



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

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2010

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 judgement.
- 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 appropriate.

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Board of Directors and Committee Members

Patron

The Rt. Hon the Lord Woolf

President

The Rt. Hon the Lord Rodger of Earlsferry

BOARD OF DIRECTORS (GOVERNORS)

Chairman, James Badenoch QC

Sir Louis Blom-Cooper QC

Dr Harry Brünjes BSc MBBS DRCOG FEWI (Appointed 30th June 2010)

Roger V Clements FRCS FRCOG

Christopher Easton (Appointed 30th June 2010)

Andrew Grantham FCA

Penelope Hedgeland (Cooper)

Kay Linnell FCA MBA FCI Arb

David E Smith BSc (Mech Eng) AMI Mech E

Ian Stephen FRCS

James Watt (Resigned 15th March 2011)

Alexander D Mackay B Arch RIBA (Appointed 18th May 2010)

Nicholas Addyman (Appointed 18th May 2010)

Secretary

Kay Linnell FCA MBA FCI Arb

Treasurer

Andrew Grantham FCA

Auditors

Westbury

145/157 St John Street

London EC1V 4PY

Bankers

Coutts & Co

440 Strand

London WC2R 0QS

The Expert Witness Institute

7 Warwick Court, London WC1R 5DJ

Telephone 0207 405 5854 Facsimile 0207 405 5850

Email: info@EWI.org.uk Website: www.EWI.org.uk

Company limited by guarantee. Registered office as above.

Registered No: 3317333 England and Wales.

Membership of Committees of the Board 2009/2010

Membership Committee

Chairman	James Watt – (Resigned 15 th March 2011)
Committee Members	Irene Waters Christopher Easton David Smith

Finance and Operations Committee

Chairman	Andrew Grantham
Committee Members	James Badenoch QC Sir Louis Blom-Cooper QC Kay Linnell Ian Stephen

Training & Personal Development Committee

Chairman	Dr Harry Brünjes
Committee Members	Penelope Hedgeland (Cooper) Jenny Cotton FCMI MIDM Tim Crowch Brendan Dooris Roy Ilott FRICS

Editorial Board Committee

Editor	Penelope Hedgeland (Cooper)
Committee Members	Geoffrey Lloyd James Carne Roger Clements

Nominations & Performance Committee

Chairman	David Smith
Committee Members	Roger Clements James Watt – (Resigned 15 th March 2011)

Founding Sponsors

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

CHAIRMAN'S STATEMENT

For the Financial year to 31st October 2010

This year has been a satisfactory one for the Institute. Membership numbers have remained steady, but we would wish to see them increase, and to that end we have introduced the incentive of one year's waiver of subscription for any member who introduces another who joins. Such an incentive is a new departure, but we think it justified by the increasing pressures on the expert witness community, not least as a consequence of Lord Justice Jackson's proposals for restricting costs in civil litigation, and lately of the Supreme Court's recent removal of immunity from suit in the case of *Jones v. Kaney*. The benefits of membership of the EWI become of ever greater importance.

Structural changes in the running of the office have not yet reached the ideal which we have been seeking. The year saw the appointment of Jane Rossiter as part-time consultant, and the departure of Caroline Du Preez from her role in managing events and marketing. For their work we extend the thanks of the Board. Jane's departure after a brief tenure has resulted in the perhaps belated recognition that we need a full time rather than a part-time Chief Executive Officer at the helm. Our plans to put this into effect are now well advanced, and will have taken effect quite soon.

We were delighted to welcome onto the Board as new Governors the very experienced solicitor Nick Addyman, whose law firm undertakes a huge volume of personal injury work, and Alexander Mackay whose great experience in building/construction work has made him a pre-eminent expert witness in that field. Both have brought skills and enthusiasm to the running of the EWI.

Our financial position has remained healthy and secure under the firm governance of our treasurer Andrew Grantham, and with the continued services of the admirable Sue James – whose long and valued contribution to our efficient financial management continues. To both we owe particular gratitude.

For various reasons – largely connected with staffing changes – we saw rather less activity than was wished in our events and courses, but it is confidently expected that this will increase and gather momentum. Our particular wish is to see greater numbers of members taking advantage of what we offer in this respect, and we will continue to encourage attendance at vital courses.

The annual conference was held once again at Church House, Westminster, and was honoured by the attendance of the Lord Chief Justice, Lord Judge – who gave the introductory address. The event was generally regarded as a great success – in great part due to the tireless efforts of your Governor Dr Harry Brünjes, who also hosted a very convivial dinner afterwards at the Reform Club, when the speaker was Lord Justice Jackson himself.

I end by expressing my thanks to the Governors', upon whose hard work the Institute depends. All give their services unstintingly and unpaid, combining their work for the EWI with extremely busy professional practices of their own. For their selfless dedication to a cause we all believe in I extend my heartfelt thanks.

James Badenoch QC
EWI Chairman

OPERATING AND FINANCIAL REVIEW

Results for year ended 31 October 2010

A surplus before taxation of approximately £21,000 was achieved as compared with a surplus before taxation of approximately £1,000 in the previous year. This was achieved by carefully managing costs given the reduced level of membership income (which was approximately £192,000, as compared to approximately £198,000 the year before).

The Board has always kept tight control over running costs which has enabled it to keep membership subscriptions at the same level for three years. However, as set out in last year's Operating and Financial review, in order to maintain our quality of service going forward and help achieve the initiatives identified in the Strategic Plan, the Board reluctantly decided to increase individual subscriptions from £210 to £220 for 2010 - 2011.

Financial position and resources

The Institute's capital and reserves at 31 October 2010 totalled approximately £158,000. This is consistent with the Governors' aim to maintain capital and reserves so that they represent approximately half of annual administrative expenses.

The cash position remains strong (£200,000 compared with £203,000 at the end of the previous year). It should be borne in mind, however, that the Institute receives most of its subscription income in the first three months of the financial year, which must enable it to meet its operating costs for the entire year.

The Institute is entirely self-financing and receives no subsidies. It depends on the support of its members, which the Board acknowledges. The Board are confident it will continue.

Andrew Grantham FCA
Treasurer

DIRECTORS' (GOVERNORS') REPORT

FOR THE YEAR ENDED 31 OCTOBER 2010

The Directors (Governors) present their report and the Institute's financial statements for the year ended 31 October 2010.

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 4 to 6.

Directors

The following Directors' (Governors') have held office since 1 November 2009:

James Badenoch QC	(Chairman)
Sir Louis Blom-Cooper QC	
Roger V Clements FRCS FRCOG	
Christopher Easton	(Appointed 30 th June 2010)
Penelope Hedgeland (Cooper)	
Kay Linnell FCA MBA FCI Arb	
David E Smith Bsc (Mech Eng) AMI Mech E	
Dr Harry Br njes	(Appointed 30 th June 2010)
Andrew Grantham FCA	
James Watt	(Resigned 15 th March 2011)
Ian Stephen FRCS	
A Mackay	(Appointed 18 th May 2010)
N Addeyman	(Appointed 18 th May 2010)

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.

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

In accordance with the Companies Act 2006, a resolution proposing that Westbury be reappointed as auditors of the company will be put to the Annual General Meeting.

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' (GOVERNORS') REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

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 judgements 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 them to ensure that the financial statements comply with the Companies Act 2006. 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 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 4. All the members of the Board are non-executive.

On behalf of the board

.....
James Badenoch QC (Chairman)

Director

.....

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) for the year ended 31 October 2010 set out on pages 10 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 8 - 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF THE EXPERT WITNESS INSTITUTE (LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Andrew Gittins (Senior Statutory Auditor)
for and on behalf of Westbury

.....

Chartered Accountants
Statutory Auditor

145-157 St. John Street
London
EC1V 4PY

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

	Notes	2010 £	2009 £
Income	2	257,721	244,980
Direct costs of publications for sale		-	(1,070)
		<u>257,721</u>	<u>243,910</u>
Administrative expenses		(237,010)	(244,877)
Operating (Deficit)/Surplus	3	20,711	(967)
Other interest receivable and similar income	4	254	2,046
		<u>20,965</u>	<u>1,079</u>
Surplus on ordinary activities before taxation		20,965	1,079
Tax on surplus on ordinary activities	6	(53)	(430)
Surplus on ordinary activities after taxation	11/12	<u>20,912</u>	<u>649</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.

BALANCE SHEET
AS AT 31 OCTOBER 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	7		4,934		2,384
Current assets					
Stocks	8	195		195	
Debtors	9	10,858		18,211	
Cash at bank and in hand		200,460		202,803	
		<u>211,513</u>		<u>221,209</u>	
Creditors: amounts falling due within one year					
Members' fees received in advance		40,500		66,819	
Other creditors		17,814		19,553	
	10	<u>(58,314)</u>		<u>(86,372)</u>	
Net current assets			<u>153,199</u>		<u>134,837</u>
Total assets less current liabilities			<u>158,133</u>		<u>137,221</u>
Capital and reserves					
Surplus on income and expenditure account			<u>158,133</u>		<u>137,221</u>
			<u>158,133</u>		<u>137,221</u>

The financial statements were approved by the Board on

.....
James Badenoch QC (Chairman)
Chairman

.....
Andrew Grantham FCA
Treasurer

Company Registration No. 03317333

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2010

5 Employees

Number of employees

The average monthly number of employees during the year was:

	2010	2009
	Number	Number
Administration	2	2

Employment costs

	2010	2009
	£	£
Wages, salaries	63,603	51,295
Social security costs	5,717	4,957
	<u>69,320</u>	<u>56,252</u>

6 Taxation

	2010	2009
	£	£
Domestic current year tax		
U.K. corporation tax	53	430
	<u>53</u>	<u>430</u>

The Institute is a non profit making Company limited by guarantee and therefore does not pay any corporation tax on its surplus. The above tax charge is on bank interest received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2010

7 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 November 2009	18,826
Additions	4,195
	<hr/>
At 31 October 2010	23,021
	<hr/>
Depreciation	
At 1 November 2009	16,442
Charge for the year	1,645
	<hr/>
At 31 October 2010	18,087
	<hr/>
Net book value	
At 31 October 2010	4,934
	<hr/>
At 31 October 2009	2,384
	<hr/>

8 Stocks	2010	2009
	£	£
Publications for resale	195	195
	<hr/>	<hr/>

9 Debtors: amounts falling due within one year	2010	2009
	£	£
Trade debtors	2,549	7,592
Other debtors	1,904	1,904
Prepayments and accrued income	6,405	8,715
	<hr/>	<hr/>
	10,858	18,211
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2010**

10 Creditors: amounts falling due within one year	2010	2009
	£	£
Members fees received in advance	40,500	66,819
Corporation tax	53	430
Other taxes and social security costs	1,285	-
Other creditors	8,468	14,175
Accruals and deferred income	8,008	4,948
	<u>58,314</u>	<u>86,372</u>

11 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 November 2009	137,221
Profit for the year	<u>20,912</u>
Balance at 31 October 2010	<u>158,133</u>

12 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Profit for the financial year	20,912	649
Opening shareholders' funds	<u>137,221</u>	<u>136,572</u>
Closing shareholders' funds	<u>158,133</u>	<u>137,221</u>

13 Financial commitments

At 31 October 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2011:

	2010	2009
	£	£
Operating leases which expire:		
Within one year	28,280	1,498
Between two and five years	8,043	7,955
	<u>36,323</u>	<u>9,453</u>

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

	2010		2009	
	£	£	£	£
Income				
Individual membership subscriptions		185,315		188,239
Vetting fees received		6,673		4,904
Associate membership		840		-
Corporate membership		6,300		10,025
Courses and events income		36,291		34,583
Sale of publications		155		465
Other income		22,147		6,764
		<u>257,721</u>		<u>244,980</u>
Direct costs				
Opening stock of finished goods	195		1,070	
Publications for resale	-		195	
	<u>195</u>		<u>1,265</u>	
Closing stock of publications for resale	(195)		(195)	
		<u>-</u>		<u>(1,070)</u>
		257,721		243,910
Administrative expenses		<u>(237,010)</u>		<u>(244,877)</u>
Operating Surplus/(Deficit)		20,711		(967)
Other interest receivable and similar income				
Bank interest received	254		2,046	
	<u>254</u>		<u>2,046</u>	
Surplus before taxation		<u>20,965</u>		<u>1,079</u>

**SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 OCTOBER 2010**

	2010		2009	
	£	£	£	£
Employment costs				
Wages and salaries	63,603		51,295	
Employer's NI contributions	5,717		4,957	
Staff recruitment and training	3,253		6,560	
Consultancy fees	31,500	104,073	49,383	112,195
Office costs				
Rent	33,052		32,193	
Insurance	1,158		1,387	
Cleaning	1,636		1,645	
Repairs and maintenance	960		2,759	
Service charges	-	36,806	(979)	37,005
Communication costs				
Postage, carriage and stationery	7,265		8,741	
Public relations	11,549		2,743	
Telephone	2,529		2,407	
Computer and website costs	11,860		8,508	
Newsletter and printing costs	9,626		11,329	
Equipment hire	9,060		11,513	
Membership Database	920	52,809	764	46,005
Courses and events		24,769		27,585
Professional services				
Audit fees	2,453		2,250	
Accountancy fees	205		282	
Bookkeeping fees	6,116		12,251	
Legal & Professional fees	4,171	12,945	1,551	16,334
Financial costs				
Bank charges	2,270		2,066	
Sundry expenses	1,693		2,257	
Subscriptions	-		636	
Depreciation of fixed assets	1,645		794	
		5,608		5,753
		237,010		244,877

Notice of Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of the Expert Witness Institute will be held at the Grange Hotel, Southampton Row, London, WC1B 4AR on 24th May 2011 at 6pm to transact the following business:

1. To receive the Report of the Directors (Governors) and the accounts for the year ended 31st October 2010 and the Auditors' report thereon.
2. To elect and re-elect Directors (Governors). The Directors (Governors) retiring by rotation are James Badenoch and Kay Linnell and are available for re-election. During the year James Watt resigned, 15th March 2011. Dr Harry Brunjes and Christopher Easton were appointed on the 30th June 2010.
3. To re-appoint Westbury as Auditors and to authorise the Directors (Governors) to fix their remuneration
4. Any other business

By order of the Board



K. Linnell
Secretary

3rd May 2011

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.



The Expert Witness Institute

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Telephone 020 7405 5854 Facsimile 020 7405 5850
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.