

British Hallmarking Council



Annual Report and Accounts 2024

HC 919

British Hallmarking Council Annual Report and Accounts 2024

Presented to Parliament pursuant to Paragraph 19 of Schedule 4 of the Hallmarking Act 1973 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003

Ordered by the House of Commons to be printed 11 June 2025

HC 919



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ISBN: 978-1-5286-5789-1

E03375820 06/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

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Foreword of the Chair

2025 will be a pivotal year for the British Hallmarking Council (BHC) as it chooses a new Chair against the background of an industry facing many challenges.

A reflection of these challenges is mirrored within the assay offices who have seen a steep decline in hallmarked articles: from a high of 34.8m in 2001 to 8m in 2024. There are many components to this decline including a period of national austerity, our exit from the EU, changes in consumer preferences, the escalating price of gold and an increasing level of fraudulent internet transactions. This has naturally been accompanied by financial pressures on the offices and since they entirely fund the BHC there are inevitable attendant pressures on the Council's budget.

The Council's role of course remains unchanged and is defined by the Hallmarking Act (1973):

1. To ensure that adequate facilities are available for assaying and hallmarking.
2. To supervise the activities of assay offices in that regard.
3. To take all steps open to it to ensure enforcement of the law.
4. To advise the Secretary of State in respect of the execution of the Act.

The UK jewellery industry comprises around 6,870 businesses, employing some 58,000 people. Precious metal jewellery generates almost £9.44bn of annual revenues in the U.K. Hallmarking plays a key part in this significant industry by providing an independent third-party guarantee of precious metal fineness. The BHC's role in regulating hallmarking provides a sustainable regulatory framework which enables the growth of markets where consumers are empowered to make informed choices and retailers compete on a level playing field

It will be clear from the pressures already described that it becomes ever more important to support industry growth with effective and proportionate regulation, innovation, consumer education and the minimum of bureaucracy.

Review of 2024 activity

The continued decline of Trading Standards resources against the background of the exponential increase of largely unregulated global trade via the internet has increased the priority of enforcement. We have continued to work closely with the Chartered Trading Standards Institute and with the Office for Product Safety and Standards and the Competition and Markets Authority.

During the last year the Government introduced the Digital Markets, Consumer and Competition Act. We have made representations regarding the importance of fulfillment house, agents and intermediaries sharing responsibility with the sellers of products which fail to comply with the Hallmarking Act. Without that control,

fraudulent product originating offshore will place consumers at risk and U.K. traders at a disadvantage. Our dialogue with government departments continues and our policy has been supported by the industry.

BHC has improved point of sale material available to retailers and on-line sellers to promote consumer awareness. We have also supported the very successful London based enforcement project, 'Stamping it Out' and other important enforcement initiatives employed by the assay offices: including the innovative development of 'Assay Assured' which provides an assurance scheme for the industry to promote hallmarking. The latter is supported by all four assay offices and aligned with the 'HALO' industry award to recognise excellence in hallmarking promotion online.

The International Hallmarking Convention (IHC) has adopted new guidelines for offsite hallmarking. The BHC has ensured the U.K.'s rules are harmonised with those of convention countries in order to promote international trade on equal terms. The Council has reviewed assay office supervision to ensure that a number of parallel supervision requirements including those applied by the IHC and the King's Assay Master are coordinated with our own oversight responsibilities to ensure the minimum of overlap and a level playing field for the assay offices in terms of international trade.

In line with the BHC's need to work efficiently, most committee meetings continue to be held virtually, as an economical and environmentally sustainable way of conducting the business of the Council.

I am indebted to the members of the Council who give their time and considerable expertise freely to deliver our objectives. We are fortunate that we continue to benefit from members of the highest calibre. This year we have said farewell to Joanna Hardy, Rachel Holloway, and Patrick Fuller and have welcomed Sally Leonard, Kerry Gregory and Frederick Toye.

We have also welcomed our new Secretary, Louise Chambers, who brings extensive experience of public bodies to her role which has already proved invaluable.

Following recommendations from the last Partner Organisation Review in 2023, DBT have announced a light-touch review of the Council's governance and appointments, noting that regulations within the Hallmarking Act are now over 50 years old and due for modernisation. We look forward to working with the review team.

Noel Hunter OBE
Chair

Performance Report

The British Hallmarking Council (BHC) is a small organisation that is funded by the four assay offices to regulate the hallmarking of precious metals in the UK. The BHC does not have a chief executive: these functions are carried out by the Chair of Council as Accounting Officer with support from the Secretary.

We work closely with our principal stakeholders: the Birmingham, Edinburgh, London and Sheffield Assay Offices; our industry and trade partners such as the National Association of Jewellers and Chartered Trading Standards Institute; with Trading Standards Primary Authorities and local enforcement teams; and provide a service to UK consumers for referring and responding to concerns regarding the sale and purchase of non-compliant precious metal jewellery.

The statutory functions of the Council as set out in the Act 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 Hallmarking Act 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 Hallmarking Act 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 authorized;

- 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.

Annual strategic and operational priorities

The Council's annual strategic and operational objectives are set through a combination of objectives set down by the Minister for Employment, Competition and Markets and additional measures agreed by Council. The six priorities for 2024 were:

Priority 1: Enterprise and Growth

To ensure the Council has regard to the desirability of promoting economic growth in the precious metals sector in line with its statutory duties, including the delivery of protections set out in the Hallmarking Act. To support the expansion and reach of UK hallmarks applied to jewellery and precious metal objects for sale in the UK into the rest of the world by ensuring compatibility with International Hallmarking Convention (IHC) rules.

Priority 2: To improve the regulation of precious metals marketed online

To successfully conduct the HALO Award, fostering hallmarking compliance both within individual businesses and across the industry. We will also pursue our collaborative endeavours with Trading Standards Primary Authorities associated with major online retail platforms, with the goal of bolstering adherence to hallmarking legislation.

Priority 3: Trading Standards support

To enhance competency and risk-based enforcement of hallmarking by continuing to run the Touchstone Award for Trading Standards in 2024.

Priority 4: Operational integrity (of assay offices)

To complete the programme of five-yearly revalidations of sub-offices by auditing the Birmingham Assay Office sub-office at Curteis.

Priority 5: Technical consistency (of hallmarking)

To continue to work with the Applications Committee on the application of current IHC work to the UK and recommendations to the Council. To keep the shared register of hallmarking decisions under review. To maintain the schedule of potential amendments to the HMA.

Priority 6: Governance and administration

Working with the National Audit Office to issue the 2024 Annual Report and Accounts in required timescales. To successfully complete the Partner Organisation Review. To recruit a new Secretary by April 2024.

Performance measures and analysis

The Council's performance measures and an analysis of progress are summarised below.

Measure	Fully met	Partially met	Not met	Ongoing
Priority 1: Enterprise and growth				
Promoting sector growth through promotion of the online Dealer's Notice				✓
Running the Touchstone Award to promote the protection of legitimate businesses	✓			
To review changes in guidance from the International Hallmarking Convention				✓
Priority 2: Improving the regulation of precious metals marketed online				
To run the HALO Award	✓			
To support the Assay Assured initiative by the four UK assay offices				✓
To engage with the Primary Authorities of digital marketplaces to improve compliance with the HMA				✓
To support the work of hallmarking compliance projects and utilise the insights to inform future strategy				✓
To commission an industry market study	✓			
Priority 3: Trading Standards support				
To run the Touchstone Award	✓			
Priority 4: Operational integrity (of assay offices)				
To complete sub-office revalidations	✓			
To implement new protocol for sub-office applications (if received)	✓			
To monitor and implement changes to IHC guidance relevant to UK hallmarking				✓
To oversee the annual assay office assurance inspection protocol by the Kings Assay Master	✓			

Priority 5: Technical consistency (of hallmarking)				
To monitor and review changes to IHC guidance on sub-offices relevant to UK hallmarking				✓
To support the ongoing maintenance by assay offices of a shared wiki on hallmarking decisions				✓
To create a schedule of items for updating in the HMA			✓	
Priority 6:				
To complete the annual report and accounts process to schedule			✓	
To complete the Partner Organisation Review	✓			
To recruit and induct a new Council Secretary	✓			

The majority of our performance measures have either been fully met or are ongoing in 2025:

6	•No. of strategic/operational priorities
19	•No. of summarised performance measures
47	•% of measures fully met
0	•% of measures partially met
11	•% of measures not met
42	•% of measures ongoing

Key achievements included:

- delivery of the industry market study “The UK Jewellery Industry: profile of the manufacture, wholesale and retail sectors” which reported that UK businesses employ some 58,100 people and generate annual revenues of £9.44bn (0.42% of GDP) of which around £6.97bn relates to precious metal jewellery
- completion of the five-yearly revalidation of assay office sub-offices
- the successful introduction of the updated assay office inspection protocol by the Assay masters and King’s Assay Master
- ongoing engagement with other regulatory bodies and government colleagues to raise the profile of hallmarking and to address the failure of digital marketplaces in complying with the HMA
- successfully delivering the Touchstone Award. The award winners Hull Trading Standards demonstrated impressive enforcement action that had uncovered a serious hallmarking fraud case in excess of £400,000 which resulted in a referral to the Crown Prosecution Service
- completing the Partner Organisation Review
- recruiting a new Secretary

Key challenges:

- approval of the budget. Budget approval was delayed in 2024 due to negotiations over the level of audit fee with the NAO
- approval of the business plan. The business plan was not approved until December due to an internal request for legal clarification on the extent of the Council's responsibilities under the Growth Duty. As a result of the delay the lack of a business plan was placed on the OPSS risk register, given this is a requirement under our Framework Document. We are grateful to our DBT sponsor team for clarifying that the Growth Duty does apply to the BHC.
- laying of the annual report and accounts. As a result of the above delays the annual report and accounts was not laid until October.
- delivering the HALO Award. Due to the election period purdah the Council was unable to directly advertise or promote the HALO Award. This had a significant negative impact upon applications and a decision was taken not to make an award in 2024. Council has subsequently agreed that the running of the award will be undertaken by the combined assay offices from 2025 onwards to reduce the administrative burden and costs on the BHC.

Other key activities

- **Enforcement action regarding an unapproved new assay office**

During 2024 the Council became aware of the opening of a new unapproved assay office in possible contravention of the HMA. Action to address this was led by the Chair working in conjunction with the chair of the Education and Enforcement Committee, following referral by the assay offices. The case was referred to Trading Standards, all hallmarking activities ceased and an informal warning was issued. As a result of this case Council will be creating new protocols and procedures in conjunction with the assay offices.

- **Approval of two new sub-offices**

The Applications Committee received two applications for new sub-offices:

- Edinburgh Assay Office: Ferrari Group, Heathrow
- Sheffield Assay Office: Brown & Newirth/Allied Gold, Hatfield

These were approved by Council in October. A small number of public queries were received following approval (and marketing) of the new sub-offices, due to perceived concerns that 'in-house' assay facilities had created an uneven marketplace. Council responded to the queries by setting out its responsibilities under the HMA (to ensure the adequacy of hallmarking provision) and confirming that any manufacturer could apply to an assay office for a sub-office on its premises.

- **Approving changes to the Dealer's Notice**

The Education and Enforcement Committee agreed to pilot a new version of the Dealer's Notice for the jewellery retailer Pandora, with the view to increasing compliance in displaying the Dealer's Notice in their stores and improving consumer education. Full roll out of the pilot did not progress as expected due to Pandora's commercial deadlines. However the committee and the Technical Committee continue to engage on this and will review plans for 2025.

Managing risk

The risk landscape

The UK Jewellery industry (manufacture, wholesale, and retail sectors) is important to the UK economy. It generates annual revenues that contribute 0.42% of GDP (£9.44bn) of which c.£6.97bn relates to precious metals. Almost 7000 business employ in the region of 58,000 people.

The impact of COVID-19 and the application of full custom checks on UK exports by EU countries (since 2021) following Brexit has had a significant negative impact on industry performance. Recovery is being hampered by inflationary pressures due to increased costs of living, and the boom in unregulated online sales from supply chains outside of the UK, resulting in a year-on-year fall in hallmarking sales figures that is now of critical concern for the ongoing financial viability of the BHC.

The Council has engaged with other regulators and teams across DBT to address the non-compliance of digital marketplaces with the HMA and to investigate the powers open to it to take enforcement action. However, it is clear that only strong and coordinated action from government will be sufficient to tackle this problem.

The Council continues to engage closely with Primary Authorities and the Trading Standards communities to enforce non-compliance with the HMA. However with cuts to trading standards of more than 50% in the past decade and a decline in staffing numbers of 30-50%, the challenge of ensuring hallmarking is an agenda priority is significant in the face of other trading standards priorities such as unsafe building materials and e-bike battery safety.

The risk register

The Council seeks to manage its risks in a manner proportionate to its size. A risk register is maintained and reviewed by Council on at least an annual basis.

Key risks

ISSUE MITIGATION

Financial viability and resilience	<ul style="list-style-type: none"> •Approval of the budget prior to current year end •Efficiency savings by reducing face to face meetings from two to one per year, with meetings only taking place in England.
Failure of governance	<ul style="list-style-type: none"> •OPSS review of governance following recommendations in the Triennial Partner Organisation Review
Lack of Council member time/resource	<ul style="list-style-type: none"> •Succession plan to ensure all member vacancies are filled
Loss of data including cyber attack	<ul style="list-style-type: none"> •Provision of corporate IT hardware and systems for the Secretary via the Edinburgh Assay Office
IT/computer failure	<ul style="list-style-type: none"> •Provision of corporate IT hardware and systems for the Secretary via the Edinburgh Assay Office

Overview of risk register areas and assessment

No	Functions and purpose	RAG	Owner
1	Adequacy of national facilities for UK hallmarking i.e the closure of >2 assay offices would result in a national failure to meet the demand for hallmarking services		Council/ Applications Committee
2	Failure to regulate the adequacy of hallmarking / failure to supervise the assay offices i.e ensuring the operational integrity and technical consistency of hallmarking by assay offices; fixing the price maxima for hallmarking		Council/ Applications Committee
3	Hallmarking enforcement i.e. supporting and promoting the work of Trading Standards in enforcing compliance with hallmarking laws		BHC Chair/Council/E&E Committee
4	Hallmarking education i.e. educating and informing the trade, trading standards and consumers about the importance of the UK hallmark for precious metals		BHC Chair/ Council/E&E Committee
5	International / trade with other countries		Council

No	Functions and purpose	RAG	Owner
	i.e. monitoring updates from the International Hallmarking Convention, contributing to debates and discussions via the assay offices and OPSS		
	Governance		
6	Failure of governance i.e ensuring the Council only acts under its statutory powers in the Hallmarking Act and has the available resources to seek legal advice from its lawyers when required		BHC Chair/Council/Secretary
7	Non-compliance with non-statutory guidelines and regulations for NDPBs		BHC Chair/Secretary
8	Lack of council members' time and/or lack of resources leads to failure to meet objectives / react to changes in the operating environment / react to changes in government policy / failure to take strategic decisions		Council
9	Loss of one or more Secretary of State appointed member[s] of the Council i.e. ensuring the membership retains a balanced range of expertise and interest to advise the Council		BHC Chair/Secretary
10	Failure to recruit SoS members of the right calibre with the relevant specialist knowledge and experience		BHC Chair
11	Loss of one or more assay office members i.e. the appointment of assay office members is the responsibility of individual assay offices not the Council		Council
	Operational		
12	Misappropriation of Funds i.e. management over-ride of controls		Secretary
13	Loss or misuse of documentation or information or data (including cyber-attack)		Secretary
14	IT/computer failure i.e. provision is currently provided by the Secretary's personal equipment		Secretary
15	Unforeseen external events lead to failure to meet objectives		BHC Chair/ Secretary
16	Loss of an officer (Chair or Secretary)		Council
17	Failure to comply with the law e.g. GDPR, Freedom of Information and potential legal sanctions		BHC Chair/ Secretary

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, and now considers potential emerging risks at all Council meetings and briefings.

Signed

Noel Hunter

Chair and Accounting Officer

Date 29.05.2025

Accountability Report

Statement of Accounting Officer's Responsibilities

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 for each financial year a statement of accounts 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 state of affairs of the British Hallmarking Council and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is 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 the 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;
- prepare the financial statements on a going-concern basis; and, unless it is inappropriate to do so.
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the former Department for Business, Energy & Industrial Strategy (BEIS) (now succeeded by the DBT) designated the Chair of the Council, Noel Hunter, as Accounting Officer of the British Hallmarking Council with effect from 7 April 2017. The declarations in this document are made by Noel Hunter, as Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the British Hallmarking Council's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the British Hallmarking Council's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance statement

As Accounting Officer I have responsibility for maintaining a sound system of governance 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.

The Governance Statement, for which I am personally responsible, sets out how I have discharged my responsibility to manage and control the BHC's resources during the year. It also sets out the governance framework and control structure of the BHC, its stewardship and corporate governance, and the framework in place to evaluate the effectiveness of the risk management process.

Corporate Governance

Framework agreement

The Framework Document between the Department for Business and Trade (DBT) and the British Hallmarking Council (BHC) sets out the overall governance framework and the formal operating relationship.

Governance model

The Council is an Executive Non-Departmental Public Body established and governed by the Hallmarking Act and sponsored by the Office for Product and Safety Standards (OPSS) in DBT.

The Act sets out the constitution of the Council in schedule 4. It confirms that Council should consist of between 16-19 members (sch 4, 13:1); that it elects a Chair from within its members (sch 4 9:1) and that it appoints a secretary and other officers as is determined necessary (sch. 4:21).

The Council operates in effect as the governing board of the British Hallmarking Council and as the Chair I fulfill the minimal executive functions normally undertaken by a chief executive, in my role as Accounting Officer.

Risk management

The Council has in place a system of internal control, proportionate to its size. It 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 realized; and to manage them efficiently, effectively and economically.

The following arrangements demonstrate the Council's capacity to handle the risks to its operations:

1. 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. Interim briefings between the two main meetings assist with keeping Council members up to date. Representatives from the assay offices regularly attend Council meetings.
2. As Chair and Accounting Officer, I monitor Council-related matters and appraise Council members accordingly. I also liaise regularly with the assay offices to keep up to date with issues relevant to hallmarking.
3. 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.
4. The annual budget is approved by the Council. Arch Law 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 Louise Chambers were supported by a breakdown of time spent and were approved by me.
5. 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.
6. 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.
7. 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.
8. The Council has one staff member and no 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 & Accounting Officer and Secretary and are made to known contacts. Payments made to Shakespeare Martineau LLP and subsequently Arch Law from January 2024 are, as already indicated, supported by detailed narratives and approved by me. Statements of Time Spent for Secretariat services from Louise Chambers are supported by a breakdown of time spent and are approved by myself and one other Council member.

Council (Board) Report

The Council met twice formally in 2024 and twice informally for briefing meetings. In addition, Council made decisions out of committee as required in order to progress business decisions.

Key responsibilities

- **to establish the strategic priorities of the BHC within the policy framework agreed with the responsible government minister**
- **to review the BHC's corporate objectives, goals and performance against these**
- **approve the annual report and accounts, budget and business plan**
- **review corporate risks**
- **to agree the annual price maxima of hallmarking**
- **review the King's Assay Master annual inspection reports of assay offices**
- **review and approve proposals for the opening of new assay sub-offices**
- **ensuring that high standards of corporate governance are observed at all times**

In addition to routine business and updates, issues covered by the Council throughout the year included:

- the un-authorised opening of a new assay office and resulting enforcement referral
- the creation of a new version of the Dealer's Notice for single-brand retailers

Council membership

As per the requirements of the HMA the Council is made up of 16 – 19 members:

- 4 members have experience in the trade or manufacture of articles of precious metal and are appointed by the Secretary of State;
- 3 members have experience in consumer protection and are appointed by the Secretary of State;
- 3 members have expertise independent of hallmarking and consumer protection (for example in governance) and are appointed by the Secretary of State;
- 6 members are appointed by and from the four assay offices;
- 2 members are co-opted by the Council.

The Council was holding three vacancies for Secretary of State appointees during 2024. This was remedied by the 2024 DBT recruitment campaign which resulted in the appointment of three new trade members from 1 January 2025. At no time did the Council fall below its minimum number of members as required by the HMA.

The appointment of Secretary of State members follows good practice guidance in relation to the appointment of non-executive members to public boards, including regarding term length.

Council is aware that the appointment of members by assay offices does not currently follow the same practice. Assay office members have historically not received appointment letters with terms and conditions or confirmed term lengths. Council is aware of the need to modernise assay office appointments in 2025 ahead of the review by DBT.

Overview of Secretary of State appointed members 2024

Name	Appointment category	Experience	Start date	End date
Noel Hunter	Council-elected Chair	Consumer protection	01.04.2017	06.04.2026
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. He is Chair of the Consumer Code for Home Builders and immediate past Chair of the Myton Hospices. He is an independent member of the Disciplinary Tribunal for Propertymark. He took over the role of BHC Chair from 7 April 2017. At a Special Council Meeting on 22 September 2022 the Council resolved to reappoint Noel as Chair for a further term of 3 years with effect from 7 April 2023.				
Fakir Osman	Secretary of State member	Consumer protection	01.01.2023	31.12.2025
Fakir Osman is Head of Trading Standards for the Heart of the South West, a Trading Standards Practitioner and Fellow of the Chartered Trading Standards Institute. His interests are particularly in the hallmarking of Asian jewellery.				
Gay Penfold	Secretary of State member	Trade	01.01.2020	31.12.2025
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	Secretary of State member	Independent	01.01.2019	31.12.2026
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.				
Vanessa Sharp	Secretary of State member	Independent	01.01.2019	31.12.2027
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, and audit 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.				
Kenneth Daly	Secretary of State member	Consumer protection	01.01.2019	31.12.2025
Ken Daly is the Trading Standards National Coordinator for Scotland, employed by SCOTSS, a charitable organisation of Scottish Chief Officers. He is a former Head of Trading Standards in the City of Dundee, and a Fellow of the Chartered Trading Standards Institute.				
Sarah Langley	Secretary of State member	Consumer protection	01.01.2022	31.12.2027

Name	Appointment category	Experience	Start date	End date
Sarah Langley is a Chartered Trading Standards Practitioner. Sarah is currently Managing Director of Consumer Code for New Homes. A Chartered Trading Standards Institute approved Code in the new build sector.				
Rachel Holloway	Secretary of State member	Independent	01.01.2022	31.12.2024
Rachel Holloway is the CEO of Partners for Reform and specialises in the management of change, the improvement of governance and training. She holds membership of the Chartered Management Institute and the Association of Coaching. Rachel has worked in senior roles both internationally for the Organisation for Economic Cooperation and Development, for the UK civil service and a Trade Association.				
Joanna Hardy	Secretary of State member	Industry	01.01.2020	31.12.2024
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.				
Patrick Fuller	Secretary of State member	Industry	01.01.2019	31.12.2024
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.				

Overview of assay office appointed members 2024

Tom Franks
Tom Franks was appointed as Chairman of the Goldsmiths' Company Assay Office Management Board with effect from 18 July 2023.
Simon Meddings
Simon Meddings is Chairman of the Birmingham Assay Office. He is Head of StoneX Metals, a global financial services trading network for precious metals.
Gary Wroe
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.
Charles Turner
Charles Turner DL is Chairman of the Sheffield Assay Office. He 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.
Tom Murray
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.
Annie Warburton
Annie Warburton is Clerk and CEO of the Goldsmiths' Company, London. She has more than 20 years' experience in creative industry organisations spanning the private, public and charity sectors.

Kate Canty

Kate Canty is a former solicitor specializing in commercial property law. She is a Warden of the Birmingham Assay Office and is the Clerk to the Lord-Lieutenant of the West Midlands.

Co-opted Council members 2024**Matthew Sibley**

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

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

Members who stepped down from Council in 2024

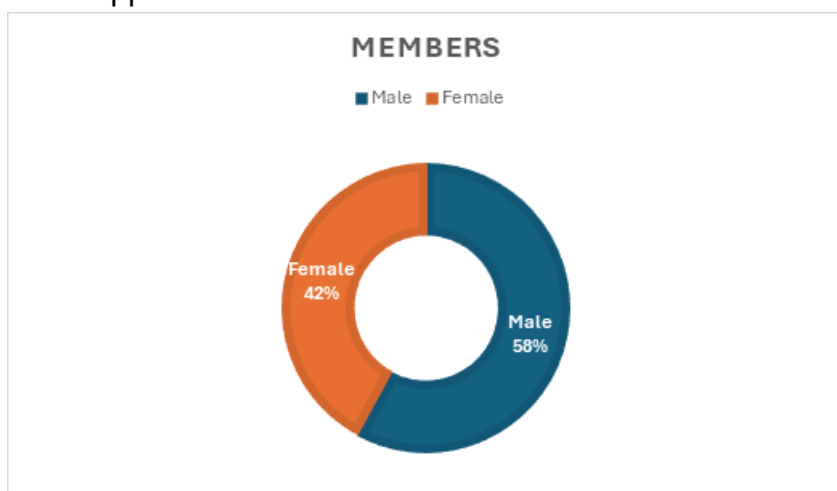
- Joanna Hardy
- Patrick Fuller
- Rachel Holloway
- Gary Wroe (Birmingham Assay Office)
- Tom Murray (Edinburgh Assay Office)

Members who joined Council in 2024 (noting that new members usually start from the 1 January)

- Kate Canty (Birmingham Assay Office)

Gender diversity

Council is comprised of a majority of male members (58%). Female members accounted for 67% of Secretary of State appointed members and 20% of assay office appointed members.

**Compliance with the Corporate Governance Code**

The Council complies with the government Code of Conduct for Board Members of Public Bodies.

Compliance with BHC Governance

The Council complies with the requirements set out in its governance manual, standing orders and financial procedures.

Evaluation of Council performance

This is the second year of operation of the new system of Council member appraisals. All members were assessed by me, either individually or in group sessions, on their strategic contribution to the BHC's objectives and priorities, their individual contributions on committees, working groups or projects, and on compliance with standards for Board Members of Public Bodies insofar as these are consistent with the Hallmarking Act. A key element of the appraisal meetings was the 360 feedback from other members on the effectiveness of the Council.

There was broad approval regarding the effectiveness and direction of the Council but concern about relationships and tensions created by concerns arising from legal challenges about the parameters of Council responsibility (specifically the responsibility for growth). This has led to delays in producing the business plan and resulted in OPSS recording the Council's lack of a business plan on its risk register, as this is an annual requirement in the Framework Document. A compromise has been reached within the Council which should resolve the problem in the future.

External review

Council underwent a Partner Organisation Review in 2023/4, the results of which are not formally available.

Committees of Council

There were five committees and two informal working groups of Council in 2024. In addition, Council gave approval in principle for the creation of a new Strategy & Governance Committee subject to formal ratification in 2025, with the work of the committee initially being undertaken by an informal scoping group.

Applications Committee

Role

The Applications Committee is an advisory committee to Council. Its remit is to consider applications by the assay offices to set up sub-offices or otherwise engage in off-site hallmarking (e.g. on customers' premises or overseas) and to make recommendations accordingly to the Council. It met formally three times and twice informally in 2024.

Key areas of discussion

- Completion of the five-yearly sub-office re-validation process
- Enhancements to the annual Assay Office hallmarking integrity inspection protocol by the Kings' Assay Master
- Two applications for the approval of new sub-offices from the Edinburgh and Sheffield Assay offices
- Mapping of national and international hallmarking assurance processes, as they relate to the Council

Education and Enforcement Committee

Role

The Education & Enforcement (E&E) Committee is an advisory committee to Council. Its remit is to work with Trading Standards, the assay offices and industry to increase hallmarking awareness and enforcement activity; increase consumer understanding; and to deliver the Council's Touchstone Award and develop it for the future. It formally met twice in 2024.

Key areas of discussion

- Approval of a retailer brand-specific Dealer's Notice
- Enforcement action in relation to the opening of an unauthorised Assay Office (the 'Cambria Assay Office')
- 'Operation Stamping it Out': a joint BHC and London Assay Office funded hallmarking education and enforcement initiative
- The Touchstone Award 2024

Technical Committee

Role

The Technical Committee is an advisory committee to Council. Its 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 1973; 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. It met once formally in 2024.

Key areas of discussion

- Impact of new International Hallmarking Convention guidance on UK sub-offices
- Creation of a retailer brand-specific Dealer's Notice
- Development of the Assay Assured scheme

- Enhancements to the annual Assay Office hallmarking integrity inspection protocol by the Kings' Assay Master
- Responses to public queries regarding the hallmarking integrity of online jewellery purchases
- Protocols for the duration of commemorative marks e.g. the coronation mark

Joint Assay Offices Committee

Role

The Joint Assay Offices Committee (JAOC) is an advisory committee to Council. Its remit is to make recommendations to Council regarding the discharge of its statutory powers and duties under the Hallmarking Act. The committee met once during 2024.

Key areas of discussion

- Changes to International Hallmarking Convention regarding off-site marking
- Competition from EU countries
- Digital marketplace compliance with the Hallmarking Act regarding online sales
- Disaster planning to address the impact of possible assay office cyber attacks
- Assay offices performance and budgetary pressures

Remuneration Committee

Role

The Remuneration Committee (RemCo) is an advisory committee to Council. Its remit is to monitor the remuneration of the Chair and Secretary, fees paid to professional advisors and to make recommendations to Council.

RemCo did not meet in 2024 but is expected to meet in 2025 as the current BHC Chair has elected to stand down early, in October 2025.

Strategy and Governance working group

Role

The Strategy and Governance working group is a short-term group pending formal approval of the new Strategy and Governance Committee by Council in 2025, once Terms of Reference are agreed.

Key areas of discussion

- Providing legal clarification of the Council's responsibilities under the Growth Duty
- Updating the Business Plan 2025
- Review of committee standing orders

- **The HALO Award working group**

Role

The HALO Award working group was established to lead the Council's award that recognises jewellers selling online, who have best promoted the importance and reassurance of the UK hallmark to potential customers.

Key areas of discussion

- The HALO Award was not awarded in 2024. This was principally due to the challenges of the Council being unable to advertise during the election purdah period which impacted upon the number and quality of applications received
- Council has agreed for 2025 that responsibility for the running of the award will pass to the assay offices

Remuneration and Staff Report

Chair's honoraria

The Hallmarking Act confirms that the Council "may pay to the chairman of the Council such remuneration and expenses as they see fit" (sch 4, 20). As agreed by the Remuneration Committee in January 2022 I receive an honorarium of £20,000 per annum. I do not have set hours of work, nor a target for total hours of work. Average hours worked range from 1-2 days per week.

Council member's expenses

The Hallmarking Act confirms that it shall pay "to any other of their members, or to any member of a committee appointed by them, travelling, subsistence or other allowances" (sch 4, 20). Council members are not remunerated for their time but are reimbursed for the cost of travel and subsistence in attending meetings of Council.

In addition, members of the Applications Committee are paid £75 per hour for work connected with sub-office applications. These costs are charged to the Council and re-charged to the relevant assay office.

Staff costs

The Hallmarking Act sets out that the Council "shall appoint a secretary and such other officers and servants on such terms as to remuneration, pensions or otherwise as the Council may determine". For 2024 the Council had one employee, the Secretary. The Secretary is employed on a zero-hours contract at a rate of £48.26 per hour including rolled-up holiday pay, in line with legal advice confirming the Secretary should be retained as an employee rather than contractor and Remuneration Committee recommendations. Annual staff costs vary according to workload.

- Staff costs 2023 £50,261 (including an outsourced amount of £8,855 applicable to, and excluding VAT)
- Staff costs 2024 £62,947 (including an outsourced amount of £9,551 applicable to, and excluding VAT)

Secretary pension

The Secretary is eligible to join the government's Nest Pension Scheme and has done so. The previous Secretary (who departed in April 2024) did not join the pension scheme hence £0 costs prior to 2024.

- Pension costs 2023 £0
- Pension costs 2024 £741

Staff policies

The Council has appointed the new Secretary as an employee following legal guidance from the Council's law firm in early 2024. This is the first time a secretary has been appointed as opposed to contracted. The Chair and Secretary are working to adopt DBT HR policies for 2025.

Payroll

The Council operates a payroll for the purposes of paying the Chair/Accounting Officer and Secretary.

Expenditure on consultancy staff

For 2024 the Council had agreed costs with various consultants including Marion Wilson, providing marketing advice in relation to the HALO award, Jemma Cox to undertake a training course for the council members in relation to digital markets, Competition and Consumers Acts and W R Investigations to support Swansea Trading Standards in the inspection of an unapproved possible new assay office in Cambria.

- Consultancy costs 2023 £3,044 plus VAT
- Consultancy costs 2024 £1,830 plus VAT

Off payroll engagements

There were no off-payroll engagements.

Declaration of outside interests

A declaration of interests register is maintained and updated annually.

Macpherson review of quality assurance

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.

Cabinet Office controls

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

Freedom of information (FOI)

The Council conforms to guidance from the Information Commissioner's Office in responding to FOI requests.

Data protection

There were no data protection or data breach issues in the reporting period.

Counter Fraud

There were no fraud issues in the reporting period.

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 2024. The Council will be introducing HR policies to include whistleblowing in the next reporting period.

There have been no incidents analogous to whistleblowing during 2024.

Public queries

The Council receives hallmarking queries directly from members of the public and forwards these to the assay offices for further technical assistance, including test purchases, the testing of precious metal items of jewellery and possible referrals to Trading Standards.

Parliamentary accountability and audit report

Regularity of expenditure

Member payments

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 expense claims to the Secretary for approval and to support those claims with receipts.

Irregular payments

There have been no instances of irregular payments.

Losses and special payments

There have been no losses and special payments, gifts, fees and charges, or remote contingent liabilities that need reporting.

Signed

Noel Hunter

Chair & Accounting Officer

Date: 29.05.2025

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 2024 under the Hallmarking Act 1973.

The financial statements comprise the British Hallmarking Council's:

- Statement of Financial Position as of 31 December 2024;
- 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 of 31 December 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Hallmarking Act 1973, 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 and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 2024*. 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 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 the information included in the Annual Report but does not include the financial statements nor my auditor's certificate. 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.

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 and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Hallmarking Act 1973.

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; and
- the information given in the Performance Report and Accountability Report 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:

- 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
- I have not received all of the information and explanations I require for my audit; 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 and Staff 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 Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the British Hallmarking Council from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Hallmarking Act 1973;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Hallmarking Act 1973; 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 audit, certify and report on the financial statements in accordance with the Hallmarking Act 1973.

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, I:

- considered the nature of the sector, control environment and operational performance including the design of the British Hallmarking Council's accounting policies.
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Hallmarking Council's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of 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 the Hallmarking Act 1973 and Managing Public Money;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with 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, bias in management estimates 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.

I obtained an understanding of the British Hallmarking Council's framework of authority and other legal and regulatory frameworks in which the British Hallmarking Council operates. I focused 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, Managing Public Money and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;

- I enquired of management, concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I communicated relevant identified laws and regulations and potential risks of fraud 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 expenditure and income 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.

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 I identify during my audit.

REPORT

I have no observations to make on these financial statements.

Gareth Davies

Date 3 June 2025

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road Victoria

London SW1W 9SP

Annual Accounts

STATEMENT OF COMPREHENSIVE NET EXPENDITURE			
For the year ended 31 December 2024			
	Note	2024 £	2023 £
Income			
Income on Activities	7	112,270	100,065
Expenditure			
Operating Expenditure	8	(112,650)	(100,404)
Net operating expenditure		(380)	(339)
Interest receivable		380	339
Net expenditure for the year		-	-

The notes on pages 35-41 form part of these accounts.

STATEMENT OF FINANCIAL POSITION			
for the year ended 31 December 2024			
	Note	2024	2023
Current assets:		£	£
Trade and other receivables	9	15,273	7,325
Cash and cash equivalents	10	22,341	37,124
Total current assets		37,614	44,449
Current liabilities:			
Trade and other payables	11	37,614	44,449
Total current liabilities		37,614	44,449
Assets less liabilities		-	-
Reserves		-	-

The notes on pages 35-41 form part of these accounts.

The financial statements on pages 32-34 were approved by the council on 29th April 2025 and were signed on its behalf by the Chair.

Signed

Noel Hunter

Chair and Accounting Officer

Date 29.05.2025

Statement of Changes in Taxpayers' Equity

	2024	2023
	£	£
Balance at 1 January	-	-
Net expenditure	-	-
Balance at 31 December	-	-

STATEMENT OF CASH FLOWS		2024	2023
for the year ended 31 December 2024		£	£
Cash flows from operating activities	Note		
Net operating cost		-	-
(Increase) / Decrease in trade and other receivables	9	(7,948)	1,885
Increase / (Decrease) in trade and other payables	11	(6,835)	(4,886)
Net cash inflow /(outflow) from operating activities		(14,783)	(3,001)
Net increase/(decrease) in cash and cash equivalents in the period		(14,783)	(3,001)
Cash and cash equivalents at the beginning of the period	10	37,124	40,125
Cash and cash equivalents at the end of the period	10	22,341	37,124

The notes on pages 35-41 form part of these accounts.

Notes to the financial accounts

General information

The British Hallmarking Council is an arm's length body of government.

Its registered address is 60 Gracechurch Street, London, EC3V 0HR.

Its bankers are Lloyds TSB Bank Plc, 125 Colmore Row, Birmingham, B3 3AD.

Its accountants up until the 31 December 2024 were Shakespeare Martineau LLP, 1 Colmore Square, Birmingham, B4 6AA. From the 1 January 2025 they moved to Arch Law, 55 Colmore Row, Birmingham, B3 2AA.

Its solicitors are Shakespeare Martineau LLP, 1 Colmore Square, Birmingham, B4 6AA.

1. Going concern

The British Hallmarking Council was founded by the Hallmarking Act 1973 (HMA). The HMA requires the assay offices to cover the Council's expenses from contributions that are proportionate to their gross revenues from assaying and hallmarking.

As previously referenced, the government announced on the 17 March 2025 that a full review of the BHC would take place as part of its new approach to regulatory reform. Outcomes of the review may include reform, merger or abolishment of the British Hallmarking Council and are expected to be known during the summer of 2025. As the outcome of the review is currently unknown and the HMA legislation remains in force- with the BHC's functions and services being provided on a continual basis and its expenses met by the assay offices- the going concern basis has accordingly been adopted.

In order to complete the going concern assessment, the following areas were reviewed: (a) The Council's current financial position; (b) The Council's projected financial position; (c) The Council's balance sheet; (d) The Council's agreed budget and (e) The Council's governance arrangements. The Council annually reviews the number of precious metal items hallmarked by each assay office in lieu of any legal entitlement to request full assay office accounts.

The Chairman, Secretary and Reporting Accountant expect to reach an agreement with the assay offices on the funding of the 2026 budget in line with the legislative funding requirements of the HMA.

2. 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). This was

set out in 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.

2.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2023/24 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.

2.2 Account Convention

These accounts have been prepared under the historical cost convention.

3. 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 receives a small income from a non-Assay Office in relation to a contribution to the Touchstone Award, which takes place annually.

Revenue is recognised when the Council sets its budget for the forthcoming year and the Council receives 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 in twelve monthly instalments as agreed with the Assay offices the Council has agreed to invoice monthly, with 30 days terms attached.

4. 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 payables, or receivables within the statement of financial position.

5. Financial Instruments

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.

The Council has a very low credit risk as all committed expenditure is paid by the assay offices and there is no expected credit loss to recognise as at 31 December 2024.

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.

6. Staff numbers and related costs

There was one member of staff employed by the Council during 2024 (2023: Nil) (see Remuneration and Staff Report on page 22). Under the Hallmarking Act 1973 Schedule 4 paragraphs 20 and 21 the BHC may pay the Chair & Accounting Officer and Secretary such remuneration as they see fit. Pension payments are now made on behalf of the Secretary.

7. Income

Income is analysed as follows:-	2024	2023
	£	£
Contributions from Assay offices:-		
Birmingham	24,642	21,916
Edinburgh	33,958	31,289
London	31,096	27,459
Sheffield	20,574	18,401

Contributions from National Association of Jewellers:-		
Touchstone Award ¹	1,000	1,000
HALO Award ²	1,000	-
	112,270	100,065

¹The contribution shown from the National Association of Jewellers in relation to the Touchstone Award for Trading Standards, which occurs annually. 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.

²The contribution shown from the National Association of Jewellers in relation to the HALO Award, recognising excellence in hallmarking awareness and learning online, which occurs annually. This award recognises creative ways to educate and inform consumers about hallmarking.

8. Operating Expenditure

	2024	2023
	£	£
Chair & Accounting Officer's remuneration & Employer NIC	21,505	21,505
Chair & Accounting Officer's expenses	2,274	2,190
Council members' expenses	2,455	4,211
Audit fee	7,500	6,000
Legal and Secretarial costs and expenses	62,947	50,261
HALO awards & marketing	1,866	1,680
Other professional charges	6,669	6,655
Other expenses	7,434	7,902
	112,650	100,404

9. Trade Receivables and Other Current Assets

	2024	2023
	£	£
Amounts falling due within one year:		
Trade receivables	14,687	6,338
Prepayments	586	987
	15,273	7,325

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.

As at 31 December 2024, 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 2024 have been settled in full.

10. Cash And Cash Equivalents

	2024	2023
	£	£
Balance at 1 January	37,124	40,125
Net change in cash and cash equivalent balances	(14,783)	(3,001)
Balance at 31 December	22,341	37,124
The following balances at 31 December were held at Lloyds Bank Plc	22,341	37,124

11. Trade Payables and Other Current Liabilities

	2024	2023
	£	£
Amounts falling due within one year:		
Trade payables	21,672	30,335
Other payables	10,080	9,096
VAT, other taxation and social security	5,862	5,018
	37,614	44,449

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 £21,672 trade payables, the amount due to be credited back to the Assay offices is £20,982 (2023: £30,335).

12. Related party transactions

The BHC is a non-departmental public body (NDPB) sponsored by DBT, which is regarded as a related party. During the year neither the BHC nor any other related party has had material transactions with DBT.

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 7.

13. Hallmarking financial context

The Council fixes the maximum charges which may be made for assaying and hallmarking. These remained unchanged during 2024 and are shown in appendices 1-3.

14. Events after the reporting period

The Council's budget for 2025 was not approved during the first three months of 2025. Assay offices have experienced a year-on-year reduction in the volume of hallmarking at a time when the Council's corporate costs have increased: due to the full recovery of NAO fees, the appointment of the Secretary as an employee (including costs to provide sick pay and rolled-up holiday pay) and the corporate provision of IT equipment for the Secretary. Assay offices requested a reduction in the Council's overall expenditure. The Birmingham and Sheffield Assay Offices

declined to pay their invoices in full until the budget was approved. The budget was approved by Council at a full meeting in April 2025. As the Council retains a financial buffer this difficult situation has not impacted on credit rating or cashflow in this short period.

The government announced on the 17 March 2025 that a full review of the BHC would take place as part of its new approach to regulatory reform. Outcomes of the review may include reform, merger or abolishment of the British Hallmarking Council and are expected to be known during the summer of 2025.

The Accounting Office authorised these Accounts for issue on the day they were certified.

Appendices (not subject to audit)

Appendix 1 – Assaying and Hallmarking Maximum Charges 2024

Appendix 2 – Number of Articles Dealt with by Assay Offices 2022 – 2024

Appendix 3 – Convention on the Control and Marking of Articles of Precious Metal 2024

Appendix 1- Assaying and hallmarking maximum charges 2024

The following charges are the maximum charges fixed by the BHC 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 hour service”, are subject to individual Assay Office’s charges.

Appendix 2 – No. of articles dealt with by assay offices 2022 – 2024

QUARTER	ALL ARTICLES - 1000 UNITS			GOLD ARTICLES - 1000 UNITS			SILVER ARTICLES - 1000 UNITS			PLATINUM ARTICLES – SINGLE UNITS			PALLADIUM ARTICLES – SINGLE UNITS		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
FIRST	1,715	1,783	2,600	758	770	1,005	876	927	1,502	79,485	85,136	92,381	1,794	1,032	601
SECOND	1,664	1,752	2,273	774	775	916	801	888	1,253	88,391	87,938	102,009	800	887	1,542
THIRD	2,056	2,282	2,612	892	932	1,058	1,072	1,257	1,451	91,721	92,401	102,544	277	1,087	1,085
FOURTH	2,321	2,201	2,263	1,034	1,038	1,034	1,192	1,073	1,139	94,060	89,268	89,330	193	1,063	710
TOTAL	7,757	8,018	9,748	3,458	3,515	4,013	3,942	4,145	5,345	353,657	354,743	386,264	3,064	4,069	3,938

PERCENTAGE FIGURE FOR THE ABOVE 2024 TOTALS FOR EACH ASSAY OFFICE

OFFICE	ALL ARTICLES % 2024	GOLD ARTICLES % 2024	SILVER ARTICLES % 2024	PLATINUM ARTICLES % 2024	PALLADIUM ARTICLES % 2024
London	23	31	15	32.6	10.1
Birmingham	25	30	20	40.7	22.6
Sheffield	20	30	13	20.9	61.4
Edinburgh	31	10	53	5.9	5.9

Appendix 3 – Convention on the control and marking of articles of precious metal, UK total 2024.

	<i>GOLD</i>	<i>SILVER</i>	<i>PLATINUM</i>	<i>PALLADIUM</i>	<i>TOTALS</i>
London	520923	358155	42947	63	922088
Birmingham	285475	242882	57584	81	586022
Sheffield	672117	317887	40332	6391	1036727
Edinburgh	151319	242869	12180	32	406400
TOTAL	1629834	1161793	153043	6567	2951237

ISBN 978-1-5286-5789-1
E03375820