



# The Expert Witness Institute

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REPORT

AND

FINANCIAL STATEMENTS

- YEAR ENDED 31 OCTOBER 2006 -

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# **THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)**

## **OBJECTIVE AND AIMS**

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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**Patron**

The Rt Hon the Lord Woolf

**President**

The Rt Hon the Lord Rodger of Earlsferry

**BOARD OF DIRECTORS (GOVERNORS)**

**Chairman**, James Badenoch QC

**Vice Chairman and Treasurer**, Michael Renshall CBE FCA

Sir Louis Blom-Cooper QC

Alex Brown FCA ATII

Roger V Clements FRCS FRCOG

John Cowan C Eng FICE

The Hon Mrs Justice Dobbs DBE

Andrew Grantham FCA

The Hon Mr Justice Jackson

Kay Linnell FCA MBA FCI Arb

Susan Lloyd, Former President of the London Rent Assessment Panel

David E Smith BSc (Mech Eng) AMI Mech E

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

James Watt, Solicitor

**Secretary:**

Kay Linnell FCA MBA FCI Arb

**Assistant Treasurer:**

Andrew Grantham FCA

**Chief Executive**

Mrs Janette Gulleford MA FCIS

**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**

7 Warwick Court, London WC1R 5DJ

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

## **Membership of Committees of the Board 2005/2006**

### Membership and Public Relations Committee

Chairman	Alex Brown
Committee Members	Michael Ansell David Asker-Browne John Bryant Dr James Carne Geoffrey Lloyd Susan Lloyd Stephen Redhead Professor Max Sussman Irene Waters James Watt

### Finance and Management Committee

Chairman	Michael Renshall CBE
Committee Members	James Badenoch QC Sir Louis Blom-Cooper QC Alex Brown John Cowan Andrew Grantham Kay Linnell

### Education & Training Committee

Chairman	Dr Jack Tinker
Committee Members	Dr Harry Brünjes Dr James Cleland Roger Clements Eric Glover John Holmes Roy Ilott Eamonn Malone Stephen Redhead Keith Rix Ian Walker James Watt

## **Founding Sponsors**

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Royal Society of Medicine  
Strange Strange & Gardner



## **Message from the President**

### **The Rt Hon Lord Rodger of Earlsferry**

It is with pleasure that I write to congratulate the Institute as it continues to expand its services to members and the wider legal establishment, and to live up to its primary objective to support the proper administration of justice and the early resolution of disputes through fair and unbiased expert evidence.

The Institute's tenth anniversary was celebrated in great style with the publishing through Oxford University Press of *'Experts in the Civil Court'*, edited by Sir Louis Blom-Cooper QC. This important publication has been widely acclaimed as the *'collected wisdom and required reading for every practising Expert Witness'*. I congratulate Sir Louis, his team of contributors, and the Institute on it.

The Chairman, James Badenoch QC, deserves a special mention for his numerous appearances on television and radio, and his support for experts in a measured and objective way following the judgments in a number of high profile cases.

I am also pleased that James has thrown his energy behind a drive to update the Institute's internal systems and that, with the appointment of our new Chief Executive, the recruitment of new members will receive fresh impetus. An important priority will be to tell expert witnesses in all disciplines of the advantages of being a member of EWI.

Looking ahead, I have every confidence that the Institute will attract more members and continue not only to uphold, but also to raise the standards of expert witnesses, thus ensuring that the legal community at large will be well served by the EWI in the coming year.

## Chairman's Statement

I am pleased to be able to report that our 10<sup>th</sup> Year has been a good year for the Institute. We have had some challenges, including settling into our new and much more attractive working environment, and have been gladdened by the loyalty of our members, and the confidence they have shown in the Institute's continued work and development.

To spearhead a major update and overhaul of our management systems, and to push on our plans for a major drive on recruitment of new members, the Finance and Management Committee appointed a new **Chief Executive, Janette Gulleford**, who arrived at the end of August. Already, in the short time she has been with us, she has had a significant effect on our administration, and has begun to secure significant additional benefits for members – which include substantial discounts at central London Hotels, and professional indemnity insurance cover for expert witness work. We are particularly grateful to her for her excellent work.

One of the highlights of our year has been the publication under the banner of EWI by Oxford University Press of '**Experts in the Civil Courts**', edited by our distinguished former Chairman Sir Louis Blom-Cooper QC. This unique book has been widely acclaimed by the judiciary and experts alike. It is an excellent addition to resources for members and experts generally. 200 copies were sold in the first month of publication. If you haven't already bought a copy, you can do so at a discounted price through the Institute, and I commend it to you wholeheartedly.

The Board, mindful of recent highly publicised **criticism of experts** by the media and the judiciary, has been concerned not only to maintain high standards among our existing members, but also to raise the standards for entry to the Institute.

The Board has also taken the decision to embark on researching and devising a system of **accreditation or certification** to mark the attainment of enhanced standards, in anticipation of the likely introduction of a national system, in which (if and when it comes) we should participate. Members should be assured however that there is no intention of our subscribing at present to any form of mandatory accreditation.

It is with regret that the autumn brought news of the **death of Sir Michael Davies**, without whose energy and vision the Institute would not have come into being. That it exists and thrives today is due in large measure to him.

**10<sup>th</sup> Anniversary Dinners** were held successfully in London and Manchester in June. We were delighted to have Mr Justice Peter Smith propose the toast of the Institute in Manchester, and Lord Justice Jacob to give the address in London. Both highlighted the significant role the EWI has played, and continues to play in the justice system.

An outstanding **Sir Michael Davies lecture** was delivered by Professor Sir Eric Ash and published as an occasional paper on website.

**The office staff**, Vicky and Brigid have as always provided the most excellent service, with Vicky as our very able Office Manager. For their hard work, particularly in handling the solicitors' referral service, and in providing efficient support to the governors and committees, we owe them a great debt of gratitude. Brigid is leaving to pursue her stage career full-time, and we wish her well. In her place we welcome Joanna Hooton, who brings excellent qualifications and skills to the new full-time post of membership administrator.

**Two new Governors** were appointed: Mr Justice Jackson, co-author of "Jackson & Powell" on Professional Negligence, and Judge in Charge of the Technology and Construction Court; and Andrew Grantham, a Chartered Accountant who has already given years of invaluable service to the Institute.

**With regret we are saying goodbye** to two of our governors after 10 years service: Michael Renshall our Treasurer, whose remarkable energy and devotion to the Institute has made him the rock on which our work and our success has been built, and Susan Lloyd who has given consistent and enthusiastic support to the Board and committees. We will miss you both greatly, and give you our warmest thanks.

**The 10th Anniversary Conference** was held at the Institution of Civil Engineers, where 150 delegates were treated to an inspiring programme put together by **Ian Walker** and members of the conference committee. Our thanks go to them for all their hard work.

We have launched a **new website** which more attractively and accessibly announces our function and services, and sets out the full range of member benefits. As already indicated, new benefits now include £1 million of **professional indemnity cover for expert witness work** which the Board has negotiated on behalf of members, (at the cost of £105 per annum including IPT). From next year we will be asking members, as part of the conditions of membership, to confirm that they have professional indemnity cover in place from another source, or will take up the negotiated terms. The Board considers that such cover is now a matter of the greatest importance.

Members will have noticed that **the Newsletter** has been revamped, with a fresh new look, under the distinguished and energetic new editorship of Professor Max Sussman, to whom we owe grateful thanks. It is to appear in July, November and March.

To the Board, who have given their time and efforts unstintingly (and entirely unpaid), I add my own particular thanks and those of all our members. They have been truly magnificent.

**James Badenoch QC**  
***EWI Chairman***

## **OPERATING AND FINANCIAL REVIEW**

### **Results for year ended 31 October 2006**

A surplus of £3,000 before tax was recorded compared with £9,000 in the previous year. Total income (before interest) was lower than for 2005 (£245,000, previous year £250,000), notwithstanding an increase of £10 in members' annual subscriptions and non-recurring additional income of £9,000 from sales of 'Experts in the Civil Courts', (sold to members at cost to the Institute). The Governors' long term aim is to ensure subscription and related income covers normal running costs, but in fact there was an operating deficit (after administrative expenses but before interest received) of £3,000 (previous year operating surplus £4,000).

As indicated in the 2005 operating review, additional costs consequent on the move to new premises at 7 Warwick Court in 2006 needed close control if a significant deficit was to be avoided. As the Schedule of Administrative Expenses shows, substantial reductions were achieved in remuneration and communication costs, but there was an inevitable effect on quality of service. The Governors considered this unacceptable and as foreshadowed reluctantly decided to increase individual subscriptions from £190 to £210 for 2006–07.

### **Financial position and resources**

The Institute's capital and reserves at 31 October 2006 totalled £72,000. The cash position was strong (£174,000 compared with £155,000 at the end of the previous year) but it has to be remembered that subscription income is received at the start of the accounting year and has to sustain operating expenses for the remainder of the year - £95,000 of the funds held represented subscriptions paid in advance. It remains the Governors' aim to build up capital and reserves over time so that they will represent approximately half of annual administrative expenses, in order to provide resources for contingencies and seed corn for improved services.

### **Financial trends**

Membership numbers were stable overall in 2006, but experience shows that increases in annual subscriptions can result in a temporary adverse effect on numbers, which bears immediately on income. The Governors intend to reverse any decline by offering improved services to members, of which a number have already been introduced, including specialist professional indemnity insurance.

### **Outlook and risk factors**

Although it is a professional body and non-profit seeking, the Institute has to earn its income and provide services, and is subject to the same commercial and financial risks, as any other small business.

It is entirely self-financing and receives no subsidies. It depends on the support of its members, which has been enthusiastically given for more than 10 years. The Governors are confident it will continue.

**Michael Renshall**  
*Treasurer*

## **DIRECTORS' (GOVERNORS') report**

The Directors (Governors) present their report and the Institute's financial statements for the year ended 31 October 2006.

### **Company Status**

The Institute is a company limited by guarantee, not having a 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. The Institute is a non-profit seeking body whose income is required to be applied solely for the promotion of its objects.

### **Principal Activities and review of the business**

The Institute's activities are directed towards the achievement of its objects, which are the support of the proper administration of justice and the early resolution of disputes through fair and unbiased expert evidence. To this end major priorities are the provision of training and the dissemination of information to members to maintain and enhance the standards and status of experts.

### **Review of the Business and Future Prospects**

The development and prospects of the business are described in the Chairman's statement and the operating and financial review on pages 5 to 7.

### **Directors (Governors)**

The following Directors (Governors) have held office since 1 November 2005:

James Badenoch QC	(Chairman)
Michael Renshall CBE FCA	
Sir Louis Blom-Cooper QC	
Alex Brown FCA ATII	
Roger V Clements FRCS FRCOG	
John Cowan C Eng FICE	(Resigned 31 October 2006)
The Hon Mrs Justice Dobbs DBE	
Andrew Grantham FCA	(appointed 19 May 2006)
The Hon Mr Justice Jackson	(appointed 19 May 2006)
Kay Linnell FCA MBA FCI Arb	
Susan Lloyd, Former president of the London Rent Assessment Panel	
Dr Jack Tinker, Emeritus Dean, The Royal Society of Medicine	
David E Smith BSc (Mech Eng) AMI Mech E	
James Watt Solicitor	

In accordance with the Articles of Association Andrew Grantham and John Cowan offer themselves for election at the forthcoming Annual General Meeting. Directors retiring by rotation in accordance with the articles are James Badenoch QC, Michael Renshall, Alex Brown and Susan Lloyd. Both James Badenoch QC and Alex Brown are eligible and offer themselves for re-election.

### **Directors' interests**

As the company has no share capital, there are no Directors' (Governors') interests in share capital to report. There have been no transactions with Directors or related parties. No Director (Governor) received any remuneration in respect of his/her services. Reimbursement of expenses is restricted to those expenses which are necessarily incurred by members of the Board and Committees on Institute business. No expenses were reimbursed to Directors (Governors) in the year.

### **Directors and Officers Insurance**

During the year the institute maintained a policy of directors' and officers' liability insurance at a cost of £787.50 including 5% IPT.

### **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.

### **Corporate Governance**

The Board meets regularly (ten times in the period under review) 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 set out on page 3. All the Members of the Board are non-executive.

### **Political and Charitable Donations**

There were no political donations. During the year a charitable donation of £250 was paid in-lieu of a distinguished speaker's fee.

### **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.

### **Auditors**

Westbury were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that Westbury be reappointed as auditors to the company will be put the Annual General Meeting.

***On behalf of the Board***  
***James Badenoch QC***  
***Chairman***  
***18 April 2007***

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

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We have audited the financial statements of The Expert Witness Institute (Limited by Guarantee) for the year ended 31 October 2006 set out on pages 12 to 20. These financial statements have been prepared under 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 auditors' 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 the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 9 the company's directors are responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgements 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.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE SHAREHOLDERS OF THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)**

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**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2006 and its surplus for the year then ended; and
- the information given in the directors' report is consistent with the financial statements; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985.

**Westbury**

**18 April 2007**

Chartered Accountants  
**Registered Auditor**

**145-147 St. John Street**  
**London**  
**EC1V 4PY**

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2006

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		2006	2005
	Notes	£	£
<b>Income</b>	<b>2</b>	245,321	250,347
Direct Costs of publications for sale		(8,238)	-
		<u>237,083</u>	<u>250,347</u>
Administrative expenses		(240,006)	(246,699)
<b>Operating surplus/(deficit)</b>	<b>3</b>	(2,923)	3,648
Other interest receivable and similar income	<b>4</b>	6,326	5,849
Interest payable and similar charges	<b>5</b>	-	(4)
		<u>3,403</u>	<u>9,493</u>
UK Corporation Tax at 11.14% on interest received	<b>7</b>	(705)	-
<b>Surplus on ordinary activities after taxation</b>	<b>12/13</b>	<u>2,698</u>	<u>9,493</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 those shown in the income and expenditure account.

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## BALANCE SHEET

AS AT 31 OCTOBER 2006

	Notes	2006		2005	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		3,486		4,648
<b>Current Assets</b>					
Stocks	9	865		-	
Debtors	10	11,573		1,458	
Cash at bank and in hand		174,386		155,414	
		<u>186,824</u>		<u>156,872</u>	
<b>Creditors: amounts falling due within one year</b>					
Members' fees received in advance		94,870		72,680	
Other creditors		23,084		19,182	
	11	<u>117,954</u>		<u>91,862</u>	
<b>Net current assets</b>			68,870		65,010
<b>Total assets less current liabilities</b>			<u><u>72,356</u></u>		<u><u>69,658</u></u>
<b>Capital and reserves</b>					
Surplus on income and expenditure account	12/13		72,356		69,658
			<u><u>72,356</u></u>		<u><u>69,658</u></u>

The financial statements were approved by the Board on

18 April 2007

James Badenoch QC  
Chairman

Michael Renshall CBE FCA  
Vice Chairman and Treasurer

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2006

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### 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
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#### 1.5 Leasing

Rental payable under operating leases is charged to income on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower cost and net realisable value.

#### 1.7 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

	2006	2005
	£	£
Operating surplus is stated after charging:		
Depreciation of tangible assets	1,162	1,549
Operating lease rentals		
- Plant and machinery	21,590	15,358
- Other assets	29,189	17,043
Auditors' remuneration	<u>1,528</u>	<u>2,115</u>

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# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 OCTOBER 2006

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<b>4</b>	<b>Other Interest receivable and similar income</b>	<b>2006</b>	<b>2005</b>
		£	£
	Bank Interest	<u>6,326</u>	<u>5,849</u>
<b>5</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		£	£
	On bank loans and overdrafts	<u>-</u>	<u>4</u>
<b>6</b>	<b>Employees</b>		
	<b>Number of employees</b>		
	The average monthly number of employees during the year was:	<b>2006</b>	<b>2005</b>
	Administration	<u>3</u>	<u>3</u>
	<b>Employment costs</b>	<b>2006</b>	<b>2005</b>
		£	£
	Wages and salaries	88,028	97,452
	Social Security Costs	<u>5,918</u>	<u>5,474</u>
		<u>93,946</u>	<u>102,926</u>

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 OCTOBER 2006

7	Taxation	2006	2005
		£	£
	<b>Domestic current year tax</b>		
	UK corporation tax	705	-
	Current tax charge	<u>705</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Surplus on ordinary activities before taxation	<u>3,403</u>	<u>9,493</u>
	Surplus on ordinary activities before taxation at standard rate of		
	UK corporation tax of 11.14% (2005 - 0.00%)	379	-
	Effects of:		
	Other tax adjustments	<u>326</u>	<u>-</u>
	<b>Current tax charge</b>	<u>705</u>	<u>0</u>
8	<b>Tangible fixed assets</b>		<b>Fixtures, fittings &amp; equipment</b>
			£
	<b>Cost</b>		
	At 1 November 2005 & at 31 October 2006		<u>17,462</u>
			<u>17,462</u>
	Depreciation		
	At 1 November 2005		12,814
	Charge for the year		<u>1,162</u>
	At 31 October 2006		<u>13,976</u>
	<b>Net book value</b>		
	At 31 October 2006		<u>3,486</u>
	At 31 October 2005		<u>4,648</u>

**THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

*FOR THE YEAR ENDED 31 OCTOBER 2006*

<b>9</b>	<b>Stocks</b>	<b>2006</b>	<b>2005</b>
		£	£
	Finished goods and goods for resale	<u>865</u>	<u>-</u>
<b>10</b>	<b>Debtors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
		£	£
	Prepayments and accrued income	<u>11,573</u>	<u>1,458</u>
<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
		£	£
	Members fees received in advance	94,870	72,680
	Corporation tax	705	-
	Other taxes and social security costs	1,642	-
	Other creditors	16,331	14,322
	Accruals and deferred income	<u>4,406</u>	<u>4,860</u>
		<u>117,954</u>	<u>91,862</u>
<b>12</b>	<b>Statement of movements on income and expenditure account</b>		<b>Income and expenditure account</b>
			£
	Balance at 1 November 2005		69,658
	Retained surplus for the period		<u>2,698</u>
	Balance at 31 October 2006		<u>72,356</u>

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 OCTOBER 2006

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13	Reconciliation of movements in reserves	2006	2005
		£	£
	Surplus for the financial year	2,698	9,493
	Opening reserves	69,658	60,165
	Closing reserves	<u>72,356</u>	<u>69,658</u>

### 14 Financial commitments

At 31 October 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2007:

	Landing and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Operating leases which expire:				
Between two and five years	33,229	-	14,143	-
Over five years	-	-	5,645	5,645
	<u>33,229</u>	<u>-</u>	<u>19,788</u>	<u>5,645</u>

**THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)**  
**DETAILED INCOME AND EXPENDITURE ACCOUNTS**

FOR THE YEAR ENDED 31 OCTOBER 2006

	2006		2005	
	£	£	£	£
<b>Income</b>				
Individual membership subscriptions		179,215		170,140
Vetting fees received		5,920		5,580
Professional body and association membership		1,050		1,450
Corporate membership	-	8,975		7,650
Courses and events income		35,625		58,949
Sale of publications		8,507		-
Other income		6,029		6,578
		<u>245,321</u>		<u>250,347</u>
<b>Direct costs</b>				
Publications for resale	9,013		-	
	<u>9,013</u>		<u>-</u>	
Closing stock of publications for resale	(865)		-	
		<u>(8,238)</u>		<u>-</u>
Gross surplus		237,083		250,347
<b>Administrative expenses</b>		<u>(240,006)</u>		<u>(246,699)</u>
Operating surplus/deficit		(2,923)		3,648
<b>Other interest receivable and similar income</b>				
Bank interest received	6,326		5,849	
	<u>6,326</u>		<u>5,849</u>	
<b>Interest payable</b>				
Bank interest paid	-		4	
	<u>-</u>		<u>4</u>	
<b>Surplus before taxation</b>		<u>3,403</u>		<u>9,493</u>

# THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 OCTOBER 2006

	2006		2005	
	£	£	£	£
<b>Employment costs</b>				
Wages and salaries	88,028		97,452	
Employer's NI contributions	5,918		5,474	
Staff recruitment and training	3,899	<b>97,845</b>	517	<b>103,443</b>
<b>Office costs</b>				
Rent	29,189		17,043	
Rates	855		4,595	
Insurance	1,632		1,615	
Light and heat	280		473	
Cleaning	3,371		4,079	
Repairs and maintenance	4,006		650	
Service charges	2,677	<b>42,010</b>	4,487	<b>32,942</b>
<b>Communication costs</b>				
Postage, carriage and stationery	13,118		22,213	
Public relations	6,273		11,444	
Telephone	3,101		2,874	
Computer and website costs	8,272		7,548	
Newsletter and printing costs	1,760		4,370	
Equipment hire	21,590		15,358	
Travelling expenses	211		24	
Subsistence	802	<b>55,127</b>	1,219	<b>65,050</b>
<b>Courses and events</b>		<b>27,427</b>		<b>35,546</b>
<b>Professional Services</b>				
Audit fees	1,528		2,115	
Accountancy Fees	288		241	
Bookkeeping fees	2,673		2,725	
Legal & Professional fees	4,133	<b>8,622</b>	1,340	<b>6,421</b>
<b>Financial costs</b>				
Bank charges	1,629		1,466	
Sundry Expenses	1,403		252	
Removal expenses	4,486		-	
AGM costs	-		30	
Charitable donations	250		-	
Subscriptions	45		-	
Depreciation of fixed assets	1,162	<b>8,975</b>	1,549	<b>3,297</b>
		<b>240,006</b>		<b>246,699</b>

## THE EXPERT WITNESS INSTITUTE

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### NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the 10th Annual General Meeting of the Expert Witness Institute will be held at Gray's Inn, London WC1R 5EU on **Friday 18 May 2007** at **3:30 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 2006 and the Auditors' Report thereon.
2. To elect/re-elect Directors (Governors).  
*The Directors (Governors) retiring by rotation are James Badenoch QC, Alex Brown, Susan Lloyd and Michael Renshall. During the year John Cowan resigned as a Director but he has confirmed that he is willing to stand for re-election. Susan Lloyd and Michael Renshall are not standing for re-election. Andrew Grantham and John Cowan having been appointed by the Directors (Governors) since the last Annual General Meeting retire and offer themselves for election.*
3. That Article 39<sup>1</sup> of the Company's Articles be amended by deleting the words "...before 31 January..." and inserting instead the words "before the Annual General Meeting in the relevant year ...".
4. To re-appoint Westbury as Auditors and to authorise the Directors (Governors) to fix their remuneration.

***By order of the Board***

***K. Linnell***  
***Secretary***

***18 April 2007***

Registered Office  
1st Floor  
7 Warwick Court  
London WC1R 5DJ

#### Notes

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.

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<sup>1</sup> The purpose of this amendment is to clarify the intention of Article 39 so that the Governors are empowered to approve reinstatement after non-payment of subscriptions at any time from 31 January to the date of the annual general meeting in any subscription year.