

CONTENTS

| | Page |
|----------------------------------------------|--------------------|
| Aims and Objectives | Inside front cover |
| Contents | 1 |
| Board and Committees | 2 |
| Notable Features | 4 |
| Message from the President | 5 |
| Chairman’s statement | 5 |
| Committee reports | 7-9 |
| Directors' report | 10 |
| Independent Auditors' report..... | 13 |
| Income and expenditure account..... | 14 |
| Balance sheet | 15 |
| Notes to the financial statement..... | 16-18 |
| Detailed income and expenditure account..... | 19 |
| Schedule of administrative expenses | 20 |



Patrons

The Rt Hon the Lord Woolf, Lord Chief Justice of England and Wales
The Rt Hon the Lord Howe of Aberavon CH, QC

President

The Rt Hon the Lord Rodger of Earlsferry

BOARD OF DIRECTORS (GOVERNORS)

Chairman, Sir Louis Blom-Cooper QC

Vice Chairman and Hon Treasurer, Michael Renshall CBE, FCA

James Badenoch QC

Lord Brennan QC

Alex Brown FCA, ATII

Roger V Clements, FRCS, FRCOG

John Cowan, C Eng, FICE

Hugh Edwards, FRICS

The Rt Hon Sir Robin Jacob, Lord Justice of Appeal

Susan Lloyd, Former President of the London Rent Assessment Panel

Dr Roy Palmer, Coroner

Dr Jack Tinker, Emeritus Dean, The Royal Society of Medicine

James Watt, Solicitor

Secretary:

Brian Thompson MA FCII FCIS

Assistant Treasurer:

Andrew Grantham FCA

Auditors:

Westbury

145/157 St John Street

London EC1V 4PY

Bankers:

Royal Bank of Scotland

36-37 New Bridge Street

London EC4V 6BJ

The Expert Witness Institute

Africa House, 64-78 Kingsway, London WC2B 6BD

Telephone 0870 366 6367

Facsimile 0870 411 2470

Email: info@EWI.org.uk

Web site: www.EWI.org.uk

*Company limited by guarantee. Registered office as above.
Registered No: 3317333 England and Wales.*

Membership of Committees of the Board 2002/2003

Membership and Public Relations Committee

| | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman | Alex Brown |
| Committee Members | Michael Ansell David Asker-Browne John Bryant Dr James Carne Roger Goulden Geoffrey Lloyd Susan Lloyd Jonathan Ross Rosemary Nodder Professor Max Sussman Stephen Walsh Jacqueline Webb |

Finance Committee

| | |
|-------------------|---------------------------------------------------------------------------|
| Chairman | Michael Renshall CBE |
| Committee Members | Sir Louis Blom-Cooper QC John Cowan Hugh Edwards Andrew Grantham |

Education & Training Committee

| | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Chairman | Dr Jack Tinker |
| Committee Members | D Harry Brunjes Dr James Cleland Roger Clements John Pearn Dr Jill Crombie Eamonn Malone Ian Walker James Watt |

Founding Sponsors

Allianz Cornhill
Bond Solon Training
Geoffrey Hunt & Partners
KPMG
Medical Defence Union
Medical Protection Society
Moores Rowland International
R B Hawkins & Associates
Royal Society of Medicine
Strange Strange & Gardner

EWI 2002/2003 – Outstanding achievements

- Financial strength of Institute significantly improved: reserves now approximately 25% of annual expenditure.
- Membership of Institute exceeds 1000.
- First Annual Dinner for members at Gray's Inn, preceded by Sixth Sir Michael Davies Lecture delivered by Professor Richard Evans.
- Joint Conference with Forensic Science Society and The Council for the Registration of Forensic Practitioners in April on 'Justice for All – making the most of professional evidence' at The Royal Society.
- Joint Conference with Royal Society of Medicine in October 2003 on the medical witness in criminal cases.
- First Fellows dinner to review mentoring role of Fellows and support for seminar programme.
- EWI provides administration support for the RICS Expert Witness Registration Scheme which enjoys considerable success and introduces new members.
- EWI website continues to enhance promotion of EWI. Over 800,000 hits in 2002/2003.
- Growth of EWI Referral Service. Over 2000 referrals made in 2002/2003.
- Office IT System enhanced to ensure that it can meet growing EWI requirements.
- Joint Working Group appointed by EWI and the Academy of Experts to explore how the two organisations can come together.

Message from the President

The Rt Hon Lord Rodger of Earlsferry

This last year has brought increasing challenges for expert witnesses, particularly in the criminal field. Three high profile cases have led to a deluge of media criticism of the role of expert witnesses, even to the point where some journalists have voiced the question: “why do we need expert witnesses?” In this highly charged atmosphere the Expert Witness Institute has maintained a balanced and constructive role, culminating in a very successful and timely joint conference with the Royal Society of Medicine entitled: “Beyond reasonable doubt: the role of the medical expert witness in criminal cases”. I am delighted to learn that it is planned to re-run this important event elsewhere in the UK, starting with Newcastle-upon-Tyne in September.

The Criminal Justice Act 2003 and the Courts Act 2003 will introduce far-reaching changes in criminal procedure. Once the new rules are finally agreed, the Institute will have an important role to play in ensuring that members are fully aware of the requirements of the new procedure.

In the meantime, I learned with great pleasure that the Joint Working Group established by the Institute and the Academy of Experts to explore how the two bodies can get closer is making positive progress and hopes shortly to present its findings to the governing bodies of the two organisations. If these discussions lead to proposals which can be implemented successfully in this coming year, this will enhance their standing in the eyes of the judiciary. I wish this project well.

Chairman’s Statement

I did not expect, as I penned my statement for 2001/2002 last year, that I would be again reporting to you this year on the state of affairs with your Institute. However, developments in the course of the year suggested to the Governors that it would be unreasonable for any new Chairman to have to guide the Institute through the challenges that confront us without a reasonable run-in, and so I willingly agreed to stay on until the conclusion of our Annual General Meeting on 29 April 2004. At that time it is expected that I will pass on the baton to James Badenoch QC who became a Governor in January. James will be known to many as an extremely successful practitioner at the bar, who for over twenty years has specialised in clinical negligence and other medical cases, as well as Human Rights Law, mental health and common law generally. Members may recall the urbane and witty manner in which he chaired our joint conference in 2002 on the Auld Report.

One of the major developments, to which I refer, is the opening of discussions with the Academy of Experts, to explore how we might come together. There has been considerable pressure from very senior members of the judiciary to encourage this and indeed Lord Justice Auld in his Review of the Criminal Courts made specific comment on the number of organisations representing expert witnesses. Nevertheless it is much easier to express the idea than to realise it. There are major constitutional and philosophical differences between the Institute and the Academy which will need to be resolved and, the Joint Working Group is working very amicably. It is hoped that their efforts will be successful and their report is keenly awaited.

Should their final report be accepted by the Governing bodies of both organisations it will be necessary to put the recommendations to the members of both the Institute and Academy.

Other matters which are likely to affect expert witnesses in the future are being developed within the Civil Justice Council (CJC). The Experts Committee of the CJC has put in train a process for combining the Code of Guidance, approved by the Master of the Rolls, with that issued by the Academy. John Cowan, the Institute's representative on the Experts Committee and Alex Brown have worked hard with the two members of the Academy to produce this, and while the document has still to be considered by the CJC, I welcome the opportunity to eliminate the confusion created by having two Codes of Guidance.

The Costs Committee of the CJC has been looking at the expense of civil litigation. An initial success was to get the solicitors and barristers in RTA whiplash cases to agree to fees being capped. The committee is now looking to extend this into other litigation. I am aware that these proposals have caused some alarm, particularly among our medical members. We are keeping a close watch on what is being proposed and will seek to ensure that expert witnesses are not prejudiced.

Three high profile criminal cases involving the alleged homicide of small babies by their mothers¹ have questioned in the public mind the competence and objectivity of forensic experts. Indeed we have heard that, for fear of criticism, some medical expert witnesses no longer want to appear in the courts. We do not subscribe to the popular view which is now being fostered by certain sections of the press, but rather take the view that these cases are symptomatic of a failure of the criminal justice system. After all, the role of the expert witness is specifically to assist the court. Nevertheless, it is clearly important to restore confidence in the value and quality of expert opinion evidence, and so we are highlighting this aspect of forensic evidence at our annual conference on 15 October 2004 under the title "Expert evidence on trial". We are fortunate that Lord Justice Judge, who delivered an outstanding judgment in the Angela Cannings appeal, has agreed to deliver the keynote address.

To enable the Governors to promote the Institute effectively for the benefit of our members, it is essential that the Institute is soundly based financially. So I am very encouraged that under the careful guidance of our Treasurer, Michael Renshall, we have built up our reserves to approximately 25% of the Institute's annual expenditure. Members are aware that we are a not-for-profit organisation, so we do not seek to create enormous surpluses. But by adopting a business-like approach we are achieving a position where we can utilise our funds for the benefit of the members, while at the same time freezing the annual subscription for four years. The Finance Committee is to be warmly congratulated.

A further issue being considered by the CJC is that of accreditation of experts. The Council for the Registration of Forensic Practitioners has now registered over 1000 experts, mainly scientists, and can now be regarded as firmly established. The CRFP has recently hosted two meetings with other expert witness organisations to explore how we and they should relate to each other; the second meeting also involved some members of the judiciary. There seems to be a consensus that our roles are complementary and not competitive. The CRFP is concerned with registration and regulation, and has no involvement in education and training. The Council views those two matters as our role,

¹ R v Sally Clark Court of Appeal 11 April 2003
R v Trupti Patel Reading Crown Court 11 June 2003
R v Angela Cannings Court of Appeal 19 January 2004

together with representation of experts. We agree that registration should continue to be voluntary on the part of the individual expert.

The CRFP is not the only organisation concerned with registration of experts. I reported last year that we had signed an agreement with the Royal Institution of Chartered Surveyors to administer the launch of its new Expert Witness Registration Scheme. I am pleased to be able to report that this was so successful that after the initial year RICS has been able to take the administration in-house. The scheme did provide us with a welcome boost to our membership and our experience in running the scheme means we are well placed to support other professional bodies and organisations who prefer to accredit their members as expert witnesses themselves.

My Chairmanship of EWI has coincided with the implementation of the Civil Procedure Rules and by the time of our AGM, CPR will have been in force for five years. Overall it must be said that their influence on civil litigation and the role of expert witnesses has been beneficial. With the arrival on the statute book of the Criminal Justice Act 2003 and the Courts Act 2003 we can expect similar developments in criminal procedure. You may rest assured that your Institute will be alive to what is being proposed in this respect and will be making appropriate representations. I can foresee that in the future we will need to address an educational and training requirement for our members in much the same way as we did for the Civil Procedure Rules.

From the foregoing I think members will see that my successor will have much to consider and I wish him well as he takes the Institute forward in whatever form it may adopt. I know he will be well supported by the Governors who in the past seven years have given me so much encouragement; and I also know that he can count on a dedicated and experienced staff led by our Secretary, Brian Thompson. It just remains for me to thank all the members of the Institute who have written to me, spoken to me or even, in recent years, sent me emails. It has been rewarding experience to be your chairman.

Sir Louis Blom-Cooper QC
Chairman
17 March 2004

Report of the Finance Committee

Although total income increased marginally, from £219,000 to £220,000, this masked an encouraging increase in membership subscriptions, from £157,000 to £179,000. This was largely due to introductions from the RICS Expert Witness Scheme, which we were pleased to administer in its successful start-up stage. We welcome our new RICS members.

The apparent decrease in administrative costs, from £213,000 to £195,000, requires comment. The Institute's administrative costs are mainly of a fixed nature, but include some variable costs, such as the costs of courses and events, which tend to fluctuate according to the number of events and numbers attending. Courses activity fell compared with the previous year (attributable income was down from £38,000 to £16,750) and the (mainly direct) costs fell accordingly. These direct costs will increase in line with any increase in courses activity. In fact core administrative costs for the year were in line with previous experience.

The overall outcome for the year was a surplus of £28,000 (2002 surplus £9,000).

The Institute is not a profit-seeking body but the Board recognises the importance of building up a prudent reserve, which it considers should be not less than 50% of annual recurring expenditure, in present circumstances equivalent to about £100,000. As the balance sheet shows, current reserves at £52,000 are about 25% of annual expenditure.

In short, a satisfactory result for the year, but we still have ground to gain.

Michael Renshall CBE
Treasurer

Report of the Membership & PR Committee

I referred in my report in last year's accounts to the successful outcome of the negotiations with the Royal Institution of Chartered Surveyors for the establishment of their expert witness registration scheme. The development of this scheme during the year confirmed the need for chartered surveyors undertaking expert witness work to be accredited in this way. It is reassuring that RICS have decided to continue to run it in-house based on the sound administration we helped to establish. A special word of thanks should go to Brigid Lohrey who assisted in achieving this satisfactory outcome, which incidentally introduced a substantial number of chartered surveyors to the benefits of membership of EWI.

The Membership & PR Committee was concerned during the year to draw up a marketing strategy for the Institute. Following independent advice from Trudi Lloyd, the committee produced a draft, which as with RICS, saw other professional bodies as potential partners. The thrust of the strategy is to plan our activities with a commercial mindset, whilst looking for opportunities for expansion and focusing on providing a premium service to instructing solicitors. The paper was accepted by the Governors and the matter has now been remitted back to the Committee for implementation.

In providing that premium service to solicitors, we are conscious that we are very dependent upon the quality and detail of the information we hold on our database. During the year the Institute staff in conjunction with some of our members have been steadily upgrading and refining this information so that the Institute can respond more positively to instructing solicitors. The task is considerable and is some way from completion, but already solicitors are appreciating the prompt and accurate response they have received when using our referral service as is evidenced by the increasing number of enquiries.

The Fellowship scheme has also been developing positively, and a working dinner was held in October to explore how our senior members can contribute to the progress of EWI. With their experience not only can they assist our more junior and provisional members to advance to full membership, and help to organise seminars, but also their practical help in refining our membership database has been invaluable.

Alex Brown
Chairman

Report of Education and Training Committee

The Committee was reconstituted at the beginning of the year and subsequently held meetings throughout the year. Its present membership is presented elsewhere in the report and additional members are still being appointed to ensure a broad representation of the many disciplines relevant to the work of the EWI.

The Committee is cognisant of the Institute's objectives to ensure that its members can maintain the currency of their knowledge, skills and technical competence in relation to their roles as expert witnesses.

Conferences

The Annual Conference was rescheduled to 30 January 2004. The theme was 'Expert evidence at home and abroad'; the Rt Hon Baroness Scotland delivered the opening address.

A highly successful conference on 30 October 2003 entitled 'Beyond Reasonable Doubt' explored the role of the medical expert witness. It was organised jointly with the Royal Society of Medicine and some ninety delegates attended. It is planned to hold a similar meeting in Newcastle in 2004.

Seminars

Regular seminars were held in London and the regions throughout the year and continue to be popular with members.

Courses

A Basic law Course was held outside London for the first time and, whilst a popular event, delegate feedback indicated the need to re-consider the format for future courses taking into account the different requirements of members with regard to civil and criminal law.

Fellowship

The creation of the Fellowship was described by Roger Clements in his last report. This initiative is intended to provide a mentoring facility for provisional members and to complement it a Personal Record Card of Continuing Professional Development for provisional members has been developed and circulated. It is hoped that it will assist provisional members with the assistance of their mentors in structuring and recording a personal development programme.

As a new Chairman I would like to take this opportunity to express my thanks to all members of the Committee for their contribution, support and advice, and the staff of the EWI for their continuing guidance and help.

Dr Jack Tinker
Chairman

EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS (GOVERNORS)

The Directors (Governors) present their report and the Institute's financial statements for the year ended 31 October 2003.

Company Status

The Institute is a company limited by guarantee, not having share capital. All elected members are members of the company. In the event of the Institute being wound up, the maximum amount which each member is liable to contribute is £1.

Principal Activities

The Institute's activities are directed towards the achievement of its aim, which is the support of the proper administration of justice and the early resolution of disputes through fair and unbiased expert evidence. The Institute gives high priority to the provision of training and dissemination of information to maintain and enhance the standards and status of experts.

Review of the Business and Future Prospects

The Institute is a non-profit making body. Its income is required to be applied solely for the promotion of its objects. The development of the business is described in the Chairman's statement and the reports of the committee Chairmen on pages 5 to 9. The Institute's results and financial position are set out on pages 14 to 20.

Directors (Governors)

The Directors (Governors) holding office in the period were as follows: -

| | | |
|--------------------------|---|------------|
| Sir Louis Blom-Cooper QC | - | (Chairman) |
| Lord Brennan QC | | |
| Alex Brown | | |
| Roger V Clements | | |
| John Cowan | | |
| Hugh Edwards | | |
| Sir Robin Jacob | | |
| Susan Lloyd | | |
| Dr Roy Palmer | | |
| Michael Renshall CBE | | |
| Dr Jack Tinker | | |
| James Watt | | |

Mr James Badenoch QC was appointed Director (Governor) on 14 January 2004. In accordance with the Articles of Association he will retire at the Annual General meeting and being eligible offers himself for election. The Directors (Governors) retiring by rotation are Mr Alex Brown, Mr John Cowan, Mr Hugh Edwards and Dr Roy Palmer who, being eligible, offer themselves for re-election.

No Director (Governor) received any remuneration in respect of his or her services. Reimbursement of expenses is restricted to those expenses, which are necessarily incurred by members of the Board and Committees on Institute business. Expenses reimbursed to Governors and Committee members totalled £512. As the company is limited by guarantee, and has no share capital, the Directors have no interests in share capital to declare. There have been no transactions with Directors or related parties.

Directors and Officers Insurance

The Institute has purchased directors' and officers' liability insurance at a cost of £1250 plus 5% I.P.T.

Directors' Responsibilities

Company law requires the Directors (Governors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Directors (Governors) are required to:

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

The Directors (Governors) are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and to enable the Directors (Governors) to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors (Governors) confirm that they have complied with these requirements.

Corporate Governance

Although not strictly applicable to the Institute, the Directors (Governors) have had regard to the recommendations of the Combined Code on corporate governance.

The Board meets regularly, at present ten times a year, and is responsible for the proper management of the Institute. It keeps under its direct control the approval of the annual accounts, financial policy and arrangements, budgets, capital expenditure, the appointment of professional advisers, material contracts, policy issues, long-range plans and senior executive appointments. It delegates some matters to committees, as described on pages 7 to 9. All the Members of the Board are non-executive.

Political and Charitable Donations

There were no political or charitable donations.

Policy on Payment of Creditors

It is the Institute's policy to conform with the terms of payment agreed with its suppliers, either standard terms or special terms agreed in advance.

Health and Safety

The Governors have considered the application to the Institute of the Health & Safety at Work Act 1974. Although they are not strictly required to report on this, the Governors confirm that the Institute complies with requirements of the Act and the Workplace (Health, Safety and Welfare) Regulations 1992 insofar as they apply to the Institute.

Annual General Meeting

The Annual General Meeting of the Institute will be held at Gray's Inn, London at 4:00 p.m. on Thursday, 29 April 2004.

Discipline

There have been no issues which would have caused the Directors (Governors) to invoke the disciplinary procedures under the Institute's Articles of Association. However, the Directors (Governors) are aware that those procedures need strengthening to ensure that on receipt of an allegation concerning a member of the Institute such allegation is considered to establish whether it should be dismissed as trivial or prima facie is a matter on which a recommendation should be made to the Board of Governors that an Investigating Committee be established in accordance with the Articles of Association. Accordingly a Special Resolution will be proposed at the Annual General Meeting on 29 April 2004 to amend the Institute's Articles of Association.

Auditors

The Institute's auditors, Westbury, have indicated their willingness to accept re-appointment. Accordingly, in accordance with section 385 of the Companies Act 1985 a resolution proposing that they be re-appointed auditors will be put to the Annual General Meeting.

On behalf of the Board

Sir Louis Blom-Cooper QC

Chairman

17 March 2004

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

We have audited the financial statements of The Expert Witness Institute (limited by guarantee) on pages 14 to 20 for the year ended 31 October 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 11 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Westbury

17 March 2004

Chartered Accountants
Registered Auditor

145-157 St. John Street
London
EC1V 4PY

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

| | | 2003 | 2002 |
|-------------------------------------------------------|--------------|----------------------|---------------------|
| | Notes | £ | £ |
| Income | 2 | 220,220 | 219,279 |
| Administrative expenses | | <u>(195,194)</u> | <u>(212,615)</u> |
| Operating Surplus | 3 | 25,026 | 6,664 |
| Other interest receivable and similar income | 4 | 3,073 | 2,322 |
| Interest payable and similar charges | 5 | - | (29) |
| Surplus on ordinary activities before taxation | | <u>28,099</u> | <u>8,957</u> |
| Tax on surplus on ordinary activities | 7 | - | (96) |
| Surplus on ordinary activities after taxation | 11 | <u><u>28,099</u></u> | <u><u>8,861</u></u> |

The income and expenditure account has been prepared on the basis that all operations are continuing.

There are no recognised gains and losses other than shown in the income and expenditure account.

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 31 OCTOBER 2003

| | | 2003 | | 2002 | |
|-------------------------------------------------------|-------|-----------------|----------------------|-----------------|----------------------|
| | Notes | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 8 | | 7,904 | | 4,048 |
| Current assets | | | | | |
| Debtors | 9 | 6,289 | | 10,416 | |
| Cash at bank and in hand | | <u>127,080</u> | | <u>96,445</u> | |
| | | 133,369 | | 106,861 | |
| Creditors: amounts falling due within one year | | | | | |
| Members' fees received in advance | | 81,430 | | 73,605 | |
| Other creditors | | <u>8,066</u> | | <u>13,626</u> | |
| | 10 | <u>(89,496)</u> | | <u>(87,231)</u> | |
| Net current assets/(liabilities) | | | <u>43,873</u> | | <u>19,630</u> |
| Total net assets | | | <u><u>51,777</u></u> | | <u><u>23,678</u></u> |
| Capital and reserves | | | | | |
| Surplus on income and expenditure account | 11/12 | | <u>51,777</u> | | <u>23,678</u> |
| | | | <u><u>51,777</u></u> | | <u><u>23,678</u></u> |

The financial statements were approved by the Board on 17 March 2004

Sir Louis Blom-Cooper QC
Chairman

Michael Renshall CBE
Vice Chairman and Treasurer

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention on the basis that the company is a going concern.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

1.3 Income

Income includes amounts receivable for membership fees, training, seminar and conference income.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows;

Fixtures, fittings & equipment 25% reducing balance

1.5 Value Added Tax

As a non-profit making organisation the company is exempt from VAT on membership subscriptions by virtue of Article 13A (1) of the Sixth Directive since it pursues 'aims of a civic nature'.

2 Income

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating Surplus

Operating surplus is stated after charging:

Depreciation of tangible fixed assets

Rental and property charges

Auditors' remuneration

| 2003 | 2002 |
|-------------------|-------------------|
| £ | £ |
| 2,635 | 1,349 |
| 33,262 | 30,339 |
| 1,960 | 1,800 |
| <u> </u> | <u> </u> |

4 Other interest receivable and similar income

Bank interest

| 2003 | 2002 |
|-------------------|-------------------|
| £ | £ |
| 3,073 | 2,322 |
| <u> </u> | <u> </u> |

5 Interest payable

Other interest

| 2003 | 2002 |
|-------------------|-------------------|
| £ | £ |
| - | 29 |
| <u> </u> | <u> </u> |

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003

| | | | |
|----------|---------------------------------|------------------|------------------------------------------------------------|
| 6 | Employment costs | 2003 £ | 2002 £ |
| | Wages and salaries | 69,661 | 70,613 |
| | Social security costs | 4,390 | 3,794 |
| | Staff recruitment and training | 288 | 4,734 |
| | | 74,339 | 79,141 |
| | | 74,339 | 79,141 |
| 7 | Taxation | 2003 £ | 2002 £ |
| | UK current year taxation | | |
| | UK Corporation tax | - | 96 |
| | | - | 96 |
| | | - | 96 |
| 8 | Tangible fixed assets | | Fixtures, fittings & equipment £ |
| | Cost | | |
| | At 1 November 2002 | | 10,612 |
| | Additions | | 6,491 |
| | At 31 October 2003 | | 17,103 |
| | Depreciation | | |
| | At 1 November 2002 | | 6,564 |
| | Charge for the year | | 2,635 |
| | At 31 October 2003 | | 9,199 |
| | Net book value | | |
| | At 31 October 2003 | | 7,904 |
| | At 31 October 2002 | | 4,048 |

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003**

| | | |
|------------------------------------------------------------------------|----------------------|---------------------------------------------------------|
| 9 Debtors: amounts falling due within one year | 2003 | 2002 |
| | £ | £ |
| Other debtors | 832 | 4,236 |
| Prepayments and accrued income | 5,457 | 6,180 |
| | <u>6,289</u> | <u>10,416</u> |
| | <u><u>6,289</u></u> | <u><u>10,416</u></u> |
| 10 Creditors: amounts falling due within one year | 2003 | 2002 |
| | £ | £ |
| Members' fees received in advance | 81,430 | 73,605 |
| Corporation tax | - | 96 |
| Other taxes and social security costs | 1,593 | 1,131 |
| Other creditors | 4,718 | 10,455 |
| Accruals and deferred income | 1,755 | 1,944 |
| | <u>89,496</u> | <u>87,231</u> |
| | <u><u>89,496</u></u> | <u><u>87,231</u></u> |
| 11 Statement of movements on income and expenditure account | | Income and expenditure account £ |
| Balance at 1 November 2002 | | 23,678 |
| Retained surplus for the period | | 28,099 |
| | | <u>51,777</u> |
| | | <u><u>51,777</u></u> |
| 12 Reconciliation of movements in reserves | 2003 | 2002 |
| | £ | £ |
| Surplus for the financial year | 28,099 | 8,861 |
| Opening reserves | 23,678 | 14,817 |
| | <u>51,777</u> | <u>23,678</u> |
| Closing reserves | <u><u>51,777</u></u> | <u><u>23,678</u></u> |

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

| | 2003 | | 2002 | |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Individual membership subscriptions | | 178,953 | | 156,979 |
| Vetting fees received | | 4,960 | | 4,500 |
| Professional body and association membership | | 1,500 | | 1,500 |
| Corporate membership | | 10,800 | | 9,750 |
| Courses and events income | | 16,750 | | 37,920 |
| Other income | | 7,257 | | 8,630 |
| | | <hr/> | | <hr/> |
| | | 220,220 | | 219,279 |
| | | | | |
| Administrative expenses | | (195,194) | | (212,615) |
| | | <hr/> | | <hr/> |
| Operating Surplus | | 25,026 | | 6,664 |
| | | | | |
| Other interest receivable and similar income | | | | |
| Bank interest received | 3,073 | | 2,322 | |
| | <hr/> | | <hr/> | |
| | | 3,073 | | 2,322 |
| | | | | |
| Interest payable | | | | |
| Other interest paid | - | | 29 | |
| | <hr/> | | <hr/> | |
| | | - | | (29) |
| | | | | |
| Surplus before taxation | | 28,099 | | 8,957 |
| | | <hr/> <hr/> | | <hr/> <hr/> |

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 OCTOBER 2003**

| | 2003 | | 2002 | |
|----------------------------------|--------|----------------|---------|----------------|
| | £ | £ | £ | £ |
| Employment costs | | | | |
| Wages and salaries | 69,661 | | 70,613 | |
| Employer's NI contributions | 4,390 | | 3,794 | |
| Staff recruitment and training | 288 | 74,339 | 4,734 | 79,141 |
| | <hr/> | | <hr/> | |
| Office costs | | | | |
| Rent | 17,043 | | 17,043 | |
| Rates | 3,859 | | 3,963 | |
| Insurance | 1,538 | | 1,626 | |
| Light and heat | 379 | | 362 | |
| Cleaning | 3,532 | | 3,161 | |
| Repairs and maintenance | 616 | | 679 | |
| Removal expenses | - | | (993) | |
| Service charges | 6,173 | 33,140 | 4,052 | 29,893 |
| | <hr/> | | <hr/> | |
| Communication costs | | | | |
| Postage, carriage and stationery | 14,952 | | 14,408 | |
| Public relations | 4,202 | | 4,693 | |
| Telephone | 2,763 | | 5,037 | |
| Computer and website costs | 6,947 | | 12,640 | |
| Newsletter and printing costs | 9,817 | | 9,002 | |
| Equipment hire | 16,219 | | 13,296 | |
| Travelling expenses | 300 | | 83 | |
| Subsistence | 1,051 | 56,251 | 795 | 59,954 |
| | <hr/> | | <hr/> | |
| Courses and events | | 17,497 | | 35,117 |
| Professional services | | | | |
| Legal and professional fees | - | | (1,117) | |
| Audit fees | 1,960 | | 1,800 | |
| Accountancy fees | 229 | | 241 | |
| Bookkeeping fees | 3,691 | 5,880 | 3,321 | 4,245 |
| | <hr/> | | <hr/> | |
| Financial costs | | | | |
| Bank charges | 1,098 | | 1,170 | |
| Bad Debts | 830 | | - | |
| Sundry expenses | 753 | | 38 | |
| AGM Costs | 2,771 | | 1,708 | |
| Depreciation of fixed assets | 2,635 | | 1,349 | |
| | <hr/> | 8,087 | <hr/> | 4,265 |
| | | <hr/> | | <hr/> |
| | | 195,194 | | 212,615 |
| | | <hr/> | | <hr/> |