



The Expert Witness Institute

REPORT

AND

FINANCIAL STATEMENTS

- YEAR ENDED 31 OCTOBER 2004 -

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

AIMS AND OBJECTIVES

The objective of the EWI is to support the proper administration of justice and the early resolution of disputes through fair and unbiased expert evidence.

To achieve this objective, the EWI:

- Acts as a voice for expert witnesses, especially in communicating with the media
- Provides support to experts of all professional disciplines and other occupations requiring skills and judgment
- Encourages lawyers to make use of experts wherever specialised knowledge is required
- Engages in the training of experts to maintain and enhance standards and their status
- Works actively with other allied professional bodies and associations
- Makes representations to Government and to professional bodies and associations wherever possible

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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, James Badenoch QC

Vice Chairman and Hon Treasurer, Michael Renshall CBE, FCA

Sir Louis Blom-Cooper 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

Kay Linnell FCA MBA FCI Arb

Susan Lloyd, Former President of the London Rent Assessment Panel

Dr Roy Palmer, Coroner

David Smith BSc (Mech Eng) AMI Mech E

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

Membership of Committees of the Board 2003/2004

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	James Badenoch QC 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 2003/2004 – Highlights

- Financial strength of the Institute continues to improve: reserves now £60,000.
- Membership of the Institute remains steady
- 150% growth income from courses and events
- Joint events held with the Royal Society of Medicine, the Institution of Mechanical Engineers and Intrabank Expert Witness, and further joint events planned with Faculty of Advocates/Sweet & Maxwell in Edinburgh, with the Institute of Psychiatry, King's College London and with the Royal Society of Medicine.
- Mentoring system initiated for provisional members. Personal record card of continuing professional development issued to provisional members.
- Marketing sub-committee formed to enhance the EWI message
- New membership List published
- EWI Basic Law Course provided in-house to two leading firms of chartered accountants
- James Badenoch QC appointed a Governor and succeeds Sir Louis Blom-Cooper QC as Chairman after the Annual General Meeting and Sir Michael Davies lecture by the eminent Sir David Edward
- Memorable Annual Conference with keynote address from Lord Justice Judge

Message from the President

The Rt Hon Lord Rodger of Earlsferry

Last year was a year of mixed fortunes for the Expert Witness Institute. Its long standing Chairman, Sir Louis Blom-Cooper decided to step down after the Annual General Meeting having served for almost seven years. If this was a blow it was somewhat softened by the elevation, as his successor, of James Badenoch QC. James is an eminent barrister specialising inter alia in medical negligence cases and his keen intellect and wit will be very much appreciated by Governors and members alike. Nor will we have to forego, at least for a while, the enthusiasm and energy that Sir Louis brings to Institute affairs for he is, for the moment continuing as a Governor. I should like to take this opportunity to thank Sir Louis for his outstanding contribution to the development of the Institute and to wish James well as he takes over the mantle.

A second area where mixed fortunes were experienced was the discussions with the Academy of Experts to which I referred optimistically last year. The Joint Working Group (the JWG) comprised three representatives from the Institute and three from the Academy made very encouraging progress throughout the year. Unfortunately, the proposal to produce a unified Code of Guidance on Expert Evidence which was promoted by the Experts Committee of the Civil Justice Council led to a disagreement between the Academy and the Institute over how the new code should be developed, with the result that the Academy suspended the work of the JWG. The Master of the Rolls has now allocated the work on the Code to two senior judges and it will be interesting to all concerned with the production of expert evidence in the courts to study the product of their labours. In the meantime I am pleased to learn that the respective Chairmen of the two organisations are seeking to build bridges, so hopefully this will be just a blip.

The forthcoming year promises to bring to fruition matters which found their gestation last year and even further back. Both the Criminal court and the Family Division are promised new procedure rules and this will bring with them the need to ensure members are fully appraised of what is expected of them. Other issues will continue to be debated: proposals to restrict fees in low value fast track cases; the need to ensure expert witnesses are competent which raises problems of accreditation and training; the suggestion by the Legal Services Commission that their control over disbursements is extended into the civil jurisdiction with new contractual procedures. These will affect members of the Institute and I know that the Governors will be concerned to ensure that the role of the members as expert witnesses is not prejudiced. In this connection I regard it as a positive step by the Governors that they are already seeking to strengthen the Board by recruiting very senior practising expert witnesses as Governors. The Institute is well served by the Governors, members of its committees and its staff so I am confident that these challenges will be met successfully.

Chairman's Statement

A new Chairman is often heard to say about his predecessor that he will be a hard act to follow. In respect of Sir Louis Blom-Cooper that statement could not be more true. For nearly seven years he has nursed, cajoled and even driven the fledgling Institute, brought it to maturity, and made it the widely respected body it is today. He has presided over the meetings of its Governors with wisdom and good humour, and with his happy knack of getting the best out of people. The result has been that the Institute has been governed efficiently and effectively, and always with the interests of members and the proper administration of justice as the foremost considerations. In addition we have greatly benefited from the fact that Louis seems to know everybody, and has been so adept at attracting eminent speakers to our conferences. I am grateful that we shall still have the advantage of his energy and enthusiasm for some time to come. As I have said before, I know on whose shoulders we stand.

If the new Chairman had hoped for a honeymoon period, that hope was dashed quite early on when there occurred a very unfortunate breakdown of relations between us and the Academy of Experts. It stemmed from a disagreement over the production of a new Code of Guidance on Expert Evidence for the Civil Justice Experts Committee. To go into detail here would serve no useful purpose. It is better to put the matter in the past. Suffice it to say that I do not think the Institute was at fault. Prior to the breakdown the Institute and the Academy were in dialogue about the merits, and possible ways and means, of making one single expert witness organisation out of two. The Joint Working Group which had been set this task was working well, with the prospect of being able to put proposals to our respective members in the autumn of 2004. We hope that dialogue can re-open in an appropriate form. We remain committed to exploring the prospects for uniting the two bodies under one banner (an outcome which is apparently favoured, if not seen as essential, by the judiciary). If we cannot achieve real progress in this direction it will make the task of preserving public confidence in expert witnesses more difficult. As things stand now, however, I am optimistic that we can restore an amicable relationship, and I hope that I will have a more positive message to convey at our Annual General Meeting in April.

In a number of recent high profile cases crucial expert witness evidence has been held on appeal to have been inappropriate or wrong, which has prompted understandable and widespread concern. To maintain public confidence in expert witnesses has consequently become a major task, and it is a task to which the EWI is committed. In this regard you will know that one of the recommendations of Baroness Helena Kennedy Q.C. in her recent report on Sudden Unexpected Death in Infancy, was for proper training for experts. We strongly support this recommendation, as central to public confidence, and the training of experts is one of the Institute's main aims and activities.

In respect of these much publicised cases, media commentators have largely failed to recognise that where miscarriages of justice occur they cannot, as a rule, be laid at the door of a single expert witness. The expert witness is called to assist the court by giving his opinion, and that is all he gives - an opinion. If honestly held, that opinion cannot be false, though it can of course be right or wrong. When there are conflicting expert opinions it is the responsibility of the legal profession to put each to rigorous test before the trial begins and then in court, so as to enable the judge or jury reliably to discharge their responsibility, which is to decide what weight, if any, can be given to the opinions before the court. In this judicial function there is of course room for human error to occur. No tribunal can be infallible, and errors may later be exposed by the thoroughness of the

appellate process. If the decision is then found to have been erroneous or unsafe, that is the outcome of the judicial process itself, not the responsibility of one man.

We also have now to address a consultation paper issued by the Legal Services Commission on the Use of Experts, which proposes among other things that in virtually all civil litigation expert witnesses should be accredited, and that their fees should be limited to a scale similar to that currently in use for criminal cases. There are real dangers that some of the suggested changes to the system, if insufficiently thought through, and brought in against a background of public misunderstanding of the role of forensic experts, may ultimately prejudice rather than benefit the proper administration of justice. By way of examples only, the effects of mandatory accreditation as a precondition of appearance in court, and/or of blanket scaling of fees (based e.g. solely on the monetary value of the claim), could have the effect of depriving the courts altogether of the crucial services of competent and experienced experts, who have hitherto been willing to subject themselves to the rigours of litigation to assist the process of justice.

We have responded vigorously to the LSC proposals. We have conducted a consultation process with members and with major interest groups on the proposals as a whole. We have organised a seminar for you to air your views, and have used the feedback as a basis for the Institute's formal response. We will continue to represent your interests in the face of those of the proposals which are not seen to be conducive to the fairness and the quality of the forensic process. We are also planning a significant joint conference with the Royal Society of Medicine to explore the issues raised by Baroness Kennedy, which will be held on 6 June 2005.

On a different note I am pleased to report that one of the steps taken by the Governors in the last year has been to create a sub-committee of the Membership and PR Committee to consider the most effective way to publicise the Institute, and to get its message across. This committee has identified a number of issues on which position papers are to be produced, which we intend to make available to members and other interested parties.

The Governors have also been concerned to ensure that in their own work and decisions, the views and interests of the widest range of expert witnesses are properly heard, represented and catered for. I am aware that some have felt that the Board has been weighted too much to the legal and the medical professions. In the course of the year we have sought to address this, and we have recently made two appointments which the members will be asked to ratify at the Annual General Meeting. Both the new Governors, Kay Linnell and David Smith, are practising expert witnesses, eminent in their own fields. Kay is a forensic accountant and arbitrator, formerly with the Inland Revenue. David is a mechanical engineer with a very busy court practice, and a partner of Strange, Strange and Gardner, who were founder sponsors of EWI. I am confident that both will be valuable members of the Board, and will make an important contribution to the work of the Institute.

As a comparative new boy I am conscious of the enormous benefit we derive from our Committee members, all of whom give their time voluntarily. The Finance Committee under the rigorous chairmanship of Michael Renshall has carefully husbanded the Institute's resources. So well has he discharged this task that we have again been able to add to our reserves and (for the fifth successive year) to run the Institute without any increase in membership fees. The Membership and PR Committee which is chaired by Alex Brown has continued to develop the Institute's membership. An up-to-date Membership List has been produced, and the Referral Service is providing ever more members with instructions from solicitors. The Education and Training Committee has blossomed under the Chairmanship of Dr Jack Tinker, and its success can be seen in the 150% increase in event income for the year. Furthermore the number of joint events in

which we are now involved is significant and important, not just for the events themselves but because it brings the Institute into an effective working relationship with other professional bodies. I take this opportunity publicly to acknowledge the magnificent efforts of the governors, and their support to me, and to thank them.

The Board of Governors and the committees are, of course, well supported by our administrative staff, led by our Company Secretary, Brian Thompson. Anyone who has had to contact the office will, I know, confirm the pleasure of receiving a helpful, efficient and courteous service from them. We are fortunate to have such able staff as Vicky Bartlett, Brigid Lohrey, Anita Abena-Amoako, and of course Brian Thompson, to look after us. On behalf of the Governors and our members I thank them.

James Badenoch QC
Chairman

Report of the Finance Committee

Income for the year increased by £22,000 from £220,000 to £242,000. This was wholly attributable to a strong increase in courses and events income, from £17,000 to £44,000. Although membership numbers held steady, subscription income dipped slightly to £175,000 (2003 £179,000) - this figure is affected marginally from year to year by concessions allowed for those joining part way through the year.

Expenses increased significantly from £195,000 to £245,000. The main cost increases were in employment costs, up from £74,000 to £96,000, and costs of courses and events, up from £17,000 to £44,000. The increase in employment costs was attributable in part to a modest increase in staff numbers and partly to the fact that costs appeared lower in 2003 because of the regrettable absence of our company secretary on sick leave. (It is pleasing to report that he is fully recovered). There is no reason to apologise for the increase in courses costs. We mounted a significantly greater number of courses and events, with higher revenue, referred to above, and consequential higher costs. It should be kept in mind that the Institute does not regard courses and events as primarily revenue-raising, but aims to break even or at best generate a modest surplus. There is inevitably a risk that some courses and events will incur losses, and the Finance Committee strives to assist the Education and Training Committee to ensure that risk of loss is minimised.

The Institute enters its ninth year in good financial health, but costs have to be constantly watched and our aim of building a prudent reserve equal to at least six month's core expenditure - approximately £100,000 - is still some distance away. But it is a target we are fixed on.

Michael Renshall CBE
Treasurer

Report of the Membership & PR Committee

I referred in my report in last year's accounts to the fact that the Royal Institution of Chartered Surveyors (RICS) had decided to run its expert witness registration scheme in-house, following a period where EWI assisted in the successful setup and administration of the scheme prior to its establishment and during its first year of operation. It is reassuring to note although we no longer administer the scheme, of the 180 RICS members who joined EWI as part of its operation, 145 have retained their EWI membership. The valuable

experience we gained in assisting RICS will stand us in good stead if the opportunity presents itself to assist other professional bodies in a similar manner in the future.

Early in the year the committee produced a marketing plan which was agreed by the Board and as a result a marketing sub-committee was set up under David Asker-Brown. The sub-committee has necessarily spent a good deal of time considering the most appropriate way to identify sources of new members. There are no "quick fixes" to the perennial problem of increasing membership in an organisation where there is an inevitable annual fall-out of retiring members, but I and my fellow committee members believe that patient and focussed application will produce results in the medium and long term.

A good deal of time was absorbed during the year by two fellow governors and myself who spent many hours in consultation with our counterparts at the Academy of Experts in sessions of the Joint Working Group (JWG) which was established to consider relations between the two bodies and the options for the future. It is a matter of personal regret that just before we were ready to produce an initial report, the work of the JWG was suspended due to unconnected matters. On the positive side, a good deal of goodwill was generated through the work of the JWG and personal relationships and a better understanding of each others relative positions and views was established, which may bear fruit in the future.

During the year we have added to the number of Fellows of the Institute. Members will be aware that they provide advice and guidance to provisional members under a mentoring scheme. It is encouraging that in some respects this has been greatly appreciated by those provisional members who have successfully advanced to achieve full membership of the Institute but we are conscious that we need to monitor the operation of the scheme and we are therefore organising another meeting of the Fellows to consider how the scheme should best be developed.

There have been some changes to the membership of the committee in the last year. Rosemary Nodder and Jacqueline Webb have stood down after many years service and I thank them for their valuable contributions. The committee has been well served by the office and I am pleased that Brigid Lohrey, who is now working part-time, is still available to assist us. I welcome Anita Abena-Amoako who has joined as Membership Secretary and is already making a positive contribution.

Finally, although it falls under the current year, the committee, as well as other committees and the entire Board, spend a great deal of time addressing and responding to the consultation paper on the use of experts, published by the Legal Services Commission. In my view, the paper as published presented a significant threat to those members who undertake publicly funded cases. The two issues of importance are the accreditation of experts and the rates of remuneration payable by the Legal Services Commission. As we go to press with the 2003/4 accounts the consultation period has just ended and it remains to be seen what the outcome will be, but we are conscious that in a climate where experts are under even greater scrutiny, we shall need to review our criteria for membership to provide greater assurance to the judiciary that our members are competent to act as expert witnesses.

Alex Brown
Chairman

Report of Education and Training Committee

The committee met quarterly throughout the year. The new members who joined the Committee were Mrs Elizabeth Bossley, Mr Eric Glover, Mr John Holmes, Dr Keith Rix and Mr Ian Walker. Dr Jill Crombie resigned during the year and the Committee wish to thank her for her contribution.

Committee membership has significantly increased fulfilling the aim as expressed in my last report, of ensuring a broad representation of the many disciplines relevant to the work of the Institute.

The Committee remains 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 role as expert witnesses. In this context accreditation of witnesses is currently a keenly debated topic: the view of the Governors and the Committee is that this is a two tier process. Firstly, an expert has to be responsible for keeping abreast in their speciality and assessed accordingly by a relevant professional body. Secondly, the expert has to be aware of and comply with, the requirements of the court; the Institute's educational programme is designed to ensure, as far as possible, that this is achieved.

Conferences

The Annual Conference entitled 'Forensic Evidence on Trial' was very successful; the keynote address was given by the Rt Hon Lord Justice Judge. Topics of other conferences were 'Money Laundering' and 'Beyond Reasonable Doubt', the latter was organised jointly with the Royal Society of Medicine and held in Newcastle. Another joint conference 'Dispute resolution in the City' was organised with Intrabank and the Committee are very grateful to Eric Glover for all his effort in making this venture possible.

As a policy the Committee is very keen to organise more joint meetings and also to hold more events outside London; support by the membership is essential if these aims are to be achieved and suggestions or help to convene such events will be welcome.

Seminars

Numerous seminars were held during the year embracing a wide range of topics from 'Are you being paid?' to the 'The problems of the single joint expert'. These evening events retain their popularity with members.

Courses

Basic Law Courses were held in both London and Harrogate and two 'bespoke' courses were held for two firms of accountants as part of their in-house training.

The present format of this course has remained unchanged for a time and is presently being reviewed by Professor Jones and his colleagues at the University of Liverpool.

Lectures

The Seventh Sir Michael Davies Lecture was given by the Sir David Edward and has been published as an occasional paper.

Membership

The Committee have given consideration as to how provisional members might be assisted to proceed to full membership. A meeting of Fellows is to be held prior to the next AGM to encourage the development of the potential for Fellows to act as mentors. A

Personal Record Card has been made available to enable provisional members and their mentors to structure and record a personal development programme.

Finance

The substantial increase in the educational programme realised an increase in income to £44,479 but because of the greater activity costs also increased to £43,636 creating a small surplus.

In finishing this report I would again like to take the opportunity to express my thanks to all members of the Committee for their contribution, support and hard work and also to the staff of the EWI for their help, guidance and support.

Jack Tinker FRCP FRCS
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 2004.

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 6 to 11. The Institute's results and financial position are set out on pages 16 to 22.

Directors (Governors)

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

James Badenoch QC	-	(Chairman)
Sir Louis Blom-Cooper QC		
Lord Brennan QC	-	(resigned 12 November 2004)
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		

Miss Kay Linnell and Mr David Smith were appointed Directors (Governors) on 18 January 2005. In accordance with the Articles of Association they will retire at the Annual General Meeting and, being eligible, offer themselves for election. The Directors (Governors) retiring by rotation are Mrs Susan Lloyd, Mr Michael Renshall, Dr Jack Tinker and Mr James Watt 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 £11.50. 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 £820 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 8 to 11. 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.

Annual General Meeting

The Annual General Meeting of the Institute will be held at Gray's Inn, London at 4:00 p.m. on Tuesday, 26 April 2005.

Discipline

On 18 January 2005, the Governors took note that a Mr B S Baluchi had pleaded guilty, inter alia, to fraud and impersonating a doctor and the Governors declared his membership of the Institute void.

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
James Badenoch QC
Chairman
17 March 2005

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 16 to 22 for the year ended 31 October 2004. 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 13 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 audit 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Westbury

17 March 2005

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 2004**

		2004	2003
	Notes	£	£
Income	2	241,876	220,220
Administrative expenses		(245,294)	(195,194)
Other Operating income		6,587	-
Operating Surplus	3	3,169	25,026
Other interest receivable and similar income	4	5,219	3,073
Surplus on ordinary activities before taxation		8,388	28,099
Tax on surplus on ordinary activities	6		-
Surplus on ordinary activities after taxation	10	<u>8,388</u>	<u>28,099</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 2004

		2004		2003	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		6,197		7,904
Current assets					
Debtors	8	1,228		6,289	
Cash at bank and in hand		<u>139,158</u>		<u>127,080</u>	
		140,386		133,369	
Creditors: amounts falling due within one year					
Members' fees received in advance		76,705		81,430	
Other creditors		<u>9,713</u>		<u>8,066</u>	
	9	<u>(86,418)</u>		<u>(89,496)</u>	
Net current assets			<u>53,968</u>		<u>43,873</u>
Total net assets			<u><u>60,165</u></u>		<u><u>51,777</u></u>
Capital and reserves					
Surplus on income and expenditure account	10/11		<u>60,165</u>		<u>51,777</u>
			<u><u>60,165</u></u>		<u><u>51,777</u></u>

The financial statements were approved by the Board on 17 March 2005

James Badenoch 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 2004

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	2,066	2,635
Rental and property charges	32,927	33,262
Auditors' remuneration	1,763	1,960
	<u>36,756</u>	<u>38,857</u>

4 Other interest receivable and similar income

Bank interest	5,219	3,073
	<u>5,219</u>	<u>3,073</u>

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 OCTOBER 2004**

5	Employment costs	2004	2003
		£	£
	Wages and salaries	88,861	69,661
	Social security costs	4,972	4,390
	Staff recruitment and training	1,942	288
		<u>95,775</u>	<u>74,339</u>

6	Taxation	2004	2003
		£	£
	UK current year taxation		
	UK Corporation tax	-	-
		<u>-</u>	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax

7	Tangible fixed assets	Fixtures, fittings & equipment
		£
	Cost	
	At 1 November 2003	17,103
	Additions	359
	At 31 October 2004	<u>17,462</u>
	Depreciation	
	At 1 November 2003	9,199
	Charge for the year	2,066
	At 31 October 2004	<u>11,265</u>
	Net book value	
	At 31 October 2004	<u>6,197</u>
	At 31 October 2003	<u>7,904</u>

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2004**

8 Debtors: amounts falling due within one year	2004	2003
	£	£
Other debtors	-	832
Prepayments and accrued income	1,228	5,457
	<u>1,228</u>	<u>6,289</u>
	<u><u>1,228</u></u>	<u><u>6,289</u></u>
9 Creditors: amounts falling due within one year	2004	2003
	£	£
Members' fees received in advance	76,705	81,430
Corporation tax	-	-
Other taxes and social security costs	1,220	1,593
Other creditors	5,820	4,718
Accruals and deferred income	2,673	1,755
	<u>86,418</u>	<u>89,496</u>
	<u><u>86,418</u></u>	<u><u>89,496</u></u>
10 Statement of movements on income and expenditure account		Income and expenditure account £
Balance at 1 November 2003		51,777
Retained surplus for the period		8,388
Balance at 31 October 2004		<u>60,165</u>
		<u><u>60,165</u></u>
11 Reconciliation of movements in reserves	2004	2003
	£	£
Surplus for the financial year	8,388	28,099
Opening reserves	51,777	23,678
	<u>60,165</u>	<u>51,777</u>
Closing reserves	<u><u>60,165</u></u>	<u><u>51,777</u></u>

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2004**

	2004	£	2003	£
	£		£	
Income				
Individual membership subscriptions		175,525		178,953
Vetting fees received		4,510		4,960
Professional body and association membership		1,500		1,500
Corporate membership		9,000		10,800
Courses and events income		44,479		16,750
Other income		6,862		7,257
		<u>241,876</u>		<u>220,220</u>
Administrative expenses		(245,294)		(195,194)
		<u>(3,418)</u>		<u>25,026</u>
Other operating income				
Insurance claims receivable	<u>6,587</u>		<u>-</u>	
		<u>6,587</u>		<u>-</u>
		3,169		25,026
Operating Surplus				
Other interest receivable and similar income				
Bank interest received	<u>5,219</u>		<u>3,073</u>	
		<u>5,219</u>		<u>3,073</u>
Surplus before taxation		<u><u>8,388</u></u>		<u><u>28,099</u></u>

THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 OCTOBER 2004

	2004		2003	
	£	£	£	£
Employment costs				
Wages and salaries	88,861		69,661	
Employer's NI contributions	4,972		4,390	
Staff recruitment and training	1,942	95,775	288	74,339
	<hr/>		<hr/>	
Office costs				
Rent	17,043		17,043	
Rates	4,161		3,859	
Insurance	2,382		1,538	
Light and heat	406		379	
Cleaning	3,831		3,532	
Repairs and maintenance	985		616	
Service charges	7,387	36,195	6,173	33,140
	<hr/>		<hr/>	
Communication costs				
Postage, carriage and stationery	21,167		14,952	
Public relations	5,359		4,202	
Telephone	2,886		2,763	
Computer and website costs	6,192		6,947	
Newsletter and printing costs	6,750		9,817	
Equipment hire	15,884		16,219	
Travelling expenses	28		300	
Subsistence	1,100	59,366	1,051	56,251
	<hr/>		<hr/>	
Courses and events		43,636		17,497
Professional services				
Audit fees	1,763		1,960	
Accountancy fees	229		229	
Bookkeeping fees	2,879		3,691	5,880
	<hr/>		<hr/>	
Financial costs				
Bank charges	1,231		1,098	
Bad Debts	-		830	
Sundry expenses	221		753	
AGM Costs	1,933		2,771	
Depreciation of fixed assets	2,066		2,635	
	<hr/>	5,451	<hr/>	8,087
		<hr/>		<hr/>
		245,294		195,194
		<hr/>		<hr/>

THE EXPERT WITNESS INSTITUTE

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Expert Witness Institute will be held at Gray's Inn, London WC1R 5EU on Tuesday 26 April 2005 at 4:00 p.m. to transact the following business:

1. To receive the Report of the Directors (Governors) and the Accounts for the year ended 31 October 2004 and the Auditors' Report thereon.
2. To re-elect Directors (Governors).
3. To re-appoint Westbury as Auditors and to authorise the Directors (Governors) to fix their remuneration.

By order of the Board

B. Thompson
Secretary

17 March 2005

Registered Office
Africa House
64-78 Kingsway
London WC2B 6BD

Note

All members and provisional members of the Institute are entitled to attend the meeting but only members duly registered and who have paid subscriptions and all other sums currently due to the Institute may vote. Founding Sponsors, professional bodies and associations and corporate members may appoint representatives to attend the meeting on their behalf but only those bodies who are registered as members may authorise their representative to vote on their behalf.