ASSAY OFFICE REPORT

By Dr Robert Organ



Candice Devine signing the Apprentice Register Sophia Tobin

Activity

The decline in articles sent for hallmarking continued into 2011. For all UK offices, the total number of articles hallmarked fell from 14,926,518 in 2010 to 10,861,906 in 2011, a drop of 27.2%. Gold input fell by 24.5%, while silver fell by 29.6%. London fared slightly better than the other UK offices, with the total number of articles hallmarked falling from 2,887,892 in 2010 to 2,444,835 in 2011, a drop of 15.3%. The relatively better performance, albeit in a falling market, pushed market share up to a peak of 27% in some months, the highest level for a decade. The financial impact of the downturn in article throughput was, however, tempered with generation of additional income from assaying and smelting services required by

companies who buy scrap gold. Diversification into such related activities will be a key activity in 2012.

The two sub-offices continued to go from strength to strength. The Heathrow Sub-Office hallmarked 905,533 articles in 2011. For two months during the year, it became the largest of the three operating sites in terms of articles hallmarked. At Greville Street, 145,434 articles were hallmarked and in December it celebrated its fifth year of operation. Champagne, specially designed cup-cakes, and a rare appearance of Andy Waker on the public side of the counter to greet people marked the occasion.

Investment in technology continued in 2011 with the purchase of a state-of-the-art laser for making punches. This new laser has allowed the Assay Office Engineering Workshop to produce the most detailed 0.3 mm panel height punches available on the market today. A new MS text messaging service indicating that hallmarking packets were ready for collection was introduced in 2011 and this has proved popular with customers.

The Assay Office continued to organise a range of events including Fakes and Forgeries Seminars, Hallmarking Information Days and Training Days for Trading Standards Authorities. It participated in the NAG Annual Valuation Conference, the Trading Standards Institute Annual Conference, International Jewellery London and many other smaller events. The launch of the Diamond Jubilee Mark took place at Goldsmiths' Hall, attended by HRH Princess Michael of Kent. It is hoped that this mark, and activity generated by the Olympic Games, will give a much needed boost to the trade in 2012.

Major triennial audits of the Assay Office were carried out by UKAS and ISOQAR with the result that the Assay Office retained its accreditation to international standard ISO 17025:2005 and its certification to ISO 9001:2008.

Antique Plate Committee

A total of 69 pieces were examined by the Company funded Antique Plate Committee, of which 17 conformed to the Hallmarking Act. The remainder comprised 15 with alterations and additions, 7 with transposed marks, 14 with counterfeit marks, all of which were within the Committee's jurisdiction.

Suspected Offences

A total of 14 suspected offences against the Hallmarking Act were reported to the Office by Local Authority Trading Standards Officers, which resulted in one prosecution.

Standards Committees

The Assay Office hosted a meeting of Technical Committee TC 174 at Goldsmiths' Hall where further work was carried out to update the many ISO standards relating to the testing of precious metal jewellery.

International Convention on Hallmarks and International Association of Assay Offices

The Hallmarking Convention technical annexes were modified so that a separate fineness mark could be omitted if its application was likely to cause damage or there was insufficient room for its application. The Common Control Mark must still be applied. Other changes were made to allow smaller Common Control Marks to be applied. Italy is aiming to accede to the Hallmarking Convention in 2012 and India, which already operates over 60 assay offices, also stated its intention to join.

Over the last 12 months, no new Assay Offices signed the Memorandum of Understanding for The International Association of Assay Offices (IAAO).

Changes to the Hallmarking Act

Current hallmarking legislative arrangements were drawn into a review as part under the Government 'Red Tape Challenge'. The review was conducted by inviting responses through a Government website. Retention of the current legislation received an overwhelmingly positive response, especially from the major trade organisations. The Government respected the high esteem in which hallmarking was held and confirmed that no changes would be made.

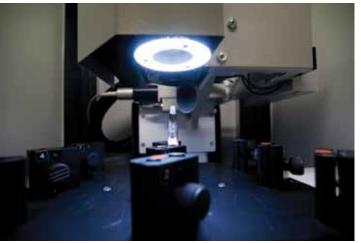
It is expected that the Legislative Reform Order (LRO) to permit off-shore hallmarking by UK Assay Offices will be completed in the first half of 2012.

Staff

Robert Grant, Robert Hinson and Yvonne Trotman received their freedom.

David Merry completed 40 years of service. His enthusiasm and commitment is as strong now as ever, providing considerable inspiration for younger members of staff. It was

entirely appropriate that he should become the Master for a new apprentice, Candice Devine, who follows Robert Grant and Robert Hinson who both successfully completed their apprenticeships in the summer. David's influence unfortunately did not extend to Robert Grant's choice of 'hoodie' which remains a constant source of mirth and (deserved) derision.



The new engraving laser machine for punchmaking Julia Skupny



Samantha Love at the launch of the Diamond Jubilee mark Julia Skupny