunched in 2021 and the award presented to The Society of Chief Officers of Trading Standards in Scotland (SCOTSS), helping to maintain the profile of hallmarking enforcement within the Trading Standards community. Working relationships were developed with the Trading Standards Primary Authorities for two online retail platforms to help them ensure that listings were compliant with the Hallmarking Act, and encouraging progress was made. An online-friendly Dealers Notice under s11 of the Hallmarking Act was developed and launched. Alongside this the HALO Award for online retailers' innovation in promoting the importance and reassurance of the UK hallmark, was developed and launched and the first HALO Award will be presented during 2022.

- Education and raising the profile of hallmarking: the launch of the online version of the Dealers Notice and the launch of the HALO Award provided opportunities to publicise hallmarking compliance through the industry. The launch of the commemorative mark for The Queen's Platinum Jubilee in the autumn also raised the profile of hallmarking. Work continued on maintaining the BHC's website.
- Operational integrity: the programme of five-yearly validations of sub-offices by the Applications Committee was continued during 2021. The committee reviewed and revalidated three sub-offices. The Applications Committee liaised with the Queen's Assay Master to co-ordinate activities and avoid duplication of work. There were no applications for new sub-offices.
- Technical consistency: a Guidance Note on submission of partially constructed items was issued and publicised on the BHC website. The Technical Committee provided advice on an industry group's request for clarification of requirements for hallmarking of melt and make items. The Technical Committee continues to work on updating the Hallmarking Guidance Notes; the ongoing review of the shared wiki of hallmarking decisions, the shared protocol for XRF testing, and items requiring amendment in the Hallmarking Act.

- The Queen's Platinum Jubilee: the commemorative hallmark was launched by the Assay Offices with attendant publicity and the mark was made available for use from 1 November 2021 alongside hallmarks for all precious metals.
- Council members: there were no new Council members in 2021. Three Council members reaching the end of their first terms were confirmed for second terms commencing 1 January 2022. Second terms for three Secretary of State-appointed members ended at the end of 2021. The recruitment process did not bring forward a trade candidate and accordingly it was agreed that the retiring trade member's term could be extended for one year. Since the end of the period a new Council member from the Trading Standards community and a new independent Council member have been appointed and inducted. Appraisals of Council members were carried out.
- Governance and administration: governance and administration procedures were maintained throughout the year. The use of virtual means for all committee meetings proved to be positive and useful for maintaining momentum in committee work. The two full Council meetings were held by virtual means due to ongoing Covid-19 pandemic restrictions and concerns. Informal briefing meetings between Council meetings were introduced.

- Regulators' Code: the review of the BHC's compliance with the Regulators' Code, put on hold during 2020, was carried out during 2021 with actions identified for inclusion in 2022's business and action planning.
- Diversity: the issues of diversity and inclusion remained as a standing item on JAOC agendas and were discussed at JAOC and Council meetings to maintain awareness of the importance of diversity and with a view to increasing the current diversity of the Council. All Assay Offices have equal opportunity policies and statements on diversity and equal opportunities.

During the year the Council did not approve any applications for new sub-offices.

The Council fixes the maximum charges which may be made for assaying and hallmarking. These remained unchanged during 2021. The price maxima are set out in Appendix 1.

Appendix 2 sets out the numbers of articles hallmarked in the last three years, and Appendix 3 contains the number of items marked in the UK under the Convention on the Control and Marking of Articles of Precious Metal during 2021.

b. Performance Analysis

Performance measures

The Council measures its performance by setting itself specific objectives for each year in consultation with the OPSS. The objectives for 2021 were as follows:

- **Transition and future trade with Europe and rest of the world:** against a background of disruptions and delays with new rules being introduced, the Assay Offices experienced significant issues with customers moving business out of the UK: to an extent this was mitigated by increases in work for other customers who moved hallmarking into the UK. The BHC ran a webinar on the effects of transition jointly with BEIS and the National Association of Jewellers for jewellery industry members; the BHC participated in BEIS webinars and disseminated information.
- **Enforcement strategy:** The BHC has enforcement powers and has traditionally discharged that role by working in collaboration with local Trading Standards departments who have a statutory duty under the Hallmarking Act. The pressure on local authority resources has reduced the level and consistency of enforcement over the years. 2021 continued the pattern of 2020 with ever-decreasing Trading Standards resources available for hallmarking enforcement while online sales of jewellery continued to increase following the rise that was seen during the 2020 Covid-19 lockdown. Having had to cancel

the Touchstone Award for 2020, it was relaunched in 2021 and the award was presented at the CTSI Symposium in September 2021 and celebrated again at the Goldsmiths' Hall in November 2021. This award continues to maintain the profile of hallmarking enforcement within the Trading Standards community and to encourage enforcement activity. The BHC's E&E Committee worked with the Trading Standards Primary Authorities for two online retail platforms to help them ensure that listings were compliant with the Hallmarking Act, and encouraging progress was made, with significant numbers of non-compliant listings being removed and further work planned. An online-friendly Dealers Notice was developed and launched. Alongside this, an award for online retailers' innovation in promoting the importance and reassurance of the UK hallmark, the HALO Award, was developed and launched. The first HALO Award will be presented in 2022. The strategic project Protecting and Promoting Hallmarking, which was put on ice due to pressures caused by the Covid-19 pandemic, remains under review.

- **Education and raising the profile of hallmarking:** education about hallmarking is an essential prerequisite to enforcement of hallmarking. The BHC's three audiences of consumers, businesses and the Trading Standards community all need an awareness of hallmarking for there to be effective enforcement. The Touchstone Award provides opportunities for

raising the profile of hallmarking to the Trading Standards community. This is a prestigious award funded by the Assay Offices in collaboration with the National Association of Jewellers (NAJ) which recognises innovative activity in relation to hallmarking enforcement, education or information. The winners of the Touchstone 2021 Award, the Society of Chief Officers of Trading Standards in Scotland (SCOTSS), co-ordinated a project involving 20 Trading Standards teams. The project was preceded by a training event by Edinburgh Assay Office for officers of participating authorities. 234 brick and mortar premises were visited and retailers were given advice on compliance with the HMA, including advice about the display of the Dealers Notice under HMA s11, as well as enforcement action being carried out where appropriate. This project raised the profile of hallmarking significantly with Trading Standards and retailers and also with consumers where Dealers Notices were put in place. Sheffield Assay Office conducted a project of educating locally-based retailers on the requirement to display the Dealers Notice, including follow up actions where the advice given had not been followed. The launch of the online version of the Dealers Notice and the launch of the HALO Award provided opportunities to publicise hallmarking compliance through the industry. The launch of the commemorative mark for The Queen's Platinum Jubilee in the autumn also

raised the profile of hallmarking. Work continued on maintaining the BHC's website.

- **Operational integrity:** The Council's primary function is to ensure that there are adequate facilities for hallmarking as required in the UK from time to time. The Royal Mint conducts annual inspections of the Assay Offices and provides a copy of its report to the Council. This assists the Council in assessing its performance in respect of this function. The Royal Mint conducted its inspection of the hallmarking and assaying operations of the four Assay Offices in late 2021 and early 2022. This inspection was restricted to the main Assay Offices. The Queen's Assay Master's report confirms that all Assay Offices are performing satisfactorily and in general are addressing non-compliances and raising their standards as a result.

The Applications Committee maintains oversight of arrangements to ensure the continued integrity of sub-offices. The programme of five-yearly validations of sub-offices by the Applications Committee was continued during 2021 and the committee reviewed and revalidated three sub-offices. The revalidations process involves information-gathering for an initial desktop review followed by a visit by two members of the Committee. In planning its work, the Applications Committee liaised with the Queen's Assay Master to co-ordinate activities and avoid duplication of work. Of the eight sub-offices currently in operation, four have now been revalidated.

Subject to any constraints relating to the Covid-19 pandemic, the Applications Committee plans to review, by desktop review and a face to face visit, the remaining four sub-offices that have not yet been revalidated, thus completing one full set of five-yearly revalidations.

There were no applications for new sub-offices. As and when an Assay Office makes an application for a new sub-office the Applications Committee will formulate a new protocol for consideration of applications in line with the provisions in the Applications Committee's Standing Orders.

- **Technical consistency:** Technical consistency, alongside operational integrity, is essential for maintaining the reputation of hallmarking. The Assay Offices have unique knowledge and experience which they contribute to the Technical Committee. During 2021 a Guidance Note on submission of partially constructed items was issued and publicised on the BHC website. The Technical Committee provided advice on an industry group's request for clarification of requirements for hallmarking of melt and make items. Hallmarking Guidance Notes are available to the public via the BHC's website and Assay Office websites. These set out an explanation of why items need to be hallmarked, the standards that apply and the official symbols used in hallmarking. The Guidance Notes were last updated in 2016 and the Technical Committee has been working on plans for a comprehensive review of this document.

The Technical Committee continues to work on the ongoing review of the shared wiki of hallmarking decisions and the shared protocol for XRF testing. Although there is no immediate prospect of revision of the Hallmarking Act 1973, it remains important to keep anomalies of the legislation under review as well as updates needed and the Technical Committee is formulating a schedule of items requiring amendment in the Hallmarking Act.

- **The Queen's Platinum Jubilee:** the commemorative hallmark for the Queen's Platinum Jubilee was produced and agreed by the BHC. The design was submitted to the Lord Chancellor's Office, which confirmed that there was no objection to the mark. The Assay Offices agreed parameters for the use of the mark. The commemorative mark was launched by the Assay Offices with attendant publicity and the mark was made available for use from 1 November 2021 alongside hallmarks for all precious metals. Where the mark was applied in 2021 it appeared without a date letter mark alongside it. Where the mark is applied in 2022 it will appear alongside the current date letter mark. Assay Offices continue to publicise the mark on social media.
- **Council members:** Three Council members reaching the end of their first terms were confirmed for second terms commencing 1 January 2022. Second terms for three Secretary of State-appointed members ended at the end of 2021. The recruitment process did not

bring forward a trade candidate and accordingly it was agreed that the retiring trade member's term could be extended for one year to 31 December 2022. This extension was approved by BEIS. Since the end of the period a new Council member from the Trading Standards community and a new independent Council member have been appointed. Appraisals of Council members were carried out.

- **Governance and administration:** governance and administration procedures were maintained throughout the year. The use of virtual means for all committee meetings proved to be positive and useful for maintaining momentum in committee work. The two full Council meetings were held by virtual means due to ongoing Covid-19 pandemic restrictions and concerns. Informal briefing meetings between Council meetings were introduced. Plans for the addition of new Secretary of State-appointed members and retirements of those coming to the end of their term were put in place. The Council's risk register was reviewed in 2021 to gauge the Council's risk appetite. A risk working group produced an updated risk register following discussion with the Council, to be supplemented by mapping of assurance processes and procedures. The Governance Overview document setting out the role of the BHC, council structure and roles, committees, procedures at meetings, appraisals process and relevant codes,

guidance and public body requirements, was updated and will be further reviewed in 2022.

- **Regulators' Code:** The BHC is required to comply with such elements of the Regulators' Code as apply to its work and functions. Elements of the Code for bodies carrying out direct enforcement do not apply to the BHC. In 2021 a working group reviewed the Code, the BHC's compliance with the applicable sections of the Code. Actions arising from the 2021 review will be carried forward into the governance and administration objective for 2022.
- **Diversity and inclusion:** The BHC, through the appointments process for Secretary of State appointees, works in line with the government's aims for diversity in public appointments. The BHC is aware of the impact of public appointees on society and the importance of drawing its membership from all aspects of the society it serves. The BHC's membership includes a range of ages and backgrounds and women are well represented. Recruitment for Secretary of State appointments has a wide reach. However, that reach could usefully be widened to encourage more applicants from a wider range of backgrounds and ethnicity. The Assay Offices operate recruitment processes which in turn feed into the BHC's membership and these processes are discussed at JAOC meetings as a standing agenda item to maintain awareness of the importance of diversity and share good practice and with a view to

increasing the diversity of the BHC. The Assay Offices have equal opportunities policies and Assay Offices' statements on diversity and equal opportunities have been shared with the BHC.

The Council's performance against the objectives above is amenable to clear measurement of the achievement of those objectives. Further, representatives of the OPSS usually attend Council meetings and the Chair and Secretary meet separately with those representatives to discuss Council performance, including achievement of the specific objectives.

The Council continued to operate in accordance with its agreed process of operation with BEIS as set out in the Framework Document which was agreed and signed during 2018 and published on the BHC's website. An updated version of the Framework Document was approved by the Council at its meeting in April 2022.

The Council continued to publish the minutes of its meetings on its website.

The Council does not itself exercise the power to enforce the Hallmarking Act. The Hallmarking Act s9(1) provides that "it shall be the duty of every Local Weights and Measures Authority to enforce the provisions of this Act within their area". This means that within each Local Authority, the Trading Standards Department has the responsibility for enforcing hallmarking legislation. Like many other activities, enforcement is subject to the financial constraints facing all local authorities.

In addition, enforcement of hallmarking has to be considered along with the many other enforcement responsibilities which are the duty of the Trading Standards Service. Further, in some regions, the low quantum of fines imposed on offenders by the courts may have the effect of diminishing the deterrent value of enforcement activity. It continues to be the case, however, that enforcement activities undertaken, particularly those involving inspection of retail premises, have proved more efficient when conducted by Trading Standards Service staff in conjunction with staff from the Assay Offices. Such direct enforcement in the market place ensures fair trading between traders and provides important protection for consumers, essential where, without a hallmark, the consumer is generally unable to determine the fineness of an article made from precious metal. All of the Assay Offices have worked closely with Trading Standards Officers over the last year.

Long-term plans to amend the Hallmarking Act 1973 and modernise and strengthen it for today's world of global and internet trading continue.

No new sub-offices were opened during the year.

The Council via the Secretary receives numerous queries from members of the public, usually relating to the application of hallmarking law or concerns about jewellery purchased which did not appear to be hallmarked. Responses are sent to all queries.

The Council has the power to consider complaints against Assay Offices which refuse to hallmark items and can issue directions in response to a complaint. The Council has a complaints procedure which was not invoked in 2021.

The expenses of the Council are covered by the Assay Offices *pro rata* to their respective turnover figures as laid down by the Hallmarking Act. Accordingly it would not be appropriate for the Council to have a permanent surplus of income over expense. The accounts for the year are included in the combined report and accounts.

Signed

Noel Hunter
Chair and Accounting Officer

Date 6 June 2022

3. ACCOUNTABILITY REPORT

a. Corporate Governance Report

The Council members who have served at any time during the year are as follows:

Carol Brady
Neil Carson
Malcolm Craig
Ken Daly
Louise Durose
Patrick Fuller
Joanna Hardy
Noel Hunter, Chair
Harriet Kelsall
Tom Murray
Gay Penfold
Isobel Pollock-Hulf
David Reddaway
Chris Sellors
Vanessa Sharp
Matthew Sibley
John Stirling
Charles Turner
Gary Wroe

Duties of Council members

The function of the British Hallmarking Council is set out in the Hallmarking Act 1973. Individually Council members contribute to the fulfilment of that function

through their participation at meetings - usually twice a year. In addition, Council members may serve on committees and on working parties to consider various topics from time to time.

There are five standing Committees of the Council:

- Applications Committee, made up of Council members, to deal with individual applications by Assay Offices for permission to open a sub-office
- Technical Committee, made up of the four assay masters who are not members of the Council
- Joint Assay Office Committee (JAOC), made up of the four assay masters, the assay-office-appointed members of the Council and the Chair of the Council
- Education and Enforcement Committee, made up of members of the Council and one Assay Office representative
- Remuneration Committee, made up of three members of the Council.

Information about the Chair and other members of the Council, together with their category of membership, is provided at page 55. The Hallmarking Act Schedule 4 provides that the Council should consist of no fewer than 16 and no more than 19 members. Ten members are appointed by the Secretary of State and six are appointed by the Assay Offices, with a provision for two co-opted members. There are no individual members who have

authority or responsibility for directing or controlling the Council's activities during the year. The Chair has a casting vote (Hallmarking Act, Schedule 4 para 12). Council members are required to act in accordance with the Cabinet Office's Model Code of Practice for Members of Public Bodies. Further details are provided in the Governance Statement at page 37. The Council has no employees.

Disclosure of Council members' interests

All members complete declaration-of-interest forms. Members who are appointed by the Assay Offices declare an interest accordingly. One Council member is a member of the Finance Audit and Risk Committee of the Worshipful Company of Goldsmiths. There are no company directorships or other significant interests which are likely to conflict with the discharge of Council membership.

The register of Council members' interests is open to inspection by the public by prior appointment with the Secretary at the Offices of Shakespeare Martineau.

Payment policy

The British Hallmarking Council adheres to the principles of the Better Payment Practice Code ('BPPC') as set out below:

- Agree payment terms at the outset of a deal and stick to them;
- Explain payment procedures to suppliers;

- Pay bills in accordance with any contract agreed with the supplier or as required by law; and
- Tell suppliers without delay when an invoice is contested, and settle disputes quickly.

The BPPC target is to pay all undisputed supplier invoices within 30 days, unless other payment terms have been agreed.

This target was achieved in relation to 85% (2020: 83%) of invoices by value. There was a delay in receiving some authorised Shakespeare Martineau invoices. Invoices were settled by Faster Payment Service (FPS) and batch paying was in operation.

Personal data and whistleblowing

The Council is registered as a data controller under number **Z3489143**. There have been no personal data loss incidents during the year 2021.

The Council has no employees or workers and hence the Public Interest Disclosure Act 1998 does not apply to it. There have, in any event, been no incidents analogous to whistleblowing during 2021. Although the Council pays the Chair and Secretary via a payroll in accordance with advice received relating to statutory office-holders and National Insurance neither is considered to be an employee of the Council or a worker in respect of the Council.

Statement of Council and Accounting Officer's responsibilities year ended 31 December 2021

Under the Hallmarking Act 1973 (as amended), the Secretary of State with the approval of the Treasury, has directed the British Hallmarking Council to prepare a statement of accounts each financial year in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the Council's state of affairs at the period end and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Council and the Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including relevant accounting and disclosure requirements, and apply accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departure in the financial statements; and

- prepare the financial statements on a going-concern basis, unless it is inappropriate to do so.

The Principal Accounting Officer for BEIS appointed the Chair of the Council, Noel Hunter, as Accounting Officer with effect from 7 April 2017. The declarations in this document are made by Noel Hunter, as Accounting Officer.

The relevant responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping proper records, are set out in HM Treasury's "Managing Public Money" Chapter 3.

So far as the Accounting Officer is aware, there is no relevant audit information of which the Council's auditors are unaware. Further, the Accounting Officer confirms that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Council's auditors are aware of that information. The Annual Report and Accounts as a whole is fair, balanced and understandable, and the Accounting Officer takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

b. Governance Statement Year Ended 31 December 2021

Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the British Hallmarking Council's policies, aims and objectives, whilst safeguarding the public funds and Council assets for which I am personally responsible, in accordance with the responsibilities assigned to me in "Managing Public Money".

My appointment as Accounting Officer was confirmed by the Department for Business, Energy & Industrial Strategy, the Council's sponsoring Department (BEIS), on 7 April 2017. The appointment letter sets out the specific responsibilities of the Accounting Officer in respect of internal control matters.

On 28 April 2022 the Council adopted the Code of Conduct for Board Members of Public Bodies (version June 2019) which is the successor version to the Code of Conduct for Board Members of Public Bodies issued in 2011 and previously adopted by the Council. This includes responsibilities for me as Chair of the Council and in addition my responsibilities as Accounting Officer include overall management of the Council, its procedures and financial matters.

Governance structure

The composition of the Council is determined by the Hallmarking Act 1973 Schedule 4. The maximum number of members is nineteen and the minimum is sixteen. Ten members are appointed by the Secretary of State, at least three of whom have experience of consumer protection, four of whom are engaged in trading or manufacture of precious metal, and the others are of independent status. Six members of the Council are Assay Office appointees, two from the Birmingham and London Assay Offices and one each from the Sheffield and Edinburgh Assay Offices. Two further members are co-opted to the Council and such members are usually recommended by the Sheffield and Edinburgh Assay Offices. The assay masters and other employees of the four Assay Offices are entitled to attend and speak at Council meetings, but may not vote.

The Council normally meets twice a year, usually in April and October. Members' attendance or non-attendance is noted at each meeting and documented in the minutes.

There are five committees.

The Applications Committee is made up of no fewer than three and no more than four Secretary of State-appointed members of the Council. Its remit is to consider applications by the Assay Offices to set up sub-offices or otherwise engage in off-site hallmarking (eg on customers' premises or overseas) and to make recommendations accordingly to the Council. Hence,

while the Council grants or refuses applications with respect to setting up sub-offices in accordance with the Hallmarking Act 1973 s13(2)(e), responsibility for the administration of the approvals scheme has been delegated to the Applications Committee. The Applications Committee has issued criteria and protocols for setting up sub-offices, as well as for component and off-shore marking, all of which were approved by the Council. In April 2012, the Council further delegated authority to the Applications Committee to consider applications for temporary sub-offices, in accordance with the Council's powers of delegation under the Hallmarking Act 1973 Schedule 4 para 15. In October 2012, the Council accepted the Applications Committee's recommendation (i) to apply to applications for sub-offices overseas the current control process for new UK sub-offices/component marking and (ii) to apply the control processes in (i) to existing sub-offices. The Applications Committee provides a report of its activities at each meeting of the Council. The Applications Committee operates in accordance with Standing Orders which were substantially revised in 2018 and incorporated new Principles Governing the Approval of Sub-offices. The integrity of hallmarking remains a priority for the Council. The Council, with the Applications Committee, continues to work in consultation with the Queen's Assay Master to review oversight of operations to ensure the continued integrity of assay operations including sub-offices. In addition, the Applications Committee is working with the Queen's Assay Master

with the aim of co-ordinating processes and avoiding duplication. A programme for the new system of five-yearly revalidations of sub-offices was developed and four of the eight current sub-offices have been visited, their operations reviewed and the sub-offices revalidated. The Applications Committee plans to carry out revalidation processes for the other four sub-offices during 2022.

Schedules 1 and 2 of the Hallmarking Act 1973 make detailed provision for various technical aspects of the hallmarking regime. From time to time, queries arise concerning the practical application of those provisions, which can only be properly addressed by individuals with the relevant, technical hallmarking expertise. At its October 2012 meeting, the Council approved in principle the creation of a Technical Committee in accordance with the Hallmarking Act 1973 Schedule 5 paragraph 15, to address those technical matters in the relevant Schedules. Terms of reference for the Technical Committee were agreed by the Council at its meeting on 15 April 2013. The Technical Committee's remit is to consider and make recommendations to the Council regarding the interpretation and application of the provisions relating to the technical aspects of hallmarking as set out in the Hallmarking Act 1974 Schedules 1 and 2; to consider and make recommendations on any specific, technical matters referred to it by the Council; and to make decisions on such technical matters within its remit as are specifically delegated to it by the

Council. The Technical Committee, whose members are the four Assay Masters, reports to the Council at its April and October meetings. Its Standing Orders were updated during 2018. During 2021 the Guidance Note on submission of partially constructed items was issued and publicised on the BHC's website. The Technical Committee provided advice on responding to an industry group's request for clarification of requirements for hallmarking of melt and make items. It also continued to review the database of technical decisions and how these decisions are made, logged, communicated and monitored between the Assay Offices. Work was started on updating the Hallmarking Guidance Notes.

On 15 April 2016, the Council approved the creation of a new sub-committee, the Joint Assay Office Committee (JAOC), and its standing orders were subsequently approved on 10 October 2016. The remit of the JAOC is to make recommendations to the Council regarding the discharge of its statutory powers and duties under the Hallmarking Act, in particular with regard to enforcement, advising the Secretary of State, amendments to the Hallmarking Act and any strategic matters specifically referred to it by the Council. During 2021 the JAOC worked on strategic issues facing the Council, including the effects of the UK's exit from the EU and the online format of the Dealer's Notice.

During 2017, the Council agreed to re-establish the Education & Enforcement Committee to work with Trading Standards, the Assay Offices and the industry to

increase awareness and enforcement activity; increase consumer understanding; to deliver the Touchstone Award and develop it for the future. The committee is made up of Secretary of State-appointed and Assay Office Council members and one Assay Office member. The Education & Enforcement Committee reports to the April and October Council meetings. The Education & Enforcement Committee's work, which had been affected during 2020 due to the Covid-19 pandemic, picked up significantly during 2021. This was particularly important given the continuing decrease in Trading Standards resources and the increase in online sales of jewellery. The Touchstone Award was relaunched and presented at the Chartered Trading Standards Institute (CTSI) Symposium and at the Goldsmiths' Hall. This award continues to maintain the profile of hallmarking within the Trading Standards community and encourages enforcement activity. In the context of increasing online jewellery sales, good progress was made with Trading Standards Primary Authorities for two online trading platforms and a large number of non-compliant listings were taken down. Further work is planned to assist with preventing non-compliant listings and with providing information for consumers. The new online version of the Dealers Notice was developed and launched. Alongside this an award for online retailers' innovation in promoting the importance and reassurance of the UK hallmark, the HALO Award, was developed and launched in anticipation of its first presentation in 2022.

The Council at its meeting on 3 October 2019 agreed to establish a Remuneration Committee to oversee remuneration of the Chair and Secretary and oversee fees paid to external advisers. An initial committee composed of two Secretary of State appointed members and one Assay Office representative was established. Standing Orders and an initial set of recommendations for Council have been approved by the Council. The Remuneration Committee made recommendations relating to the Chair and Secretary's remuneration in 2020; these recommendations were put on hold due to the Covid-19 pandemic and have been implemented with effect from January 2022.

Following the major review of governance undertaken in 2018 new Standing Orders were put in place for the Council and all committees. The Governance Overview Document for Council members was maintained up to date and available for Council members through a shared facility and this document formed the core of the induction manual produced for new Council members which is provided as part of the induction process.

In addition, working groups were convened to review the Council's risk register and to carry out a review of the BHC's compliance with the Regulators' Code.

Review of Council performance

A system of appraisal of individual members appointed by the Secretary of State has been developed and is conducted by me as Chair. These members are

assessed in respect of their understanding of the statutory obligations of the Council, their contribution to the discharge of those responsibilities, attendance at meetings, preparedness, participation in debates, acceptance of collective responsibility and the performance of the Council as a whole. These appraisals are conducted annually. A full round of appraisals has been carried out to cover the work of the Council and its members in 2021.

Risk and the purpose of the system of internal control

The process by which the Council identifies and sets out key risks is noted above on page 13, where the risks relating to international and trade with other countries, turnover of Secretary of State-appointed members and risks from external events are described, together with related actions.

The integrity of hallmarking remains a priority for the Council. The credibility of hallmarking relies on its technical consistency and operational integrity. During 2021 the Applications Committee was able to make significant progress with the planned five-yearly revalidations programme for sub-offices. Technical consistency is at the heart of maintaining the reputation of hallmarking and work is ongoing to review the database of technical decisions. The relationship with the Queen's Assay Master is increasingly important

and enables co-ordination of activities and avoidance of duplication.

It remains the case, as reported in previous years, that budget constraints on local authorities as a result of reduced funding, together with the low quantum of fines sometimes imposed for hallmarking offences, have reduced the appetite amongst some Trading Standards Departments for enforcement of hallmarking legislation. The BHC, through education and the Touchstone Award, and the Assay Offices, through supporting prosecutions, continue to seek to stimulate enforcement activity which is vital for the protection of consumers. The Touchstone Award for Trading Standards was run in 2021 with a field of strong applications.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risk to the achievement of Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the British Hallmarking Council for the year ended 31 December 2021 and up to the date of approval of the annual accounts, and accords with Treasury guidance.

Capacity to handle risk and the risk and control framework

The Council is a small organisation and internal control procedures have been designed with that in mind. The following arrangements are in place, which demonstrate the Council's capacity to handle the risks to its operations:

- Council meetings, which I attend as Accounting Officer and Chair, are held twice a year to discuss the activities of the Council and to review or assess the impact of existing and proposed legislation, together with relevant government policy, on the Council. Representatives from the Assay Offices regularly attend Council meetings.
- As Chair and Accounting Officer, I monitored Council-related matters and appraised Council members accordingly. I also liaised regularly with the Assay Offices to keep up to date with issues relevant to hallmarking.
- As Chair and Accounting Officer I have been in frequent contact with the OPSS to ensure that there is a proper flow of information and government policies affecting the Council are appropriately implemented.
- The annual budget is approved by the Council. Shakespeare Martineau LLP prepares and maintains accounting records under my supervision and any

payments made to that firm for all services provided are approved by me and disclosed separately in the financial statements. Invoices for payment to this firm are supported by detailed narratives of expenditure. Statements of Time Spent for Secretariat services provided by Sue Green were supported by a breakdown of time spent and are approved by me.

- Actual expenditure is reviewed in comparison with the annual budget by the Council and is approved by the Council when the statement of accounts is approved.
- The Council does not have an internal audit function or audit committee but the Council will consider matters which have an impact on internal control and the financial statements. This arrangement is considered sufficient for the size and extent of the Council's operations.
- Assay Offices are required annually to issue viability statements indicating their ability to provide hallmarking services for the next twelve months, and by implication, to generate income to apply to the Council's costs.
- The Council has no staff or assets and hence its contractual arrangements and related payments are minimal. The vulnerability of the Council to fraud is therefore correspondingly low. Any payments to third parties are approved by the Chair and Secretary and are made to known contacts. Payments made to Shakespeare Martineau LLP are, as already indicated,

supported by detailed narratives and approved by me. Statements of Time Spent for Secretariat services from Sue Green are supported by a breakdown of time spent and are approved by me.

Review of effectiveness

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of Council members who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports, including the results of the Royal Mint inspections. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A copy of the latest Corporate Statement 2022 comprising the Council's Business Plan and Budget will be available on the Council's website once confirmed at the April Council meeting. (<https://www.gov.uk/government/organisations/british-hallmarking-council>).

In accordance with the Macpherson Review, I confirm that, in view of the processes outlined above, the Council has a quality assurance framework in place which is used for all business-critical models. Given its constitution, size and the nature of its functions, the Council has not

considered it appropriate or proportionate to publish separately a list of business-critical models.

The Council complies with the Functional Standards issued by the Cabinet Office in 2020 where applicable.

c. Remuneration report (audited)

There were no staff employed by the Council during 2021 (none in previous years). However having received advice in relation to statutory office-holders and National Insurance the BHC operates a payroll for the purposes of paying the Chair and Secretary.

I am a Fellow of the Chartered Trading Standards Institute, and of the Royal Society of Arts. I am also a Vice President of the Chartered Trading Standards Institute and the immediate past Chair of its Board.

As Chair of the Council until 31 December 2021 I was paid an honorarium of £18,000 per annum as agreed at a Council meeting on 7 April 2017. This honorarium has been increased to £20,000 in line with Remuneration Committee recommendations with effect from 1 January 2022. This increase was originally recommended in 2020 but was not taken up until January 2022 due to the difficult trading conditions caused by the Covid-19 pandemic. The formal duties of the Chair are set out in the Hallmarking Act 1973 and include conducting meetings of Council and liaising with the Secretary of State. As Chair I do not have set hours of work, nor a target for total hours of work. My remuneration

was originally set by the Council on the basis of a recommendation by an informal committee of Council members. It is now kept under review by the Remuneration Committee. The Chair is elected by the Council. At the Council meeting on 3 October 2019 the Council resolved to reappoint me as Chair for a further three year term from 7 April 2020.

Members of the Applications Committee are paid £75 per hour for work connected with sub-office applications and the payment is usually made by the Assay Office submitting the relevant application.

Secretariat services are provided by Sue Green, an independent contractor providing secretariat services. The Secretary is appointed by the Council for an undefined period. The amount charged in respect of secretariat services varies from year to year in accordance with the time spent. Until 31 December 2021 the Secretary was paid for secretariat services on an agreed charging rate of £325 per day. The Secretary's remuneration has increased with effect from 1 January 2022 in line with Remuneration Committee recommendations to a daily rate of £344.50.

In 2021 the amount for Legal and Secretariat costs and expenses was £34,873 including legal advice from Shakespeare Martineau and Secretariat services provided by Sue Green. In 2020 the amount was £32,157 plus VAT.

Off-payroll arrangements

During 2018 advice was taken by the BHC and it was concluded that the roles of Chair and Secretary are deemed to be statutory office-holders and that accordingly Employers National Insurance was payable and a payroll needed to be operated for payment to both the Chair and the Secretary. This was put into operation with effect from 6 April 2018.

Accordingly there are no off-payroll arrangements in place.

The number of new engagements during the period was zero.

d. Going Concern

The British Hallmarking Council remains a going concern. This is confirmed by the provision of a viability report from each of the four Assay Offices indicating that they have sufficient funds to provide hallmarking services for 2022 and by inference, to fund the expenses of the Council. OPSS as the sponsor team within BEIS have indicated that they have no reason to believe ministers will withdraw support for the hallmarking regime for the foreseeable future. The BHC remains a statutory body under the Hallmarking Act and there are no indications that this statute will be withdrawn or repealed.

e. Parliamentary Accountability: regularity of expenditure (audited)

The Council's expenses are estimated at its April meeting each year in accordance with the Hallmarking Act 1973 (Schedule 4 paragraph 18(1)). The expenses incurred are met out of the contributions paid by the four Assay Offices in accordance with the allocations prescribed by Hallmarking Act 1973 Schedule 4 paragraph 18(2). The Hallmarking Act 1973 (Schedule 4 paragraph 20) permits the payment of travelling and/or subsistence and/or other allowances to members or to any member of a committee. The Council's Standing Orders provide that members' reasonable travelling, hotel and other out-of-pocket expenses incurred in the proper performance of Council-related activities will be reimbursed.

Members are required to submit all expenses claims to the Secretary for approval and to support those claims with receipts.

The Council may pay to the Chair such remuneration as it sees fit (Hallmarking Act 1973 (Schedule 4 paragraph 20)). The honorarium until 31 December 2021 was £18,000 per annum. In 2020 the Remuneration Committee recommended an increase to £20,000 per annum, which I did not initially take up due to the difficult operating conditions caused by the Covid-19 pandemic and the consequential impact on Assay Offices' turnover at the time. That increase has now been implemented

with effect from 1 January 2022 and is now in line with the recommendations of the Remuneration Committee.

The Hallmarking Act 1973 (Schedule 4 paragraph 21) further permits the appointment of the Secretary on such terms as to remuneration as the Council sees fit. Under the payroll system which is now in operation Sue Green submits Schedules of Time Spent for approval before payment. The remuneration of the Secretary was reviewed by the Remuneration Committee. An increase was recommended by the Committee from a daily rate of £325 to a daily rate of £344.50 but the Secretary did not take up the increase at this time due to the difficult operating conditions caused by the Covid-19 pandemic. However that increase has now been implemented with effect from 1 January 2022.

There have been no instances of irregular payments.

f. Auditors

The statement of accounts has been audited by the Comptroller and Auditor General. The auditors are appointed under statute and report to Parliament. The audit fee for the year ended 31 December 2021 is £3,850 (£3,700 in 2020). No other services were provided.

Signed

Noel Hunter
Accounting Officer

Date: 6 June 2022

4. MEMBERS OF THE COUNCIL

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

Chair

Noel Hunter OBE is a Fellow of the Chartered Trading Standards Institute, and of the Royal Society of Arts. He is also a Vice President of the Chartered Trading Standards Institute and immediate past Chair of its Board. He is Chair of the Consumer Code for Home Builders and immediate past Chair of the Myton Hospices. He is an Independent member of Disciplinary Tribunal for National Association of Estate Agents. He took over the role of Chair from 7 April 2017. At the Council meeting on 3 October 2019 the Council resolved to reappointed Noel as Chair for a further term of 3 years with effect from 7 April 2020.

Members appointed by BEIS:

Malcolm Craig is the Acting Trading Standards Manager for West Lothian Council. He is responsible for the day to day operations of the Trading Standards Service. He is a past Chair of the Chartered Trading Standards Institute.

Ken Daly is the Trading Standards National Co-ordinator for Scotland, employed by SCOTSS, a charitable organisation of Scottish Chief Officers. A former Head of Trading Standards in the City of Dundee, and a Fellow of the Chartered Trading Standards Institute, Ken is also a

non-executive director of the Consumer Codes Approval Scheme operated by CTSI.

Louise Durose is the General Counsel of MAN Energy Solutions UK Ltd a subsidiary of MAN Energy Solutions headquartered in Germany. MAN Energy Solutions designs and manufactures power generation systems within the marine, energy and industrial sectors enabling its customers to achieve sustainable value creation in the transition towards a carbon neutral future using a unique portfolio of technologies.

Patrick Fuller is a former chairman of one of the largest manufacturing jewellery companies in the UK and is past president and chairman of three trade associations including the National Association of Jewellers. He is a previous member of the British Hallmarking Council from the late 1990's. He is Liveryman of the Goldsmiths' Company and Freeman of the City of London.

Joanna Hardy is an Independent Fine Jewellery Specialist, an author, jewellery presenter on the BBC Antiques Roadshow, lecturer, Fellow of the Gemmological Association and Trustee, Liveryman and Court Assistant of the Goldsmiths' Company and Trustee of the Goldsmiths' Centre.

Harriet Kelsall is the founder and executive chair of Harriet Kelsall Bespoke Jewellery. She is the deputy chair of the National Association of Jewellers and is a Freeman of the Worshipful Company of Goldsmiths, an author and a public speaker. She is a past non-executive director of

the Responsible Jewellery Council and is a non-executive board member of the Intellectual Property Office.

Gay Penfold is the former Centre Manager of the Jewellery Industry Innovation Centre at the School of Jewellery, Birmingham City University. She is experienced in working in partnership with industry to deliver innovative new technology initiatives. She is Chairman of the Benevolent Society and a Freeman of the Goldsmiths' Company and the City of London.

Isobel Pollock-Hulf is Chair of Programme Expert Group (PEG) for Digital covering Data, Quantum, Electromagnetics and Time at the National Physical Laboratory. She is a Visiting Professor in Engineering Design at the University of Leeds. She was previously Chair of the National Measurement and Regulation Office Steering Board. She is Past Master of the Worshipful Company of Engineers and Past President of the Institution of Mechanical Engineers.

Chris Sellors is Managing Director of C W Sellors Fine Jewellery, a second-generation family business, having founded the company in 1979. With a focus on jewellery design and manufacture using British gemstones, the company currently has 17 independent boutiques across the UK and aim to open their industry-leading 'National Gemstone & Jewellery Design Centre' at Carsington Water, Derbyshire, in 2023. In addition, the company operates a growing portfolio of leading e-commerce

jewellery and watch websites. Chris is on the National Association of Jewellers National Committee.

Vanessa Sharp is a solicitor, and an independent non-executive director of a number of private companies, chairing and/or participating in conduct, risk and governance, audit and ESG committees. She is a Freeman of the Goldsmiths' Company and a member of its finance and risk committee. Vanessa is a trustee of the Charity Create Arts and a practising jeweller and silversmith.

Assay Office Representatives (London):

Sir David Reddaway KCMG MBE is Chief Executive and Clerk of the Goldsmiths' Company.

Neil Carson OBE is the Chairman of the Goldsmiths' Company Assay Office Management Board.

Assay Office Representative (Sheffield):

Charles Turner DL is Chairman of the Sheffield Assay Office. He is a retired Army Officer and is Managing Director of Durham-Duplex, a machine knife, hand knife and industrial blade manufacturer. He also chairs "Made in Sheffield", which promotes Sheffield's manufacturing industries.

Assay Office Representatives (Birmingham):

Carol Brady MBE is Chairman of Birmingham Assay Office.

Gary Wroe is a Warden of the Birmingham Assay Office with over 30 years' experience working at Hockley Mint Ltd, a manufacturing jeweller. Gary is active on a number of boards to develop and promote the jewellery industry and is a Liveryman of the Worshipful Company of Goldsmiths.

Assay Office Representative (Edinburgh):

Tom Murray is Deacon of the Incorporation of Goldsmiths in Edinburgh. He is the founding director of Charityflow, a Trustee of the Scottish National War Memorial and is the Purse Bearer to the Lord High Commissioner.

Co-Opted Members:

Matthew Sibley is the Law Clerk to and on the Executive board of the Sheffield Assay Office, a solicitor and strategic business consultant in Sheffield, a charity trustee and a non-executive director.

John Stirling is Law Clerk to the Edinburgh Assay Office and a solicitor in Edinburgh.

Assay Masters (entitled to attend but not members of the Council):

Dr Robert Organ served as Deputy Warden of the London Assay Office until 31 October 2021 following which he was appointed Senior Hallmarking Consultant to the London Assay Office.

Will Evans was appointed General Manager of the London Assay Office from 31 October 2021.

Douglas Henry is Assay Master of the Birmingham Assay Office.

Ashley Carson is Assay Master at the Sheffield Assay Office.

Scott Walter is Assay Master at the Edinburgh Assay Office.

The Office for Product and Safety Standards

In addition, members of OPSS, the sponsor body, attended Council meetings.

APPENDIX 1

THE BRITISH HALLMARKING COUNCIL

MAXIMUM CHARGES

The following charges are the maximum charges fixed by the Council for assaying and hallmarking articles of precious metal:

	Maximum £
Platinum Platinum Articles (including Second Hand)	25.00
Gold Gold Articles (including Second Hand)	25.00
Palladium Palladium Articles (including Second Hand)	25.00
Silver Silver Articles (including Second Hand)	25.00

Non-statutory services

The Council does not set maximum prices for non-statutory services provided by the Assay Offices. For example, deep laser hallmarks, “Early Hall”, “1 hr service”, are subject to individual Assay Office’s charges.

APPENDIX 2

NUMBERS OF ARTICLES DEALT WITH BY ALL THE ASSAY OFFICES FOR 2019, 2020 AND 2021

QUARTER	All articles -1000 units			Gold articles -1000 units			silver articles -1000 units			platinum articles – single units			Palladium articles – single units		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
FIRST	1,242	1,661	2,091	560	757	898	638	827	1,107	44,058	74,378	74,816	779	2,791	10,764
SECOND	1,681	519	1,924	812	195	882	787	303	953	80,863	20,494	81,143	1,089	1,037	8,350
THIRD	2,481	1,447	1,934	1,095	704	857	1,279	665	992	105,700	75,284	76,781	1,420	2,447	7,695
FOURTH	3,272	2,252	2,578	1,393	1,102	1,232	1,767	1,067	1,258	111,359	81,816	84,642	1,135	854	3,810
TOTAL	8,676	5,879	8,527	3,860	2,758	3,869	4,471	2,862	4,310	341,980	251,972	317,382	4,423	7,129	30,619

PERCENTAGE FIGURE FOR THE ABOVE TOTALS FOR EACH ASSAY OFFICE

OFFICE	ALL ARTICLES 2021	GOLD ARTICLES 2021	SILVER ARTICLES 2021	PLATINUM ARTICLES 2021	PALLADIUM ARTICLES 2021
London	22	34	17	38	25
Birmingham	25	29	21	42	20
Sheffield	24	30	13	14	53
Edinburgh	29	7	49	6	2

APPENDIX 3

CONVENTION ON THE CONTROL & MARKING OF ARTICLES OF PRECIOUS METAL

UNITED KINGDOM YEAR TOTAL 2021

	GOLD	SILVER	PLATINUM	PALLADIUM	TOTALS
London	705,482	366,980	43,619	267	1,116,348
Birmingham	327,239	303,790	55,976	256	687,261
Sheffield	737,175	434,127	12,544	13	1,183,859
Edinburgh	101,797	140,802	13,689	1	256,289
TOTAL	1,871,693	1,245,699	125,828	537	3,243,757

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the British Hallmarking Council for the year ended 31 December 2021 under the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000.

The financial statements comprise the British Hallmarking Council's:

- Statement of Financial Position as at 31 December 2021;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the British Hallmarking Council's affairs as at 31 December 2021 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom.

My responsibilities under those standards are further

described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the British Hallmarking Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the British Hallmarking Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the British Hallmarking Council's ability to continue as a going concern for a period of at least twelve months

from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the British Hallmarking Council is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate thereafter.

The Council and the Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and Accountability Reports for the financial year for which

the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the British Hallmarking Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the British Hallmarking Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration

Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and Accounting Officer for the financial statements

As explained more fully in the Statement of Council and Accounting Officer's Responsibilities, the Council and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Council and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the British Hallmarking Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless the Council and the Accounting Officer anticipates that the services provided by the British Hallmarking Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the British Hallmarking Council's accounting policies and key performance indicators.
- Inquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Hallmarking Council's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Hallmarking Council’s controls relating to the British Hallmarking Council’s compliance with Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000 and Managing Public Money.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Hallmarking Council for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals and complex transactions. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the British Hallmarking Council’s framework of authority as well as other legal and regulatory frameworks in which the British Hallmarking Council operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or

that had a fundamental effect on the operations of the British Hallmarking Council. The key laws and regulations I considered in this context included Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000, Managing Public Money, and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 9 June 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 December 2021

	Note	2021 £	2020 £
Income			
Income on Activities	5	70,091	72,273
Expenditure			
Operating Expenditure	6	(70,093)	(72,279)
Net operating expenditure		(2)	(6)
Interest receivable		2	6
Net expenditure for the year		—	—

Statement of Changes in Taxpayers Equity

	2021 £	2020 £
Balance at 1 January	—	—
Net expenditure	—	—
Balance at 31 December	—	—

The notes on pages 80-89 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	2021 £	2020 £
Current assets:			
Trade and other receivables	7	9,630	667
Cash and cash equivalents	8	28,069	18,101
Total current assets		37,699	18,768
Current liabilities:			
Trade and other payables	9	37,699	18,768
Total current liabilities		37,699	18,768
Assets less liabilities		—	—
Reserves		—	—

The notes on pages 80-89 form part of these accounts.

The financial statements on pages 77-79 were approved by the Council on 28 April 2022 and were signed on its behalf by:

Signed

Noel Hunter

Accounting Officer

Date: 6 June 2022

STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net operating cost		—	—
(Increase)/Decrease in trade and other receivables	7	(8,963)	6,779
Increase/(Decrease) in trade and other payables	9	18,931	(9,782)
Net cash inflow/(outflow) from operating activities		9,968	(3,003)
Net increase/(decrease) in cash and cash equivalents in the period		9,968	(3,003)
Cash and cash equivalents at the beginning of the period	8	18,101	21,104
Cash and cash equivalents at the end of the period	8	28,069	18,101

The notes on pages 80-89 form part of these accounts.

NOTES TO THE BRITISH HALLMARKING ACCOUNTS

1. PREPARATION OF ACCOUNTS

The statement of accounts of the British Hallmarking Council has been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with the Hallmarking Act 1973 (as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003). The statement has also been prepared in accordance with an Accounts Direction letter dated 21 January 2004 from the former Department of Trade and Industry which requires the annual accounts to show a true and fair view of the income and expenditure and cash flows for the financial year and the state of affairs at the year end and further requires the accounts to be prepared in accordance with the Government Financial Reporting Manual and other guidance which the Treasury may issue from time to time and any other specific disclosures required by the Secretary of State.

2. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2021/22 Government Financial Reporting Manual (FReM) by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the British Hallmarking Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the British Hallmarking Council have been applied consistently in dealing with items that are considered material to the accounts.

2.1 Account Convention

These accounts have been prepared under the historical cost convention.

2.2 Income

The activities of the Council are funded by the Assay Offices. Charges are levied in proportion to the relevant sales of the Assay Offices in the previous financial year, net of any other income received, such as income from notices. Occasional amounts are also received for specific projects that aim to promote and safeguard hallmarking. The Council receive a small income from a non-Assay Office in relation to a contribution to the Touchstone Award, which takes place annually.

2.3 VAT

Expenditure is recognised net of recoverable Value Added Tax. Amounts due to, or from HM Revenue

and Customs in respect of VAT are included in payable, or receivable within the statement of financial position.

2.4 Financial Instruments

In considering IFRS 9 the Council have determined that there is no material impact on the classification or measurement of the Council's financial instruments. The Council and Assay Offices have very low credit risk and there is no expected credit loss to recognise as at 31 December 2021.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, which is available for immediate withdrawal.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less any allowance for irrecoverable amounts.

Trade and other payables

Trade and other payables are measured at amortised cost, which equates to nominal value.

Financial income and financial expense

Financial income/expense is recognised in the Statement of Comprehensive Net Expenditure on an accruals basis.

3. ANALYSIS OF NET EXPENDITURE BY SEGMENT

Hallmarking is the Council's only segment of activity; as such financial results are as shown on the Statement of Comprehensive Net Expenditure.

4. STAFF NUMBERS AND RELATED COSTS

No staff were employed by the Council during 2021 (2020: Nil) (see Remuneration Report on page 49). Under HMA 1973 Schedule 4 paragraphs 20 and 21 the BHC may pay the Chair and Secretary such remuneration as they see fit. The Chair and Secretary are now paid via a payroll operated for the BHC but are not employees of the Council. No pension payments are made to either the Chair or Secretary.

5. INCOME

Income is analysed as follows:-

	2021 £	2020 £
Contributions from Assay Offices:-		
Birmingham	23,252	17,804
Edinburgh	11,250	13,500
London	20,351	26,209
Sheffield	14,238	14,760
Contributions from National Association of Jewellers:-		
Touchstone Award	1,000	—
	70,091	72,273

Revenue is recognised when the Council sets its budget for the forthcoming year and the Council receive the prior year's hallmarking income figures for each Assay Office. Each Assay Office is then allocated a corresponding percentage of the budget as its contribution to the Council for the following year. This is payable immediately but to ease cashflow for Assay Offices the Council have agreed to invoice monthly, with 30 days terms attached.

The contribution shown from the Birmingham Assay Office includes £5,000 towards legal fees in recognition of advice to the Council provided free of charge by other Assay Offices. Birmingham Assay Office also contributed £153.40 which represented a recharge for Applications

Committee expenses in carrying out revalidations of sub-offices.

The contribution shown from the National Association of Jewellers was in relation to the Touchstone Award for Trading Standards, which occurs annually (although was cancelled in 2020 as a consequence of Covid-19). This is a prestigious award funded by the Assay Offices in collaboration with the National Association of Jewellers which recognises innovative activity in relation to hallmarking enforcement, education or information.

6. OPERATING EXPENDITURE

	2021 £	2020 £
Chair's remuneration & Employer NIC	19,269	19,280
Chair's expenses	540	615
Council members' expenses	153	1,328
Audit fee	3,850	3,700
Legal and Secretarial costs and expenses	34,873	32,158
Other professional charges	7,134	7,298
Other expenses	4,274	7,900
	70,093	72,279

Shakespeare Martineau LLP have provided legal, secretarial and accounting services to the Council since its formation on terms agreed from time to time. During the year, Shakespeare Martineau LLP were engaged to provide book-keeping services for £3,850 (2020: £3,850), and to provide accounts preparation services for £2,150 (2020: £2,150). During 2021 a Secretariat

was in operation, with Susan Green providing secretarial services as an external contractor.

Save for the Chair’s remuneration, and an allowance of £75 per hour paid to the members of the sub-Offices’ Applications Committee, no payments are made to Council members in respect of their time, although they are reimbursed for their travelling expenses. Travelling expenses were significantly lower than normal in 2021 as for the whole year meetings were held virtually as a result of the Covid-19 pandemic.

7. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2021 £	2020 £
Amounts falling due within one year:		
Trade Receivables	8,856	—
Prepayments	774	667
	9,630	667

Under IFRS 9, trade and other receivables are measured at amortised cost. In line with the FReM, the simplified approach will be adopted and any loss allowances will be recognised at an amount equal to expected lifetime credit losses.

In 2021 new invoicing procedures, adopted as a temporary measure at the start of the Covid-19 pandemic, were confirmed. Under this process, at the end of each month invoices were issued to the Assay

Offices representing 1/12 of each Assay Office's agreed annual contribution. This arrangement suited both the Council and the Assay Offices as it assisted with cashflow and streamlined budgeting. As at 31 December 2021, the December invoices had only recently been issued and had not been settled. It is confirmed that as at the date of signature of the Annual Report and Accounts the full trade receivables outstanding as at 31 December 2021 have been settled in full.

8. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Balance at 1 January	18,101	21,104
Net change in cash and cash equivalent balances	9,968	(3,003)
Balance at 31 December	28,069	18,101
The following balances at 31 December were held at Lloyds Bank Plc	28,069	18,101

9. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2021 £	2020 £
Trade payables amounts falling due within one year:		
Trade payables	27,396	10,578
Deferred Income	—	1,000
Other payables	5,242	4,807
VAT, other taxation and social security	5,061	2,383
	37,699	18,768

Trade and other payables are recognised in the period in which related money, goods or services are received or when a legally enforceable claim against the Council is established, or when the corresponding assets or expenses are recognised.

Of the £27,396 trade payables, the amount due to be credited back to the Assay Offices is £27,285 (2020: £9,210).

10. RELATED-PARTY TRANSACTIONS

The Council recharges expenditure in-year to the four Assay Offices. The total recharge income due from each Assay Office is based on the office's share of total assay office turnover multiplied by expenditure (less interest income), the amounts of these transactions are disclosed

in note 5. The contribution shown from the Birmingham Assay Office includes £5,000 towards legal fees in recognition of advice to the Council provided free of charge by other Assay Offices. Birmingham Assay Office also contributed £153.40 which represented a recharge for Applications Committee expenses in carrying out revalidations of sub-offices.

11. EVENTS AFTER THE REPORTING PERIOD

In accordance with the requirements of IAS 10 “Events after the reporting period”, post Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General. There are no post Statement of Financial position events between the balance sheet date and this date.

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