The Farriers Registration Council

Regulating the Profession of Farriery

Annual Report 2019

Established under the
Farriers (Registration) Act 1975

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The Farriers Registration Council (FRC) is a corporate body established under the Farriers (Registration) Act 1975.

FRC Vision

Prevention and avoidance of suffering by equines through ensuring that equine owners are able to access the equine hoof-care that best meets their needs in a timely and assured manner; this care will be delivered only by those capable and qualified to do so.

FRC Mission

The FRC will deliver:

- Registration of British Farriers seeking to practice farriery in GB.
- Registration of Overseas Farriers seeking to practice farriery in GB.
- Approval of courses, qualifications and institutions pertaining to the practice of farriery in GB.
- Supervision of approved institutions and examinations pertaining to the practice of farriery in GB.
- Preliminary Investigation of cases where a person is liable to have his or her name erased from the register.
- Consideration and determination of disciplinary cases.

In order to provide regulation and assurance to equines, to equine owners and to the public.

FRC Values

The FRC maintains that the welfare of the equine is best served by an independent, accountable and 'fit for purpose' regulator. The work of the FRC is underpinned by five core values which apply to Council Members and the Secretariat.

Commitment – The FRC is committed to acting in the best interests of the equine and the organisation, taking responsibility for our actions within the requirements of the Farriers Registration Act.

Integrity – The FRC will act honestly, openly and consistently and will not tolerate deceit, dishonesty and discrimination. The FRC can be trusted to use its powers responsibly.

Respect for Others – The FRC respects and values the contributions of others and engages with, and listens to, its stakeholders. The FRC will not tolerate prejudice or favouritism, and encourages diversity and equality of opportunity.

Lawful – The FRC will act in a manner that is demonstrably lawful, using firm, proportionate and transparent enforcement to deal with those who do not comply with regulatory requirements.

Professional & Ethical – The FRC is dedicated to safeguarding the interests of the equine through its knowledge and skills. It will conduct itself and its business affairs in accordance with the highest ethical standards including confidentiality of sensitive information acquired in the course of its regulatory business.

Report of the Farriers Registration Council - FRC Chair, Mr D Hall BSc (Hons) DipWCF (Hons)

Before summarising the outputs and achievements of the Council in 2019 and looking ahead to 2020 I must first, with much sadness, record the death of my predecessor as Chair of the Council, Chris House. A detailed obituary has been published in the Bulletin recording Chris' many achievements in a lifetime of service to Veterinary Medicine and, in particular, to farriery. It was, therefore, with a heavy heart that I assumed the appointment of Chair in April 2019.

The new standard apprenticeship in farriery was, after some four years in development by the profession's working group, approved and the first starts on that programme took place in September. Of particular note are the inclusion and formal assessment of 'behaviours' – the essential professional skills and competencies that set the conditions for a farrier to succeed as a professional, and the formal assessment of trimming an unshod equine which underscores the centrality of trimming to farriery.

The transition window for Approved Training Farriers (ATFs) to complete the Train the Trainer Farriery Award (TTFA) closed on 1 January 2020, close to six years after the policy was adopted following the OFSTED intervention in 2013. This upskilling paves the way for the next generation of farriers to benefit from high quality workplace education and training delivered by ATFs with proven technical and training proficiency.

In concert with colleagues at Defra the Council prepared for the possibility of the UK departing the EU under what was described as 'no deal', and the necessary legislation was drafted and remained 'on the shelf' in the event it became necessary to implement. As we enter 2020 the precise detail of the terms of the UK's departure from the EU remains subject to negotiation and we remain engaged with Defra.

The Council continues to promote the use of Registered Farriers to equine owners and to the public at large. During 2019 the Council produced a short public information film on this subject which has been viewed by the public at events such as Your Horse Live, and may be accessed by the public via the Council website.

The independently-operated statutory committees are now well into their second year of operation following transition to the provisions set out in the 2017 Act. Both committees are seized of the need to uphold public confidence and to safeguard the reputation of the profession, while discharging their responsibilities with fairness and proportionality uppermost in their considerations.

Registration - Chair, Mr Y Breisner

A statutory function of the FRC is to ***"establish and maintain a Register"*** *(Section 3 of The Farriers (Registration) Act 1975).*

The RC, an advisory committee, of the Council met on 3 occasions during 2019. 67 farriers were added to the register upon completion of the Apprenticeship in Farriery or by virtue of an Overseas Application. The state of the Register as at 31 December 2019 is set out below, the 31 December 2018 figures in brackets; readers are reminded that the figures give a 'snapshot' of the numbers on a given day.

Part 1	**2814**	**(2844)**
Part 2	**44**	**(48)**
Part 3	**40**	**(44)**
Part 4	**34**	**(40)**
Part 5	**0**	**(0)**
Total	**2932**	**(2976)**

During 2019 the RC considered potential changes to FRC policy in relation to Farriers returning to the Register after extended periods of absence and while not practicing. In addition the RC reviewed the Council complaints policy guide and forms; recommended the introduction of the Voluntary Enrolled Apprentice Declaration for Enrolled Apprentices, and produced the new Guide to Entering Farriery Training as an Apprentice in GB.

A short film 'The importance of using a Registered Farrier' was published on the FRC website for the benefit of the public. This short information film is aimed at advising and informing horse owners and the general public as to the benefits of using a Registered Farrier. The film was used at 'Your Horse Live' in November 2019 where it was favourably received and will be used at future public and professional events.

The RC oversaw planning for the UK's exit from the EU in respect of farriery, and with the assistance of Defra drew up draft secondary legislation in the event of departure with 'no deal'. This draft legislation was not required at the point of departure from the EU, and at time of writing we await direction from Government as to how the Mutual Recognition of Professional Qualifications shall be taken forward in any trade deal.

The Council considered 2 applications for registration from farriers with professional experience and/or training achieved outside of GB during 2019. 1 applicant was granted automatic registration based on their certified experience achieved in another EEA Member State, 1 applicant was registered on the grounds of holding a recognised qualification achieved outside of GB. 1 further applicant was accepted in to Part 5 of the Register during 2019, as a Temporary and Occasional Service Provider under the terms of EU Legislation as part of their role travelling with their international employers' competition horses; the individual has subsequently left Part 5 on completion of their task.

A sample of Registered Farriers were audited for CPD compliance during 2019, of the 30 Registered Farriers audited, 22 submitted satisfactory CPD records, 8 were referred to the Investigating Committee (IC). Of these 3 have been referred to the Disciplinary Committee (DC), and the cases are scheduled for consideration by the DC in 2020.

Approved Training Farriers (ATFs)

The Train the Trainer Farrier Award (TTFA) was delivered at the three colleges to those ATFs wishing to remain on the ATF list. The purpose of the TTFA is to deliver competence in delivery of training to apprentices and follows recommendations made by OFSTED in 2013.

The transition window for completion of TTFA by ATFs closed on 1 January 2020; as of 1 January 2020 the ATF list includes 175 ATFs. The colleges will continue to deliver TTFA training for any new ATF applicants and details shall be published on the FRC website when available.

The annual audit of CPD compliance by ATFs was carried out on 49 ATFs. Of those audited 8 ATFs were not policy compliant and subject to ATF reviews to consider their future as training farriers. Following reviews one ATF was removed from the ATF list.

Registration Continued...

Number of Registrants (as at 31 December 2019:

2932

Number of Farriers registered for the first time (1 January 2019 - 31 December 2019):

67

Approvals - Chair, Mr M Peaty

The Council may approve for the purposes of the Act ***"any course of training which the Council considers is designed to confer on persons completing it sufficient knowledge and skill for carrying out the shoeing of horses"*** *(Section 11(1)a) of The Farriers (Registration) Act 1975).*

"It shall be the duty of the Council to keep itself informed of the nature of the instruction given at institutions approved ..." *(Section 12 of The Farriers (Registration) Act 1975).*

The AC carried out approval visits to each of the training providers in 2019. Visits to Myerscough College and the Warwickshire Group of Colleges (Moreton Morrell Campus) were carried out in February 2019 and further approval was granted. The AC visited Herefordshire, Ludlow and North Shropshire College (Holme Lacy Campus) in July 2019 and noted significant progress in areas that had previously been identified as requiring improvement at previous visits; further approval was granted.

The AC visited the Defence Animal Training Regiment (DATR) in May 2019 and made a number of recommendations to the DATR to be reviewed at the AC's next visit in 2022; further approval was granted.

Looking ahead, during 2020 the AC is shall undertake a Benchmarking Review of farriery and farriery-related qualifications, examinations and awards delivered in GB, with a view to providing horse owners and the public with a clearer understanding of what the qualifications, examinations and awards mean, and thereby enable informed choice when purchasing farriery services.

Professional Conduct -

Investigating Committee (IC) – Chair, Mr P Grant
Disciplinary Committee (DC) – Chair, Mr J Anderson

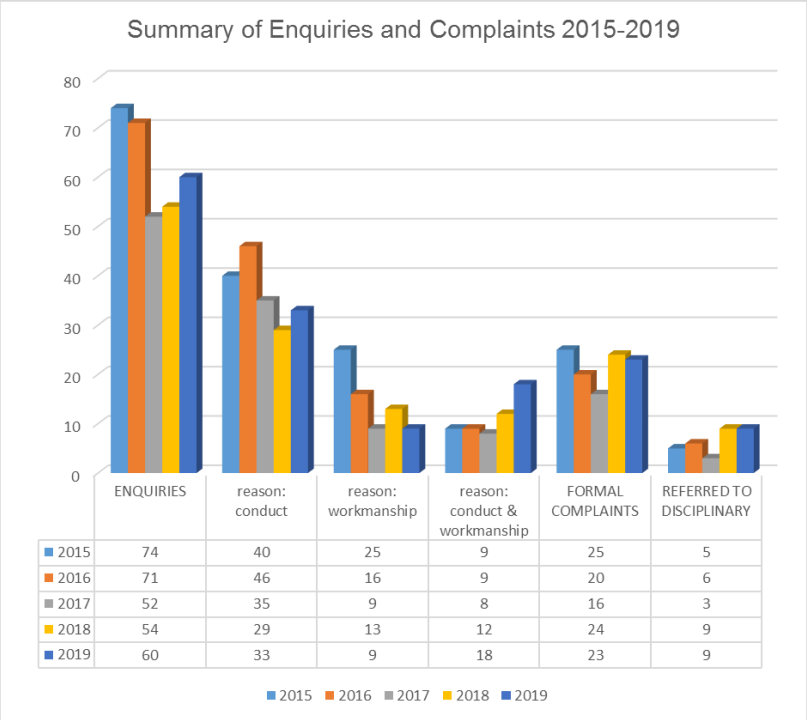
The Farrier & Apprentice Code of Professional Conduct sets out that Registered Farriers are expected to ***"uphold the good reputation of the farriery profession"*** (Farrier & Apprentice Code of Professional Conduct – 2017 edition).

The Farrier & Apprentice Code of Professional Conduct sets out that Registered Farriers are expected to "uphold the good reputation of the farriery profession". (Farrier & Apprentice Code of Professional Conduct – 2017 edition).

During the course of 2019 the Council received 60 enquiries or information requests concerning professional conduct or workmanship. Over one half of enquiries related purely to conduct, and when considering instances involving dissatisfaction with both farrier conduct and workmanship, this figures rises to 85%.

As in previous years, recurring conduct issues reported to the Council included the use of inappropriate or threatening language, unacceptable behaviour towards others, the spread of malicious rumours and the alleged mistreatment of equines. Incidence of misuse of social media continued to be factor in complaints, and criminal convictions of Registered Farriers generated a small number of complaints. Common workmanship issues included laming as a result of poor standards of trimming or shoeing. Complaints between farriers were principally allegations amounting to poor communication or a lack of professional courtesy.

Of the 60 enquiries received, 23 (38%) became formal complaints referred to the IC for consideration. The ratio of enquiries translating into formalised complaints is broadly similar to that of 2018 but higher than in prior years. Of the 23 formal complaints, 14 complaints were closed by the IC and 9 complaints were referred to the DC for further examination. Nine referrals to the DC equates to 0.3% of Registered Farriers in 2019.



	ENQUIRIES	reason: conduct	reason: workmanship	reason: conduct & workmanship	FORMAL COMPLAINTS	REFERRED TO DISCIPLINARY
2015	74	40	25	9	25	5
2016	71	46	16	9	20	6
2017	52	35	9	8	16	3
2018	54	29	13	12	24	9
2019	60	33	9	18	23	9

The DC met to consider ten matters over 2019:

⇒ five matters resulted in a finding of serious misconduct in a professional respect with a reprimand or warning to future conduct awarded by way of sanction;

⇒ three matters resulted in a finding of serious misconduct in a professional respect with suspension from the Register for a period of two months as a sanction;

⇒ one matter resulted in a finding of serious misconduct in a professional respect with a suspension from the Register for a period of six months as a sanction;

⇒ one matter remains part-heard with the inquiry listed to resume on dates agreed for 2020.

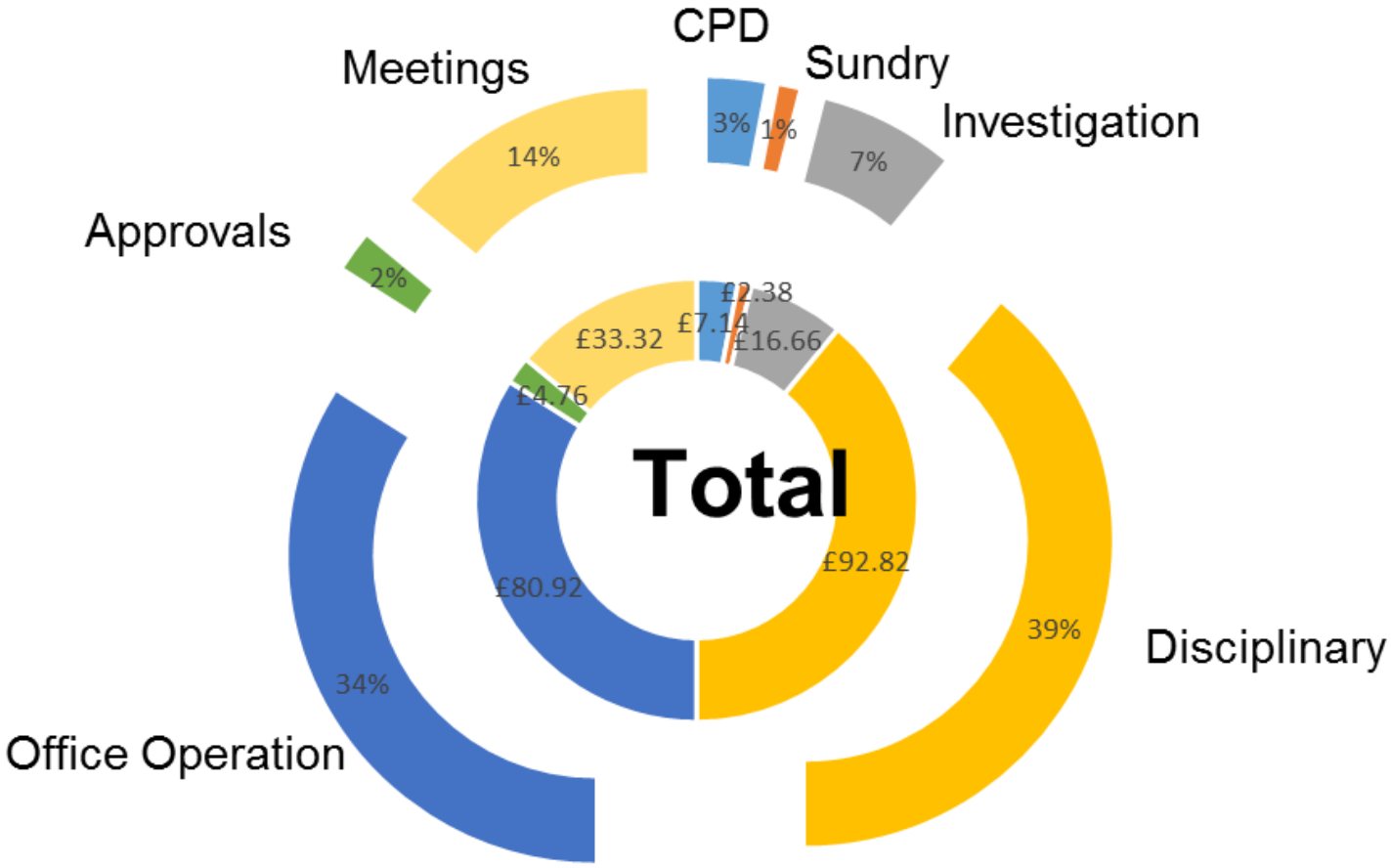
Finance - Chair, Mr T Charlwood

The FC, an advisory committee of the Council, met three times during 2019 to monitor and review the financial policies and procedures, expenditure, budgets and annual accounts. The Balance Sheet remains strong with Reserves of £558,479. The FC considers this figure adequate to meet unforeseen liabilities in the short term.

During 2019 the FC supported the development of a significant number of policies and policy reviews and recommended the development of Phase 2 of the website to maintain its effectiveness and to ensure it remains fit for purpose. The FC approved additional measures to manage the ongoing compliance of the FRC with GDPR and DPA 2018.

In respect of the Retention fee the FC voted to increase the fee for 2020 to meet increasing costs of regulation, the costs associated with the separation of the Investigating & Disciplinary Committees from the Council and the introduction of new government and EU legislation including GDPR.

How was your retention fee of £238 spent?



By way of looking ahead I draw your attention to policy initiatives the Council intend to take forward in 2020. First, work to benchmark the various farriery and farriery-related qualifications, examinations and awards. While these are relatively well understood within the profession, there is markedly less understanding on the part of horse owners, veterinarians and others who use farriery services. The intent is to facilitate a greater level of understanding of what the various qualifications, examinations and awards mean, and to enable those who purchase farriery services to exercise informed choice.

Second, the Council will review the necessary safeguards for those returning to farriery after time away from the profession. The concern of the Council, and others more broadly, is the effect of 'skill fade' while away from the profession for a protracted period translating into risk carried by the animal and its owner when returning to practise as a Registered Farrier.

Finally, I must record my thanks to the Council and its staff for its continued commitment to deliver the Farriers (Registration) Act taking into account the ever increasing expectations of the public, changing perceptions of good corporate governance and the role of a regulator.

Mr D Hall BSc (Hons) DipWCF (Hons)
Chair of the FRC

Farriers Registration Council Members 2019

Chair

Mr D Hall BSc (Hons) DipWCF(Hons)

Elected Member

Deputy Chair

Mr T Smith AWCF

Elected Member

Ms J Allen

The Worshipful Company of Farriers

Mr B T Benson AWCF

British Farriers and Blacksmiths Association

Mr Y Breisner

British Horseracing Authority

Mr A B Charlwood BA FCCA CPFA

The Worshipful Company of Farriers

Operations Superintendent K Colman

Royal Society for the Prevention of Cruelty to Animals

Mr D C D'Arcy BSc (Hons) AWCF

Elected Member

Mr I Davidson

Scottish Enterprise

Mr P Gordon DipWCF

Elected Member

Farriers Registration Council Members 2019 (Continued...)

Mr R P May AWCF

The Worshipful Company of Farriers

Mr S Moore FWCF

British Farriers and Blacksmiths Association

Mr M Peaty BVSc CertEP, CertES, MRCVS

Royal College of Veterinary Surgeons

Mr M Potter

Lantra

Dr M Smith MA VetMB CertES (Soft Tissue) DipECVS PhD MRCVS

Royal College of Veterinary Surgeons

Mr M Weston

British Equestrian Federation

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The Farriers Registration Council

Financial Statements

For the Year Ended 31 December 2019

The Farriers Registration Council
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For the year ended 31 December 2019

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A5	Balance Sheet
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A7 – A14	Notes to the Financial Statements

Independent Auditor's Report to the members of The Farriers Registration Council For the year ended 31 December 2019

Opinion

We have audited the financial statements of the Farriers Registration Council for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Council's members, as a body, in accordance with Clause 6, Part II of Schedule 1 of the Farriers (Registration) Act 1975 as Amended. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 December 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Farriers (Registration) Act 1975 as Amended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Council members

As explained more fully in the Council members responsibilities statement, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council members are responsible for assessing the 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 members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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.

A further description of our 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 our auditor's report.

Date 13/05/20

Ian Jacobs FCA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor

1 The Forum,
Minerva Business Park,
Lynch Wood,
Peterborough,
PE2 6FT

THE FARRIERS REGISTRATION COUNCIL
COUNCIL MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Council Members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Farriers (Registration) Act 1975 as Amended requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in business.

The Council Members are responsible for keeping proper accounting records that are sufficient to show and explain the Council's transactions and disclose with reasonable accuracy at any time the financial position of the Council and to enable them to ensure that the financial statements comply with the Farriers (Registration) Act 1975 as Amended. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Farriers Registration Council
Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	2019 £	2019 £	2018 (Restated) £	2018 (Restated) £
Turnover					
Registration Fees			3,808		5,472
Application Fees			825		4,550
Restoration Fees			12,376		10,260
Retention Fees			651,176		621,196
Sundry			2,489		1,586
Bad Debt Recovered			466		-
Deposit Interest			879		757
Approvals Fee Income			11,120		16,146
ATF Administration Fee			15,890		18,690
Apprenticeship Membership Fee			3,885		3,070
Total Turnover			702,914		681,727
Less Expenditure					
Office operating costs		97,012		95,057	
Audit		8,385		8,035	
Administration & PR		173,404		160,362	
Council Election costs		4,506		5,740	
Meeting costs		123,262		131,632	
Legal and professional : Prosecutions		40,291		21,372	
Legal and professional : Other costs		25,658		38,982	
CPD costs		29,819		26,094	
Overseas/APL application processing fee		9,678		12,356	
Investigation of illegal Farriery		22,731		40,506	
Disciplinary committee : Legal Fees		203,025		98,878	
Disciplinary committee : Other costs		106,427		55,089	
Approvals costs		19,813		28,636	
Bad Debt written off		476		2,280	
Bank service charges & interest		9,078		8,805	
			(873,565)		(733,823)
Deficit on ordinary activities before tax			(170,651)		(52,096)
Taxation	3		(167)		(144)
Deficit for the year			(170,818)		(52,240)

There was no other comprehensive income for 2019 (2018: £nil)

All activities of the FRC are classed as continuing.

There are no other recognised gains or losses other than the deficit for the year.

The Farriers Registration Council
Balance Sheet
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Tangible Assets	5		523,265		563,162
Current Assets					
Debtors	6	158,006		139,130	
Cash at bank and in hand	7	763,017		747,358	
		921,023		886,488	
Creditors : amounts falling due within one year	8	(884,726)		(718,910)	
Net current assets			36,297		167,578
Total assets less current liabilities			559,562		730,740
Creditors : amounts falling due after more than one year					
Provisions	12		(1,080)		(1,440)
Net assets			558,482		729,300
Accumulated funds carried forward					
General			358,482		529,300
Property Reserve			50,000		50,000
Disciplinary Reserves			150,000		150,000
			558,482		729,300

Chairman of the Farriers Registration Council

Chairman of the Finance Committee

Registrar

22-04-20 Date

The Farriers Registration Council
Statement of Changes in Equity
For the year ended 31 December 2019

	Total £	General Reserve £	Property Reserve £	Disciplinary Reserve £
At 1 January 2018	781,540	581,540	50,000	150,000
Comprehensive expenditure for the year				
Deficit for the year	(52,240)	(52,240)		
Total comprehensive expenditure for the year	(52,240)	(52,240)	-	-
At 1 January 2019	729,300	529,300	50,000	150,000
Comprehensive expenditure for the year				
Deficit for the year	(170,818)	(170,818)	-	-
Total comprehensive expenditure for the year	(170,818)	(170,818)	-	-
At 31 December 2019	558,482	358,482	50,000	150,000

The Property Reserve is intended to provide a ready source of funds for repair or acquisition of buildings, leaseholds, furniture, fixtures and equipment necessary for the effective operation of the organisation.

The Disciplinary Reserve has been set up to provide for the cost of legal fees or a judicial review in the event of an extra-ordinary disciplinary appeal.

1 Accounting policies

The particular accounting policies adopted are detailed below.

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

During 2019, the Council carried out a review of expense allocations in the Statement of Comprehensive Income. It was considered appropriate to attribute full cost to activity and therefore to apportion staff resource to applicable outputs; the 2019 financial statements have been prepared to reflect this. To ensure comparability with the 2018 financial year, the 2018 comparatives have been restated using the same cost accounting method.

Note that these changes do not affect the overall expenditure or deficit for the year figures in 2018.

b) Revenue

Retention fees and ATF administration fees are due on a calendar year basis, and are allocated to the year of subscription. All other income is recognised as receivable.

c) Tangible Fixed Assets

Depreciation is provided on all assets, and is charged in equal instalments over the useful life of the asset. The rates are in line with the write off policy, whereby it has been agreed that certain items have been classified in terms of life expectancy and this has been reflected in the depreciation for the year.

The rates of depreciation used are as follows;

Office building	4% per annum on cost
Air conditioning	6.67% per annum on cost
Building improvements & office furniture	10% per annum on cost (unless specified)
Websites & telephones	20% per annum on cost
Computer & office equipment	33% per annum on cost

Websites & telephones and Computer & office equipment are classified within 'Equipment' per note 5 Tangible Fixed Assets.

Items costing over £2,000 are capitalised and depreciated at the rates above. Items below this amount are written off in full in the year of purchase.

d) Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

e) Employee Benefits

When employees have rendered service to the Council, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Council operates a defined contribution group pension plan on behalf of its employees. The scheme is compliant with Stakeholder and Auto-enrolment legislation. The assets of the scheme are held separately from those of the Council in independently administered funds. The Council contributes to this scheme on behalf of those employees who wish to participate. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

f) Debtors

Short term debtors are measured at transaction price, less any impairment.

g) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

h) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

i) Functional and presentation currency

The council's functional and presentational currency is Pounds Sterling (£).

j) Financial instruments

The Council only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Council would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Significant changes in the year

There is always some fluctuation between income and expenditure in different years and explanations below relate to those areas where there has been a significant change in either income or expenditure in 2019 compared to 2018.

Retention fee income in 2019 stood at £651,176 which showed an increase of 4.83% over that in 2018. This is mainly as a result of an increase in the retention fee.

Administration and PR costs are higher in 2019 compared to 2018 due to supplier price increases, in particular an increase in IT support costs.

Meeting costs are lower in 2019 compared to 2018 due to no FASG meetings in 2019 and lower attendance at meetings than planned.

Legal and professional: Prosecutions were significantly higher in 2019 compared to 2018 due to a complex prosecution case.

Legal and professional: Other costs were higher in 2018 compared to 2019 due to legal advice on the implementation of FRA17 and GDPR.

Disciplinary Committee legal fees and Disciplinary Committee other costs are both higher in 2019 compared to 2018 due to a higher number of complex cases.

Approvals costs were higher in 2018 compared to 2019 due to additional approval visits carried out in 2018 to ensure continuation of the approval of colleges and the DipWCF qualification.

3 Taxation

Corporation tax is paid on interest received from investment income.

	2019	2018
	£	£
Charge for the year	167	144
Balance payable (Note 8)	167	144

4 Auditor's remuneration

		2019		2018
		£		£
Auditor's remuneration	8,385		8,035	
Auditor's remuneration for non audit services	1,272		1,560	
		9,657		9,595

The charge for the annual audit must be accounted for in the year to which it relates although it will not be invoiced until the following year.

5 Tangible Fixed Assets

	Office Building £	Building improvements & office furniture £	Equipment £	Total £
Cost				
At 1 January 2019	483,071	78,550	73,616	635,237
Additions	-	-	2,106	2,106
At 31 December 2019	483,071	78,550	75,722	637,343
Depreciation				
At 1 January 2019	30,250	9,793	32,032	72,075
Charge for the year	19,323	7,781	14,899	42,003
At 31 December 2019	49,573	17,574	46,931	114,078
Net book value				
At 31 December 2019	433,498	60,976	28,791	523,265
At 31 December 2018	452,821	68,757	41,584	563,162

6 Debtors

	2019	2018
	£	£
Debtors, prepayments and accrued income	158,006	139,130
	158,006	139,130

7 Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	763,017	747,358
	763,017	747,358

8 Creditors : Amounts falling due within one year

	2019	2018
	£	£
Creditors and accruals	61,509	40,640
Taxation and social security	12,721	8,431
Corporation tax	167	144
Deferred income	810,329	669,695
	884,726	718,910

Deferred income represents Retention fees and ATF administration fees invoiced in advance.

9 Commitments under operating leases

At 31 December 2019 the Council had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Other:		
Not later than 1 year	11,854	12,001
Later than 1 year and not later than 5 years	26,792	38,646
	38,646	50,647

10 Pension commitments

The pension contribution paid for the year amounted to £12,214 (2018: £12,173).

There were no pension contributions outstanding at the year end (2018: £Nil).

11 Employees

	2019 £	2018 £
Gross salaries	336,930	301,406
Employers' NI contributions	26,125	23,050
Employers' pension contributions	12,214	12,173
	375,269	336,629

Employee costs are recognised across applicable expenditure categories in the Statement of Comprehensive Income.

The average monthly number of employees during the year was 7 (2018: 7).

The total cost to the Council of the Chairman was £12,031 (2018: £11,862) for the year.

The total remuneration for key management personnel for the year totalled £161,547 (2018: £152,953).

12 Provisions

In relation to Archive storage costs	2019	2018
	£	£
Provision brought forward	1,440	1,800
Amounts used during the year	(360)	(360)
Provision carried forward	1,080	1,440

The Skills Funding Agency contract demands that the paperwork for the apprenticeship training scheme, as administered by the NFTA, be kept until 2022. Therefore a provision of £3,700 was set aside in 2013 to pay for off-site storage. This will reduce each year until 2022.

13 Reserves Policy

It is recommended that "not for profit" organisations should maintain adequate reserves (excluding any property or other assets that are not easily realisable) to ensure that the work of the organisation can be continued in the event of any adverse, especially sudden, change in financial circumstances.

This issue is regularly reviewed by the Council and it is considered that in view of uncertainties that might be faced by the Farriers Registration Council, including potential litigation, a target should be adopted of having the equivalent of at least twelve months expenditure held in Reserves.

At present this would amount to:-

	£
Twelve months expenditure based on the 2019 figures, excluding exceptional items	873,565
Property Reserve	50,000
Disciplinary Reserve	150,000
Target Reserves including property and disciplinary	1,073,565

The current Reserves shown in the Statement of Comprehensive Income amounts to £558,482, which when the value of the property and disciplinary reserves are excluded, amounts to £358,482. This is equal to some 4.9 months of expenditure.

To this end the Council seeks to budget to ensure, as far as it can, that its activities are carried out on at least on a break even situation each year so that by avoiding any deficits, the necessary accumulation of funds is maintained.

14 Committed expenditure

There is no material committed expenditure as at 31 December 2019.

ATTENDANCE FEES AND EXPENSES RECORDS
FOR COUNCIL MEMBERS FOR MEETINGS IN THE YEAR ENDING 31 DECEMBER 2018

COUNCIL

Miss J Allen

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£215.37	£1,125.00	£0.00	3 of 4
Induction	£71.10	£375.00	£0.00	1 of 1
Total	£286.47	£1,500.00	£0.00	

Mr B Benson

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£69.30	£375.00	£116.99	1 of 4
Finance Committee	£135.00	£750.00	£0.00	2 of 3
Total	£204.30	£1,125.00	£116.99	

Mr L G Breisner

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£306.00	£1,500.00	£0.00	4 of 4
Finance Committee	£229.50	£1,125.00	£0.00	3 of 3
IC & DC Interviews	£76.50	375.00	£0.00	1 of 2
Registration Committee	£229.50	1,125.00	£0.00	3 of 3
Your Horse Live	£51.30	375.00	£0.00	3 of 3
Total	£892.80	£4,500.00	£0.00	

Mr A B Chartwood

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£247.40	£1,125.00	£0.00	3 of 4
Finance	£492.00	£1,500.00	£244.98	3 of 3
IC & DC Interviews	£178.25	750.00	£0.00	2 of 2
Registration Committee	£254.70	£1,125.00	£0.00	3 of 3
	£1,172.35	£4,500.00	£244.98	

Operations Superintendent K Colman

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£0.00	£0.00	£0.00	3 of 4
Registration Committee	£0.00	£0.00	£0.00	1 of 3
Total	£0.00	£0.00	£0.00	

Mr C D'Arcy

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£472.50	£1,125.00	£273.29	3 of 4
Diploma Presentation	£95.80	£375.00	£0.00	1 of 1
Institute of Apprenticeships	£301.20	£375.00	£0.00	1 of 1
Your Horse Live	£141.70	£375.00	£0.00	1 of 1
	£1,011.20	£2,250.00	£273.29	

Mr I Davidson

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£187.25	£750.00	£184.00	2 of 3
Induction	£82.65	£375.00	£0.00	1 of 1
Total	£269.90	£1,125.00	£184.00	

Mr P Gordon

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£428.40	£1,125.00	£90.00	3 of 4
Total	£428.40	£1,125.00	£90.00	

Mr D Hall

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£453.45	£2,250.00	£374.97	4 of 4
Diploma Ceremony	£142.00	£375.00	£0.00	1 of 1
Dorchester Presentation	£81.00	£375.00	£0.00	1 of 1
Farrier Focus	£49.92	£750.00	£0.00	2 of 2
Finance Committee	£361.80	£1,125.00	£0.00	3 of 3
IC & DC Interviews	£193.92	750.00	£117.99	2 of 2
Lantra meeting	£94.50	£750.00	£0.00	2 of 2
WCF Master	£129.60	£375.00	£0.00	1 of 1
Film production	£196.20	£750.00	£0.00	2 of 2
Registration Committee	£363.60	£1,125.00	£0.00	3 of 3
Your Horse Live	£97.20	£750.00	£0.00	2 of 2
Total	£2,163.19	£9,375.00	£492.96	

Mr C J House

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Diploma Presentation	£29.40	£187.50	£0.00	1 of 1
National Equine Forum	£30.50	£750.00	£0.00	2 of 2
Total	£59.90	£937.50	£0.00	

Mrs J Leggate

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£0.00	£0.00	£0.00	0 of 1
	£0.00	£0.00	£0.00	

Mr R P May

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£396.00	£1,500.00	£0.00	4 of 4
Registration Committee	£297.00	£1,125.00	£0.00	3 of 3
Your Horse Live	£85.50	£375.00	£0.00	1 of 1
Total	£778.50	£3,000.00	£0.00	

Mr S Moore

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£881.90	£1,125.00	£0.00	3 of 4
Total	£881.90	£1,125.00	£0.00	

Mr M Peaty

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Approvals Committee Visit	£668.60	£3,187.50	£744.98	4 of 4
Council	£595.50	£1,500.00	£0.00	4 of 4
Finance	£407.60	£750.00	£0.00	2 of 3
IC & DC Interviews	£122.00	£375.00	£0.00	1 of 2
Registration Committee	£178.00	£375.00	£0.00	1 of 3
Total	£1,971.70	£6,187.50	£744.98	

Mr M Potter

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£93.60	£750.00	£0.00	2 of 4
Total	£93.60	£750.00	£0.00	

Dr M Smith

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£78.30	£750.00	£0.00	2 of 2
Film production	£65.70	£375.00	£0.00	1 of 1
Induction	£37.80	187.50	£0.00	1 of 1
Your Horse Live	£67.50	£375.00	£0.00	1 of 1
Total	£249.30	£1,687.50	£0.00	

Mr T Smith

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Approvals Committee Visit	£254.70	£1,875.00	£423.98	2 of 4
Council	£566.40	£1,500.00	£0.00	4 of 4
Diploma Ceremony	£0.00	£375.00	£0.00	1 of 1
Total	£821.10	£3,750.00	£423.98	

Mr M Weston

Meetings Attended	Travel and subsistence Expenses	Attendance Allowance	Hotel Expenses	Number Attended
Council	£180.10	£750.00	£0.00	2 of 4
Finance	£216.79	£750.00	£0.00	2 of 3
Total	£396.89	£1,500.00	£0.00	
TOTAL MEETING ALLOWANCES & EXPENSES	£11,681.50	£44,437.50	£2,571.18	

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