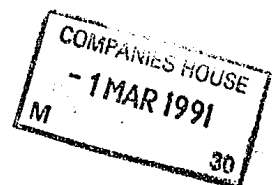
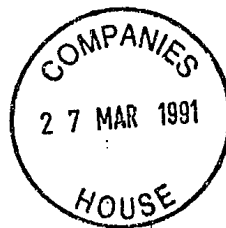
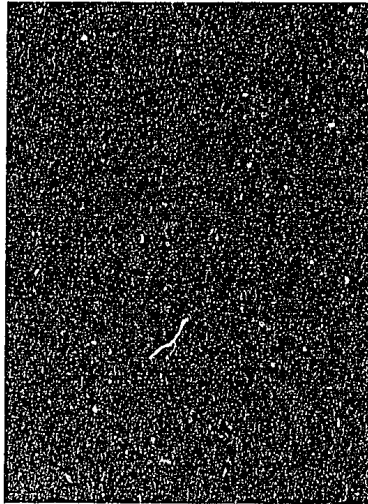


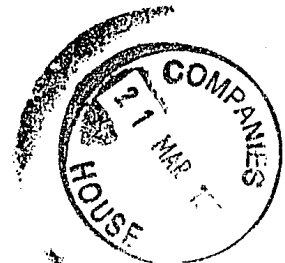
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ANNUAL REPORT
1989/1990



BRITISH APPROVALS SERVICE FOR CABLES



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Introduction by Chairman Denis Dodds CBE, LLB, COMP. IEE

1 Services Provided

BASEC was one of the earliest certification organizations to be accredited by the DTi via the NACCB.

The demand for our services increased during the past year and continues to do so in the current year. The increase occurred primarily in the demand for certification of Assessed Quality Management but steady expansion has also taken place in applications for product certification. At the year end:

- Nine new certificates of Assessed Quality Management had been issued and eight applications were under consideration.
- Seven new applications for product certification have been received.

Certification of Assessed Quality Management carries with it a valuable indication of effective quality control but it is only when this is associated with product certification, with its rigorous routine tests of products, that the most reliable assurance of conformity to a specific standard of safety and quality can be given.

2 Diversification

Considerable diversification and expansion of certification activity will be necessary in the next year or two if the needs of consumers, purchasers and manufacturers are to be met. Product certification is already being extended to fibre optics, data communication cables and to joints, glands and other specialist cable products. Certification will, in addition, be made available to standards other than British Standards and further independent testing services will be developed.

3 Administration

Responsibility for Testing, Inspection, Financial and Financial Services has been exercised, on behalf of the Company, by BSI (Quality Assurance) since the Company was founded. On 1st April 1990 however, direct responsibility for the management of financial and administrative services was placed under the control of our new Chief Executive, Mr John Craig, who has received the sincere good wishes of the Board on taking up his appointment. A new office has been established in premises in Milton Keynes.

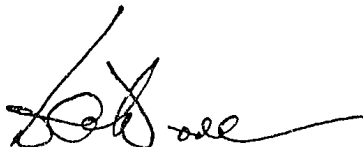
4 Staff

The thanks of the Board are given to all members of the BSI administrative and accountancy staff who have served BASEC so well from the time of the Company's formation in 1973, until the end of March this year. Profound thanks are due, in particular, to Mr John Wate (Director of BSI Quality Assurance) for his outstanding managerial and technical leadership as Director of BASEC throughout this period.

The Company is pleased indeed that he has, on retiring as Director, accepted appointment as a BSI representative on the Board.

5 Outlook

The European Organization for Testing and Certification has now been established and the administrative structure will gradually take shape in the year ahead. The competitive challenge of the Open market after 1992 is quite evident. BASEC is ready, in conjunction with the cable industry, to play a significant part in meeting this challenge and in stimulating the removal of all technical barriers to trade in cables throughout the European Community.



BRITISH APPROVALS SERVICE FOR CABLES

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Report of the Board of Management

1 Board of Management

Two meetings of the Board were held during the year ending March 31st 1990, on October 24th 1989 and March 7th 1990.

The Secretary (Mr John Humphreys) resigned during the year after 7 years' able service on taking up a new appointment. The Director (Mr John Ware) retired on the transfer of responsibility for general management to the new Chief Executive (Mr John Craig) but was appointed as a representative of BSI on the Board of Management.

Members retiring from the Board of Management, either during or at the end of the year, were Mr Price of BSI and Dr Parkman of ERA.

The Board wishes to record its thanks to all these gentlemen for their service to the Company and particularly to Mr Ware for his distinguished managerial and technical leadership since 1973.

2 Finance and General Purposes Committee

The Finance and General Purposes Committee, which reports to the Board, met on four occasions during the year, under the Chairman of the Board Mr Denis Dodds. In addition to supervising finances and advising the Board on general policy, the Committee received regular reports from its two Sub-committees, the Certification and Assessment Committees.

3 Operation of Services

3.1 Certification Marking Scheme

3.1.1 Licence Changes and Applications

One new licence was issued during the year and three licences were cancelled due to the merger of four licensees into one group. The total number of licensees at March 31st 1990 was twenty-five, comprising fourteen United Kingdom manufacturers, six in Japan, three in Eire, one in Italy and one in Sweden.

There was one new application for a licence during the year, from Japan, and the company received a BASEC licence. Applications were still under consideration at March 31st 1990 from manufacturers in Finland, France, Greece, Poland, South Korea, Taiwan and West Germany.

Licensing was operated to ten British Standards covering flexible cords, house wiring cables, power cables, switchgear cables, arc welding cables, low smoke cables and mineral insulated cables, making a total of 65 different cord and cable types, five more than the previous year.

3.1.2 Factory Inspections

As in the past, each licensed factory was inspected during the year on behalf of BASEC by BSI Inspectorate.

Special inspection visits were also made to some licensees in connection with increased surveillance and associated matters, and where extensions to the existing range of licensed cables were sought.

3.1.3 Testing

The BSI Cable Laboratory carried out, on behalf of BASEC, routine surveillance tests on 3105 cable samples. In addition, 48 type tests were made on new cable submissions and 8 special tests were conducted in connection with private work for various clients.

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Report of the Board of Management

3.1.4 Certification Committee

The operation of licensing and the associated factory inspections and testing was monitored by the Certification Committee under the Chairmanship of Mr Brian Charles. The Committee met on five occasions during the year.

3.2 Scheme for the Certification of Supplier Quality Management Systems to BS 5750

This Scheme involves the assessment of factory procedures against the requirements of BS 5750 – "Quality Systems" which is equivalent to ISO 9000 and EN 29000.

Unlike the Certification Marking Scheme which relates only to the "product certification" of specific types of cable covered by British Standard specifications, the BS 5750 Scheme can encompass the complete scope of a factory's production. However, it is important to understand that BS 5750 does not provide an assurance to the user that the actual cable type conforms to a British Standard, since no independent testing is involved. Hence no certification marking of cables is permitted under the BS 5750 Scheme, but the 'Sign of Assessed Quality Management' can be used by Certificate holders on their notepaper, in catalogues, etc.

There were nine new Certificates of Assessed Quality Management issued during the year, bringing the total number of Certificates at March 31st 1990 to fifty-two, comprising forty-two United Kingdom suppliers, four in Eire, four in Japan, one in Sweden and one in Italy.

Eight applications were in hand at March 31st 1990, all from United Kingdom suppliers.

Factory inspections under the scheme were conducted jointly by BASEC staff and BSI Inspectorate staff acting on BASEC's behalf.

The Certification Committee monitored the processing of applications and the use of subsequent Certificates.

3.3 Assessment Scheme

This scheme was instituted for new cable products which are intended for use in installations subject to the IEE Wiring Regulations, but not currently acceptable under these Regulations due to the lack of a British Standard specification.

Two Certificates were in force at March 31st 1990.

One application, received during the year, was withdrawn by the applicant. Four applications were under consideration at March 31st 1989.

4 Administration

Administrative and financial services continued to be provided throughout the year by BSI (Quality Assurance). Arrangements were, however, made for the transfer of responsibility of these services, on April 1st 1990 to the Company's Chief Executive and Secretary at new premises in Milton Keynes.

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Report of the Board of Management

5 Finance

The Company's financial position in 1989/90 continued to be very satisfactory in the light of the obligation to provide an independent third party certification service to licensees without distributing any profit to company members. Total turnover was £841k (£723k) and Cost of Sales £591k (£522k). The audited Accounts for the year are incorporated in this report.

The Department of Trade and Industry provided grants to the value of £20400 to assist with the development of the BS 5750 Scheme for Assessed Quality Management and the BS 6724 Product Certification Scheme.

6 National and International Activity

6.1 British Standards Technical Committees

BASEC has continued active participation in BSI Technical Committees CIL/20, CIL/20/1 and CIL/20/2 dealing with wiring cables, mains cables, and insulation and sheathing materials respectively. Additionally, documents circulated within the Technical Committee CIL/20/4 to CIL/20/8, were reviewed. BASEC intends to launch a certification marking scheme for these products shortly.

6.2 International Work

BASEC continued to participate in international work through representation by the (then) Secretary on Sub-committee L/2 of the British Electrotechnical Committee. He also attended meetings of the CENELEC Marks Committee HAR Group in Nice and Bruges, and a meeting of the CENELEC/TC20/WG2 Committee, dealing with the HAR Scheme, in Bruges.

6.3 National Accreditation Council for Certification Bodies (NACCB) and Association of Certification Bodies (ACB)

The Chairman and the Director (as a BSI representative) regularly attended meetings of the ACB, which provides a forum for certification bodies to meet and agree policy for submission to the NACCB through nominated representatives.

6.4 Europe 1992

The European Commission's intention of eliminating technical barriers to trade by 1992 has received increasing attention from the media. In the UK, a consultation procedure has been developed between the DTi and representatives of various certification and testing organizations who are interested in this work, with the aim of formulating a UK viewpoint on the mutual recognition of certification and testing, together with the various other issues involved. The Chairman, Director and Secretary participated in meetings arranged by DTi, and comments have been made upon documents which have been circulated by the DTi from time to time.

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Report of the Board of Management

7 Promotion

Promotion of the Certification Marking Scheme was continued in electrotechnical journals, to encourage specifiers, electrical contractors and wholesalers to use only cable bearing BASEC markings. Two full page colour advertisements were produced which laid particular emphasis on the mandatory requirement of Quality Management certification as an essential preliminary to certification of products.

Representatives of electrotechnical journals were invited to the Annual General Meeting on October 24th 1989. This was followed by the formal presentation of Certificates of Assessed Quality Management, and a Press Conference.

8 Important Developments During the Year

8.1 Extension of BS 5750 Scheme into Other Product Areas

Although BASEC was originally established in 1973 to operate certification mark licensing for electric cables only, the introduction of BS 5750 certification in 1986 saw a move towards the broadening of activities into additional product areas.

During the previous year, BS 5750 certification was issued for extrusion compounds, custom made wiring systems (eg automotive harnesses) and a whole range of cable components, such as fixing devices, jointing systems, glands and connectors. Additionally, a number of very specialized types of cable are now certified under this scheme.

9 New Developments

9.1 Certification Marking Scheme

With increasing awareness of damage caused through burning cables, particularly the amounts of smoke and corrosive fumes which are sometimes generated, BASEC has introduced a Certification Marking Scheme against BS 7211:1989 - Specification for Electric Lighting having thermosetting Insulation with Low Emission of Smoke and Corrosive Gases (LSF) when affected by fire.

9.2 BS 5750 Scheme

This is still the fastest growing area of activity with respect to both the number of applications being received and the range of products covered. Continued expansion is anticipated during 1990, particularly in the areas of telecommunication cables (both hard wire and fibre optic) and other specialist types, together with a further broadening of the range of cables and ancillary products.

9.3 Assessment Scheme

The Board of Management has agreed the extension of this scheme to encompass all cables and ancillary products coming onto and into the UK market, and for specific overseas markets, which have no current standard in the Public Domain.

This extension may involve copper and fibre-optic jointing systems as well as other ancillary products.

The current applications include a range of high temperature cables for use in installations which fall outside the scope of the IEE Wiring Regulations.

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Report on the Accounts

The Board of Management present herewith the Company's Accounts for the year ended March 31st 1990, and report as follows:

1 Business Review

The Company has traded continuously throughout the year with a programme of certification of Cables, Flexible Cords and Ancillary Products, the net trading profit before taxation being £3707. After setting aside £84 for taxation, this leaves £3623 which will be carried to reserves.

The Company is prohibited under its Memorandum of Association from making a distribution to its Members.

2 Fixed Assets

During the year, BASEC acquired furniture and computer equipment prior to its move into independent premises. These fixed assets amounted to £8556.

3 Board of Management

The Members of the Board of Management who served during the year, together with Observers and Chief Officers, are listed on page 17.

4 Membership

The Company is a company limited by guarantee and at March 31st 1990 had seven members who had each undertaken to contribute, if necessary, to the assets of the Company in the event of it being wound up while a member, or within one year of ceasing to be a member, up to an amount not exceeding £1.

5 Auditors

Messrs. Hillier Hopkins, Chartered Accountants, have indicated their willingness to continue in office.

By Order of the Board

John H S Craig
Secretary

125 High Holborn
London WC1V 6QC

September 7th 1990

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Report of the Auditors

To the Members of British Approvals Service for Cables

We have audited the Financial Statements on pages 8 to 15 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 31st March, 1990, and of its profit and source and application of funds for the year ended on that date, and have been properly prepared in accordance with the Companies Act 1985.

Date 8th September 1990

HILLIER HOPKINS,
Chartered Accountants,
79 Marlowes,
Hemel Hempstead,
Herts. HP1 1LW

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Balance Sheet

31 MARCH	Note	1990	1989
		£	£
FIXED ASSETS	1	8,556	
CURRENT ASSETS			
Debtors	2	223,129	69,735
Cash at Bank		202,946	176,005
		<u>426,075</u>	<u>245,740</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	3	430,067	244,799
NET CURRENT (LIABILITIES)/ASSETS		<u>(3,992)</u>	<u>941</u>
NET ASSETS		<u>4,564</u>	<u>941</u>
RESERVES			
Profit & Loss Account		4,564	941

Denis Dodds Members of the
J E Ware Board of Management

Date 7th September 1990

The Accounting Policies and Notes on pages 11 to 14 form part of these Accounts.

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Profit & Loss Account

31 MARCH	Note	1990 £	1989 £
TURNOVER	4	781,789	683,657
COST OF SALES		590,934	521,799
GROSS PROFIT		190,855	161,858
Administration Expenses		246,210	200,543
OPERATING LOSS		(55,355)	(38,685)
Non-Operating Income	5	59,062	39,187
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	3,707	502
Taxation	7	84	126
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,623	376
Retained Profit from Previous Years		941	565
Retained Profit at Year End		4,564	941

The Accounting Policies and Notes on pages 11 to 14 form part of these Accounts.

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Statement of Source and Application of Funds

31 MARCH	1990		1989	
	£	£	£	£
SOURCE OF FUNDS				
Profit before Taxation		3,707		502
Adjustment for Items not involving the movement of Funds:				
Depreciation		602		—
		<u>4,309</u>		<u>502</u>
APPLICATION OF FUNDS				
Taxation Paid	126		1,170	
Purchase of Fixed Assets	9,158		—	
		<u>9,284</u>		<u>1,170</u>
		<u>(4,975)</u>		<u>(668)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Debtors and Prepayments		153,394		(65,921)
Creditors and Accruals falling due within one year		(185,310)		31,488
		<u>(31,916)</u>		<u>(34,433)</u>
MOVEMENT IN NET LIQUID FUNDS				
Increase in Cash at Bank and In Hand		26,941		33,765
		<u>(4,975)</u>		<u>(668)</u>

The Accounting Policies and Notes on pages 11 to 14 form part of these Accounts.

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Accounting Policies

The following notes outline the main Accounting Policies of the Company, which have been used consistently in preparing these Accounts.

a Basis of Accounting

These Accounts have been prepared under the Historical Cost Convention.

b Income

The profits on Certification, Approval and Testing work are not brought into the Trading Account until such time as the whole of the work has been completed and the costs ascertained. Amounts received in advance of completion are carried forward in creditors.

c Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences, except where they are not expected to reverse in the foreseeable future.

d Depreciation of Tangible Fixed Assets

Depreciation is calculated to write off the costs less the estimated residual value of the Tangible Fixed Assets over their expected useful lives at the following rates:

- Leasehold Buildings – Straight line over period of lease
- Fixtures and Fittings – 25% reducing balance

e Pension Contributions

The Company operates a defined contribution pension scheme. Contributions due for the year are charged in the Profit & Loss Account.

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Notes to the Accounts

31 MARCH 1990

	Leasehold Buildings £	Computer Equipment £	Total £
1 TANGIBLE FIXED ASSETS			
Cost:			
Additions	6,750	2,408	9,158
At 31st March, 1990	6,750	2,408	9,158
Depreciation:			
Charge for the Year	—	602	602
At 31st March, 1990	—	602	602
Net Book Value at 31st March, 1990	6,750	1,806	8,556
Net Book Value at 31st March, 1989	—	—	—
The net book value of land and buildings comprises:			
Short Leasehold			£ 6,750

The Company acquired the Leasehold Premises shortly before the year-end date and therefore no depreciation has been provided in these Accounts.

	1990 £	1989 £
2 DEBTORS		
Trade Debtors	200,189	42,191
Other Debtors & Prepayments	22,940	27,544
	<u>223,129</u>	<u>69,735</u>
3 CREDITORS:		
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Corporation Tax	84	126
Trade Creditors	357,908	203,846
Other Creditors & Accruals	72,075	40,827
	<u>430,067</u>	<u>244,799</u>

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Notes to the Accounts

31 MARCH	1990	1989
	£	£
4 TURNOVER		
Turnover represents the invoiced amounts of services provided and materials sold during the year, excluding Value Added Tax.		
The analysis of turnover by geographical areas is as follows:		
United Kingdom	421,923	412,026
Rest of the World	359,866	271,631
	<hr/> 781,789	<hr/> 683,657
5 NON-OPERATING INCOME		
Department of Trade & Industry Grant Received	20,400	21,215
Interest Receivable	38,662	17,972
	<hr/> 59,062	<hr/> 39,187
6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit before Taxation is stated after charging the following:		
Depreciation	602	—
Auditors' Remuneration	2,255	1,790
Remuneration of the Chairman	4,500	4,000
	<hr/>	<hr/>
7 TAXATION		
U.K. Corporation Tax at 25%	84	126
	<hr/>	<hr/>

At 31st March, 1990, the Company had unutilized losses sufficient to extinguish liability to taxation on future profits amounting to £9,903 (1989: £9,903).

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Notes to the Accounts

31 MARCH	1990	1989
	£	£
8 STAFF NUMBER AND COSTS		
The details of emoluments paid during the year (including Members of the Board) being:		
Fees	4,500	—
Wages & Salaries	6,625	—
Social Security Costs	692	—
Pensions	927	—
	<hr/> 12,744	<hr/> —
The average number of persons employed by the Company during the year was as follows:	No.	No.
Management	1	—
	<hr/>	<hr/>
In previous years all of the Company's testing and administration was carried out by the British Standards Institution to whom commercial charges were paid. The Company therefore did not directly employ any persons.		
9 OBLIGATIONS UNDER OPERATING LEASES		
The Company has obligations to rent payments under a lease agreement for 12 years.		
The rental payments due in respect of this agreement in the next year amount to £10,684.		
10 CAPITAL COMMITMENTS		
At 31st March, 1990, the Company was committed to capital expenditure, as follows:	£	£
Contracted	6,814	—
	<hr/>	<hr/>

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Trading Account

31 MARCH	1990		1989	
	£	£	£	£
INCOME				
Fees for Certification, Approval, Testing and Licensing		778,350		681,383
Sale of Scrap		3,439		2,274
Interest Receivable		38,662		17,972
Department of Trade & Industry Grant Received		20,400		21,215
		<u>840,851</u>		<u>722,844</u>
EXPENDITURE				
Direct Expenditure:				
Testing, Inspection and Accreditation Fees		590,934		521,799
Indirect Expenditure:				
Administration	180,999		144,002	
Recruitment Expenses	3,634		—	
Secretarial Services	1,395		—	
Chief Executive Salary	6,625		—	
Chief Executive – Employer's NIC	692		—	
Employee Pension Contributions	927		—	
Chairman's Fees	4,500		4,000	
Travelling and Meeting Expenses	10,430		16,536	
Legal Expenses	2,100		1,900	
Audit Charges	2,255		1,790	
Insurance	7,900		7,400	
Stationery and Printing Expenses	1,333		—	
Discounts for Prompt Payment	21,727		23,138	
Sundry Expenses	699		887	
Bad and Doubtful Debts	316		890	
Bank Charges	76		—	
Depreciation:				
Fixtures & Fittings	602		—	
	<u>246,210</u>		<u>200,543</u>	
		837,144		722,342
PROFIT FOR THE YEAR		<u>3,707</u>		<u>502</u>

BRITISH APPROVALS SERVICE FOR CABLES

Being a Company Limited by Guarantee and not having a Share Capital

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Board of Management, Observers and Chief Officers

Board of Management:

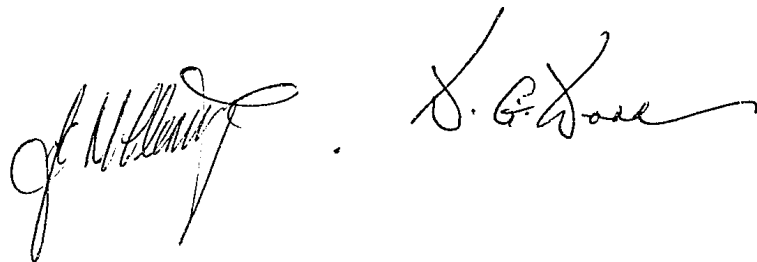
D.G. Dodds CBE	Chairman
J.E. Price	British Standards Institution
R. Watts	British Cable Makers Confederation
G.H. Dunn	British Cable Makers Confederation
M.H. Kelly	British Cable Makers Confederation
M.J. Dyer	Electrical Contractors' Association
D.N. Clouting	Electricity Council
B.V.W. Charles	Engineering Equipment and Materials Users Association
Dr. N. Parkman	ERA Technology Limited (resigned 23/3/90)
P. Bryant	Loss Prevention Council
M.C.H. Bond	British Cable Makers Confederation

Observers:

R.I. Morgan	Department of Trade & Industry
R.D. Smith	Claremont Haynes & Co. (Solicitors)

Chief Officers:

J.E. Ware	Director
J. Humphreys	Secretary/Manager (resigned 30/9/89)
J.H.S. Craig	Secretary/Chief Executive (appointed 1/1/90)



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BRITISH APPROVALS SERVICE FOR CABLES

Silbury Court
360 Silbury Boulevard
Milton Keynes MK9 2AS

Telephone: 0908 691121
Facsimile: 0908 692722



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