



# ANNUAL REPORT 2012

## Free Representation Unit Annual Report to 31 March 2012

|  |    |
|--|----|
| Why we are needed  | 1  |
| Chair's Report   | 2  |
| Chief Executive's Report   | 3  |
| Trustees' Report   | 7  |
| Legal and Administrative Information   | 9  |
| Independent auditor's report to the trustees of The Free Representation Unit | 10 |
| Statement of Financial Activities: Year to 31st March 2012                   | 11 |
| Balance Sheet as at 31st March 2012  | 12 |
| Basis of Accounting  | 13 |
| Notes to the Accounts  | 14 |
| List of Donors   | 18 |

We are very grateful to Northpoint Printing Limited for their generous sponsorship of the costs of this annual report.



# Why we are needed

## What we do

FRU provides free representation in Employment, Social Security and a small number of Criminal Injuries Compensation tribunals using trained volunteers. FRU's aims are to:

- provide advice and representation before tribunals for those who could not afford representation and for which legal aid is not available, and
- train and develop the skills of law students and graduates and lawyers at the start of their careers.

FRU is based in London and the majority of our cases are from the Greater London area. We also have a small branch in Nottingham. We are almost certainly the largest single provider of free advocacy in the United Kingdom.

## Applicants to the Tribunal

Every year, thousands of people apply to have their case heard by Employment and Social Security Tribunals. These tribunals make decisions about matters that affect the very basic economic and social realities of the lives of often vulnerable people. Entitlement to benefits, decisions about fitness to work, protection from unfair treatment and remedies where an employee has faced discrimination are only a few of the matters that these tribunals deal with.

Although the decisions that these tribunals make can affect the economic and emotional health of the applicants, legal aid or other public funding is not available for representation. When they were established, tribunals were intended to be informal fora that would allow claimants to represent themselves; the reality is that most applicants do not understand the basic principles of the law relevant to their case and many would struggle to represent themselves because of linguistic, physical and mental health and literacy issues.

In 2012, FRU is needed more than ever. Since FRU was established in 1972, employment and social security law have become increasingly complex. The volume of applicants to the tribunals has also increased. The employment tribunal saw 186,300 applicants and the Social Security and Child Support Chamber had 370,800 applicants in 2011-12.

## FRU volunteers

FRU was founded in 1972 by Bar students who wanted to provide aspiring lawyers with real experience of advocacy and who wanted vulnerable claimants to have free representation. 40 years on, FRU provides more than 1,500 training places annually for potential volunteers in employment and social security law. FRU volunteers who are law students and graduates and junior lawyers from both branches of the profession gain valuable experience of client handling, case management and advocacy in a real court.

## Public benefit

FRU is such a successful project because it provides a benefit for all concerned: the applicant has representation, the representative gains vital experience of advocacy and the tribunal is assisted by the applicant being represented.

- Clients who cannot afford a lawyer benefit financially when they win their cases.
- Clients benefit from having their case professionally presented. Tribunal judges tell us that clients' cases are improved by being presented by a FRU volunteer.
- Respondents benefit if the opposing party is represented as the issues are likely to be more clearly presented.
- Hearings run more smoothly and effectively when the claimant is represented.
- Volunteers receive training and acquire experience that is focused and relevant.
- The reputation of the justice system is enhanced as a result.

# Chair's Report

This year, FRU's 40th, has been a noteworthy one. We have continued to represent in over 1,000 cases, with more than 530 volunteers representing clients in both social security and employment cases. This is a slight increase on last year. We have continued to experience dips and increases in referrals, but the reason for variations in the number of cases referred to us is difficult to gauge - no pattern is discernible.

In the course of the year, Clive Tulloch, our Chief Executive, who led the organisation for five years, retired. Clive joined FRU when it was on the brink of many changes. Clive's contribution to the management of the organisation was valuable. He oversaw the transition of FRU from a largely student run organisation to one with a professional management structure. That FRU now operates so efficiently is down to Clive. We were sorry to see him go and hugely grateful for all that he did for FRU. We wish him a long and enjoyable retirement.

Karen MacKay joined FRU as our new Chief Executive on 1 November 2011. Karen spent seven years as Chief Executive Officer of Resolution (the Family Law Solicitors' Association) and was previously Director of the Legal Action Group and Head of Legal Services at the Law Society. Karen has an excellent understanding of the legal sector and has proven her mettle in the sterling work she has done over the past year.

Karen hit the ground running. Within a month of her taking over as Chief Executive, FRU moved offices. After eight years of sharing premises with the Bar Council, one of our main funders, we moved out. The Bar Council were enormously helpful in facilitating FRU's move, helping us to find suitable premises, arranging the fit-out of the new premises and getting the movers in. We are very grateful to the Bar for all they did for us on the move. FRU is now ensconced in its new offices on Gray's Inn Road. Only minutes from most of the main law schools, we remain accessible to law students and are close to several hearing centres. The new offices are self contained and the open plan layout suits the work of the organisation. We are extremely grateful to Linklaters, another of our main funders, who undertook the conveyancing on a pro bono basis and provided an excellent and timely service.

In the context of the difficult financial climate, we have become more aware of the importance of fundraising. As well as employing a fundraiser for the first time, FRU is now seeking to expand its sources of income. To mark FRU's 40th anniversary, we are holding a gala fundraising dinner in Plaisterers' Hall in November 2012 at which the Lord Chief Justice will be the guest speaker.

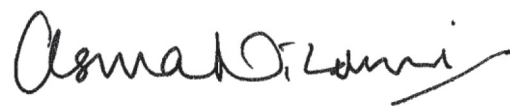
One of the less welcome changes this year was the passing of the Legal Aid Sentencing and Punishment of Offenders Act (LASPO), which severely curtails the scope of legal aid and which will have a major impact on the availability of advice and representation for some of the most vulnerable people in our society. This will combine with the cuts in local government finances, which in turn are leading to cuts in grants to advice agencies and law centres. We are concerned that both developments will have a negative impact on the agencies and firms who refer cases to FRU, and hence on our clients. The impact on the agencies and firms that refer cases to us can only be guessed at now. The reductions in scope will come into effect in April 2013 but agencies and firms are already starting to prepare for the changes, and we are already seeing mergers amongst agencies and solicitors firms closing down departments.

As well as facing challenges in getting access to advice and assistance, potential FRU clients will face even more hurdles in getting their case heard by the tribunal in coming years. We think that Government plans to introduce fees in employment tribunals, which are currently being consulted on, will have a major impact on FRU's clients, most of whom would not be able to afford the level of fee being considered. We are also concerned about how the administration of a new fee regime will impact on the operation and administration of the employment tribunal.

I would like to thank the Management Committee and FRU's staff for their hard work, support and patience over the past year. They have managed the organisation with great efficiency and have enabled it to continue to make a significant contribution to access to justice through a period of considerable change.

We are grateful to every single one of our funders, without whom we would be unable to make the contribution that we do.

Thanks must, of course, go to our volunteers - the student lawyers and assorted members of the profession, whose enthusiasm and dedication to our work drives the engine of FRU. The spirit of FRU's founders is surely to be found in them. We look forward to another forty years of success!



**Asma Nizami**  
Chair, 2011- 2012  
DATE

# Chief Executive's Report

This year we have helped 1093 clients. In the process we have provided experience to some 532 volunteers.

## Clients

|                                   | Year to<br>31st March 2012 |                           | Year to<br>31st March 2011 |                           |
|-----------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                   | Cases<br>taken             | % of<br>cases<br>referred | Cases<br>taken             | % of<br>cases<br>referred |
| Employment                        | <b>623</b>                 | <b>61</b>                 | 574                        | 56                        |
| Social Security                   | <b>463</b>                 | <b>51</b>                 | 372                        | 57                        |
| Criminal Injuries<br>Compensation | <b>7</b>                   | <b>58</b>                 | 4                          | 56                        |
| <b>Total cases</b>                | <b>1093</b>                | <b>56</b>                 | 950                        | 56                        |

These numbers are slightly up on the numbers we represented in 2010-11, but it is hard to discern any pattern. Since 2008, when FRU changed the volunteer test, our case rate has been fairly steady at around 1000 cases per annum, representing in around 50-65% of cases referred to us. We still struggle to represent in the longer running employment cases, as do most voluntary organisations.

This year saw the introduction of the Legal Aid, Sentencing and Punishment of Offenders Act introduced. This act proposes to significantly reduce the scope of legal aid, removing whole areas of law, including employment cases that do not involve discrimination and most social security cases. While FRU does not rely on legal aid to fund our cases, as public funding has never been available for representation before the tribunals we appear in, these huge cuts to the scope of legal aid are likely to have a major impact on the agencies and firms that refer their clients to FRU. We don't yet know what impact that will in turn have on cases referred to FRU. As far as we are able, we will monitor the effects of the LASPO Act on FRU's referrals as it is implemented from April 2013. What is beyond doubt is that many needy and vulnerable people will no longer have access to the advice and assistance they need with their legal problems.

We continue to work in the Administrative Appeals Chamber of the Upper Tribunal and in the Employment Appeal Tribunal. We accept cases where litigants would otherwise be self-represented and we have dealt with a number of the more complex cases before the UT and

the EAT. A small number of our cases progress to the Court of Appeal or the European Court of Justice.

We have a good relationship with the Employment Lawyers Association, and continue to participate in their 100 Days pro bono scheme. We refer cases to them when it appears likely that one of their members may be better placed than us to take a case.

We respond to Government consultations on issues which affect our work or our clients. We made representations about the role of pro bono organisations and emphasised their inability to meet the shortfalls in publicly funded legal services, which would result from the proposals in the LASPO bill. Our Legal Officer, Employment, Michael Reed, contributed to the Discrimination Lawyers Association's response to the Government consultation on a new fee regime for the Employment Tribunal.

## Volunteers

Some 532 individuals took cases during the year, averaging just over 2 cases per volunteer a year. We estimate that each case takes an average of 3 days work, which would mean FRU volunteers are contributing over 24,500 hours pro bono a year. We are hugely grateful to all to our volunteers for their immense contribution.

## National expansion

We have continued to discuss with colleagues the possibility of national expansion. The Nottingham pilot is still running and we will be reviewing its success in the coming months. We have an application for start up funds with the Midlands Legal Support Trust and are in discussion with Manchester and Cardiff about FRU models running in those cities.

## Supporters

FRU receives no government funding, so we rely entirely on organisations and individuals giving their support. We are hugely supported by the Bar Council, the Inns of Court and ICBET, ELA and Linklaters. We also receive significant support from various Chambers, solicitors firms and individuals. All our supporters are listed on pages 18-19, but special thanks are due to the following:

# Chief Executive's Report continued

Over 180 individuals give us annual sums from £40 to £1,000. Their names are listed on pages • to •. We are deeply grateful to all of them.

The **Bar Council** continues to provide immense support, both financially and with help in kind who this year provided us with a grant of £64,720 (2011:£64,705). In addition, as our landlords up to January 2012, they helped us move offices, donating both time and money to find new premises, negotiate the lease, fit out the offices and help organise and pay for the move. FRU is happily settled in its new offices and is grateful for all the help and support from the Bar Council in assisting with our move.

The four **Inns of Court** have also supported financially us for many years, to the tune of £12,000 each. In addition, we have enjoyed warm relationships with all four, we have spoken to their students and have had intangible help too.

We have huge amounts of support from **Linklaters LLP**. One of their trainees is with us on secondment for six months in every twelve. They have supported FRU's work with a donation of £37,000 in the year as part of what is now a 6-year commitment. They provide us with facilities for some of our smaller training sessions. When we moved office they undertook all the related conveyancing work pro bono. They also gave us some second-hand chairs and computers in excellent condition. We are very grateful to Linklaters for their continuing support.

Our relationship with the **Employment Lawyers Association** continues, as mentioned, and they gave us a grant of £20,000 this year.

Karen MacKay, Elizabeth Forrester, Asma Nizami, Jumoke Adejimola, Penny Letts and John Seargeant took part in Walk the Thames in February and raised £1,006.

Five individuals ran marathons this year for FRU. Alan Dickson, Andrew Gliddon, Louis Mosley, Mathew Hill and Michael Reed took part in the Virgin London Marathon. In total they raised £8,274.

Every May, the **London Legal Support Trust** organises a 10 km sponsored walk. With the support of many of our friends in the profession, and those of our staff and volunteers who walked themselves, and the huge support of Bob Nightingale and his team at the Trust, we managed to raise £25,050 (2011: £19,060).

We are also grateful for the continuing support of the **Inns of Court and Bar Educational Trust**.

Two sets of chambers, **5 Raymond Buildings** and **12 King's Bench Walk**, have an annual quiz night in support of the Bar Pro Bono Unit and ourselves.

This year, FRU and the Bar Pro Bono Unit welcomed sixteen sets of chambers as Friends in Law. The Award, now in its third year, is unique in that it reflects the significant annual contribution made by chambers to both of the charities that help facilitate pro bono work across the Bar. Michael Todd QC, chairman of the Bar Council, presented obelisks to the participating sets:

- 3 Verulam Buildings
- 5 Raymond Buildings
- 11 King's Bench Walk
- 11 South Square
- 12 King's Bench Walk
- 39 Essex Street
- Blackstone Chambers
- Brick Court Chambers
- Cloisters
- Devereux Chambers
- Keating
- Landmark Chambers
- One Crown Office Row
- Outer Temple Chambers
- South Square
- Tanfield Chambers

One of our founders, **John Hendy QC**, annually rides in the Cape Argus Cycle Tour in South Africa for us every March. This year he raised £2,350, more than any previous year.

Others have helped by giving us time or tangible items, including these:-

- Our main website was designed and is maintained and hosted by **New Digital Partnership** at no cost whatever to us.

- **Linklaters LLP** gave us chairs and computers for the new office.

FRU is indebted to successive **Attorneys General** for their leadership of pro bono in the legal profession. We have also enjoyed the support and cooperation of many pro bono organisations, not least the **Bar Pro Bono Unit** and other members of the Attorney General's pro bono coordinating committee.

We could not run our volunteers' training days without the help of **speakers** who have given up parts of their weekends to speak at our training days:

Jessica Boyd – Blackstone  
Claire Cruise – Bristows  
Naomi Cunningham – Outer Temple  
Anne Fairpo – 13 Old Square and Atlas  
Sebastian Naughton – 42 Bedford Row  
Timothy Pitt-Payne QC – 11KBW  
Sally Robertson – Cloisters  
Desmond Rutledge – Garden Court  
Adam Sandell – Matrix  
Paul Stagg – 1 Chancery Lane  
Robin White – Old Square

Innumerable **barristers** have helped us in the year when we have needed to consult another expert or to ask someone to take on a case that is beyond the experience of any available volunteers. They include:

David Barnett – Outer Temple  
David Blundell – Landmark  
Jessica Boyd – Blackstone  
Tim Buley – Landmark  
Daniel Bunting – 2 Doctor Johnson's Buildings  
Jason Coppell – II KBW  
Betsan Criddle – Old Square  
Naomi Cunningham – Outer Temple  
Niran De Silva – Littleton  
Richard Drabble QC – Landmark  
Anne Fairpo – Atlas and 13 Old Square  
Keith Gordon – Atlas  
Elenor Grey QC and Jack Holborn – 39 Essex Street  
Helen Law – Matrix  
Aidan O'Neill QC – Matrix and Ampersand Advocates (Scotland)  
Margaret Phelan – Renaissance  
Matthew Purchase – Matrix  
David Reade QC – Littleton  
Dinah Rose QC – Blackstone

Each has been able to help us only because of the unsung efforts of their **clerks** who help to make this happen.

We are grateful also to the many **Tribunal judges** and the staff from **HM Courts and Tribunals Service** for their assistance, support, patience and understanding.

The greatest help comes from our own **volunteers**, who, as mentioned, have put in thousands of hours on their client's cases. We could not exist without them.

## Staff

None of this work could be done without my colleagues on the staff:

|                                 |  |
|---------------------------------|--|
| <b>Principal Legal Officers</b> | Michael Reed<br>Emma Baldwin   |
| <b>Assistant Legal Officer</b>  | Marija Bračković (September 2010 – August 2011)<br>Elizabeth Forrester (from September 2011) |
| <b>Office Manager</b>           | Sharon Sneddon   |
| <b>Administrator</b>            | Ellie Chandler (May 2010 – August 2012)<br>Kirsty Anne Luke (from September 2011)            |
| <b>Accountant</b>               | Bosede Babalola  |

## Financial performance

Our financial results for the year are set out on pages 11 to 17.

We started this year with a budget deficit for the third year in a row. The annual deficit has reduced from £38,474 to £32,028. That the deficit is not higher is due to a capital donation from the Bar Council towards the fit out of FRU's new offices.

To address the ongoing deficit, we have appointed a part time fundraiser and have taken a new approach to our fundraising strategy. In the coming year, we will increase our applications to grant making trusts and foundations, target our potential donors more effectively and start to organise more fundraising events.

# Chief Executive's Report continued

We have already made a good start in securing a grant from Trust for London for an additional employment Assistant Legal Officer. We hope by 2012-13 to have a balanced budget and to start building up FRU's reserves once more.

The main items of income to note were some generous donations, listed in Note 1 on page 14, some of which are discussed in more detail earlier in this report. Overall, our income increased to £437,230 (2011: £350,034). This increase is due in part to the generous donation from the Bar Council to the costs of our office move.

At the same time, our expenditure increased. The main changes were these:-

- Staff salaries increased modestly and there were recruitment costs for the administrator post.
- Depreciation increased slightly reflecting the costs of capitalising FRU's database development and writing off the leasehold and improvements from our previous premises.
- The costs of customising FRU's database were higher than anticipated but this work is now complete.

In the coming year, our office overheads will reduce significantly as our office rent is lower and the costs of adapting and customising FRU's database have ended.

This is my first report as FRU's Chief Executive. I am very grateful to Clive Tulloch for the wonderful shape he left the organisation in and how easy he made it to step into his not inconsiderable shoes. I hope I can build on his successes as FRU's first Chief Executive and take the organisation from strength to strength.



**Karen MacKay**

Chief Executive from 1st November 2011

DATE



# Trustees' Report

The trustees present their report with the accounts of The Free Representation Unit, or FRU, for the period 1 April 2011 to 31 March 2012. The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The accounts have been prepared in accordance with the accounting policies set out on page 13 of the attached accounts and comply with the Unit's constitution, the law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

## Objectives, activities, achievements and performance

Our objects are set out in the section headed 'What we do'. Our future plans are discussed in the Chair's report. Our activities and financial performance are discussed in the Chief Executive's report on pages 3-6.

## Public Benefit

The trustees are of the view that we provide a public benefit in each of the ways set out under 'What we do', and that, having regard to the Charity Commission's guidance, the Unit provides a public benefit.

## Risk management

The management committee regularly considers the major risks to which the Unit is exposed, prioritises those risks, reviews the extent to which they are and can be managed and, in the light of that work, considers what further management actions are required. The trustees oversee this work.

## Reserves Policy

It is the policy of the trustees to ensure that the organisation maintains adequate free reserves to meet its charitable obligations while maintaining adequate reserves to allow operations to continue if there is a short-term downturn in income or increase in expenditure. The trustees consider that it would take 3 to 6 months to identify a material change of this nature and to find the necessary funds or adjust expenditure, and that therefore reserves of at least 3-6 months' expenditure are necessary.

The balance sheet shows total reserves of £156,605 (2011: £188,633) none (2011: £5,776) of which is restricted.

Unrestricted reserves are thus £156,605. After deducting those unrestricted reserves that are represented by tangible fixed assets and are therefore not readily available to meet expenditure, amounting to £93,543, free reserves are £63,062; they are thus below the desired range of free reserves. We have a number of fundraising initiatives in the pipeline that are intended to address this.

## Organisation

The Free Representation Unit is an unincorporated body, registered with the Charity Commission. It is governed by a constitution dated 31 March 2005 and revised on 8 August 2007. The Unit is run by a management committee consisting of representatives who are elected from the body of volunteers who carry out the work of the Unit, and of the Chief Executive.

The assets of the Unit are vested in the trustees, who are appointed by the Chairman of the Bar Council. The appointment of a trustee by the Chairman of the Bar Council occurs after consultation with the Management Committee of the Unit and the General Management Committee of the Bar Council. The trustees are appointed for a period of four years but are eligible for reappointment. Only a member of the Bar or a judge may be appointed as a trustee.

We were sorry to say goodbye to Trustees, Matthias Kelly QC and Paul Darling QC, both of whom served as FRU Trustees for 8 years. Two new Trustees were appointed this year, Nigel Giffin QC and Sean Jones QC. It is our policy, on the appointment of a new trustee or a new member of the management committee, to check that they are conversant with the relevant provisions of charity law and that they are sufficiently familiar with the workings of FRU. In most cases they are conversant, but, where necessary, briefings are provided.

We also were sorry to say goodbye to Clive Tulloch, who has served as FRU's Chief Executive since 2006. He has done an excellent job and has ensured that FRU functions efficiently and effectively. We welcomed Karen MacKay as the new Chief Executive in November 2011.

The Unit's patrons lend their support where it is helpful. They have no role in the governance or management of the Unit.

## Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and

Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees:



**John McCaughran QC**

Senior Trustee

DATE

# Legal and Administrative Information

|                                    |   |   |
|------------------------------------|---|---|
| <b>Patrons</b>                     | The Rt Hon Lady Justice Arden<br>The Rt Hon Lady Justice Black<br>The Rt Hon Sir Henry Brooke<br>The Rt Hon Lord Browne-Wilkinson<br>The Rt Hon Lord Clarke of Stone-cum-Ebony<br>The Rt Hon Lady Justice Hallett<br>The Rt Hon Lord Judge, Lord Chief Justice<br>The Rt Hon Lord Phillips of Worth Matravers |   |
| <b>Trustees</b>                    | John McCaughran QC<br>Paul Darling QC<br>Jennifer Eady QC<br>Nigel Giffin QC<br>Sean Jones QC<br>Matthias Kelly QC<br>Robin Purchas QC<br>Sean Wilken QC  | Retired 11 March 2012<br><br>Appointed 12 March 2012<br>Appointed 12 March 2012<br>Retired 11 March 2012  |
| <b>Management Committee</b>        | Andrew Watson<br>Asma Nizami<br><br>Mathew Hill<br>Arjun Ahluwalia<br>Giles Robertson<br>Jumoké Adejímola<br>Nikhil Arora<br>Tahera Begum<br>Andrew Gliddon<br>Noella Lahai-Taylor<br>George Miller<br>Clive Tulloch<br>Karen MacKay  | Chair to 5 October 2011<br>Chair from 5 October 2011<br>Secretary to 5 October 2011<br>Secretary from 5 October 2011<br>Treasurer to 5 October 2011<br>Treasurer from 5 October 2011<br>From 5 October 2011<br>To 5 October 2011<br>From 5 October 2011<br><br>To 5 October 2011<br>From 5 October 2011<br>Ex officio as chief executive to 31 October 2011<br>Ex officio as chief executive from 1 November 2011 |
| <b>Chief Executive</b>             | Clive Tulloch<br>Karen MacKay   | to 31 October 2011<br>from 1 November 2011  |
| <b>Office</b>                      | 60 Gray's Inn Road<br>London WC1X 8LU   |   |
| <b>Telephone</b>                   | 020 7611 9555   |   |
| <b>Website</b>                     | <a href="http://www.thefru.org.uk">www.thefru.org.uk</a>  |   |
| <b>Charity Registration Number</b> | 295952  |   |
| <b>Auditors</b>                    | Buzzacott LLP<br>130 Wood Street<br>London EC2V 6DL   |   |
| <b>Bankers</b>                     | Unity Trust Bank plc<br>Nine Brindley Place<br>4 Oozells Square<br>Birmingham B1 2HB  |   |

# Independent Auditors' Report

## Independent auditor's report to the trustees of The Free Representation Unit

We have audited the accounts of The Free Representation Unit for the year ended 31 March 2012, which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. 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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Annual Report, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

## Scope of the audit of the accounts

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

the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources 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 Charities Act 2011.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



### Buzzacott LLP

Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

DATE

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Statement of Financial Activities Year to 31 March 2012

|  | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>2012<br>£ | Total funds<br>2011<br>£ |
|--|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| <b>Incoming resources</b>                        |       |                         |                       |                          |                          |
| Incoming resources from generated funds          |       |                         |                       |                          |                          |
| Voluntary income                                 | 1     | 282,718                 | 18,285                | <b>361,003</b>           | 282,812                  |
| Investment income                                |       | 212                     |                       | <b>212</b>               | 367                      |
| Incoming resources from charitable activities    | 2     | 76,015                  | –                     | <b>76,015</b>            | 66,855                   |
| <b>Total incoming resources</b>                  |       | <b>358,954</b>          | <b>78,258</b>         | <b>437,230</b>           | 350,034                  |
| <b>Resources expended</b>                        |       |                         |                       |                          |                          |
| Costs of generating funds                        |       |                         |                       |                          |                          |
| Costs of generating voluntary income             | 3     | 23,925                  | 1,153                 | <b>25,078</b>            | 22,647                   |
| Charitable activities                            |       |                         |                       |                          |                          |
| Legal representation to those in need            | 3     | 392,871                 | 40,614                | <b>433,485</b>           | 355,927                  |
| Governance costs                                 | 3     | 10,695                  | –                     | <b>10,695</b>            | 9,933                    |
| <b>Total resources expended</b>                  |       | <b>427,491</b>          | <b>41,767</b>         | <b>469,258</b>           | 388,507                  |
| <b>Net incoming / (outgoing) resources</b>       |       | <b>(68,546)</b>         | <b>36,518</b>         | <b>(32,028)</b>          | (38,473)                 |
| <b>Net movement in funds</b>                     |       | <b>(68,546)</b>         | <b>36,518</b>         | <b>(32,028)</b>          | (38,473)                 |
| <b>Balances brought forward at 1 April 2011</b>  |       | <b>182,867</b>          | <b>5,766</b>          | <b>188,633</b>           | 227,106                  |
| <b>Balances carried forward at 31 March 2012</b> |       | <b>114,321</b>          | <b>42,284</b>         | <b>156,605</b>           | 188,633                  |

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

# Balance Sheet As at 31st March 2012

|  | Notes | 2012<br>£ | 2012<br>£ | 2011<br>£ |
|--|-------|-----------|-----------|-----------|
| <b>Fixed Assets</b>                                  |       |           |           |           |
| Tangible assets                                      | 5     |           | 93,543    | 30,034    |
| <b>Current Assets</b>                                |       |           |           |           |
| Debtors  |       | 2,636     |           | 12,395    |
| Debtors (amounts falling due after more than 1 year) |       | 12,240    |           | -         |
| Prepayments and accrued income                       |       | 45,887    |           | 27,403    |
| Cash at bank and in hand                             |       | 56,386    |           | 137,008   |
|  |       | 117,149   |           | 176,806   |
| <b>Creditors, accruals and deferred income</b>       | 6     | (54,087)  |           | (18,207)  |
| <b>Net Current Assets</b>                            |       |           | 63,062    | 158,599   |
| <b>Net Assets</b>                                    |       |           | 156,605   | 188,633   |
| <b>Represented by: Funds and Reserves</b>            |       |           |           |           |
| Restricted funds                                     | 7     |           | 42,284    | 5,766     |
| Designated funds                                     | 8     |           | 51,259    | -         |
| Unrestricted funds                                   |       |           | 63,062    | 182,867   |
| <b>Total Funds</b>                                   |       |           | 156,605   | 188,633   |

Approved by the trustees and signed on their behalf by:



John McCaughran QC, Senior Trustee

Approved on: DATE

# Basis of Accounting Year to 31 March 2012

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Charities Act 2011. Applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these accounts.

## Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Incoming resources where the donor specifies that the amount is to be spent in a future period is treated as deferred income.

Asset and services donated to the charity are included in incoming resources and are capitalised where appropriate. Donated services are recognised in incoming resources in the year in which the service is provided. Gifts in kind and donated services are recognised at their estimated value to the charity.

## Resources Expended

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

The costs of generating funds comprise the cost of fundraising events and allocated office costs based on estimated usage of resources.

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include staff and office costs, based on estimated usage of resources.

Governance costs comprise expenditure on strategic management and compliance with constitutional and statutory requirements.

The Chief Executive's costs are allocated between costs of generating funds, costs of charitable activities and governance costs based on an estimate of time spent throughout the year on each of these functions.

## Cash Flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

## Tangible Fixed Assets

All assets costing more than £100 are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

|                        |                                 |
|------------------------|---------------------------------|
| Leasehold improvements | 10% on a straight line basis    |
| Office equipment       | 25% on reducing balance basis   |
| Computer equipment     | 33% on a reducing balance basis |
| Computer software      | 33% on a straight line basis    |

## Fund Accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Unrestricted funds comprise those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

## Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks remain with the lessor are charged on a straight line basis over the lease term. The benefit of a rent-free period is amortised in the period from the commencement of the lease to the date of the next rent review.

## 1 Voluntary income

|  | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>2011<br>£ | Total funds<br>2010<br>£ |
|--|-------------------------|-----------------------|--------------------------|--------------------------|
| Donations Received:  |                         |                       |                          |                          |
| Bar Council <sup>1</sup>   | 64,720                  | –                     | <b>64,720</b>            | 64,705                   |
| Bar Council <sup>2</sup>   | –                       | 78,285                | <b>78,285</b>            | –                        |
| Inns of Court  | 48,000                  | –                     | <b>48,000</b>            | 48,000                   |
| Linklaters LLP   | 37,000                  | –                     | <b>37,000</b>            | 35,280                   |
| Individuals  | 26,448                  | –                     | <b>26,448</b>            | 33,087                   |
| Freshfields Bruckhaus Deringer LLP, Herbert Smith                          | 10,000                  | –                     | <b>10,000</b>            | 5,000                    |
| Employment Lawyers Association   | 20,000                  | –                     | <b>20,000</b>            | 20,000                   |
| London Legal Support Trust   | 25,050                  | –                     | <b>25,050</b>            | 19,060                   |
| Individuals' sponsored activities  | 8,827                   | –                     | <b>8,827</b>             | 6,573                    |
| Inns of Court & Bar Educational Trust                                      | 6,000                   | –                     | <b>6,000</b>             | 6,000                    |
| Other  | 7,902                   | –                     | <b>7,902</b>             | 8,465                    |
| Clients  | 350                     | –                     | <b>350</b>               | 1,705                    |
| Trusts   | 1,000                   | –                     | <b>1,000</b>             | 1,000                    |
|  | 255,297                 | 78,285                | <b>333,582</b>           | 248,875                  |
| Tax Repayments under Gift Aid  | 3,921                   | –                     | <b>3,921</b>             | 2,909                    |
| Income received under standing order from individuals and sets of chambers | 23,500                  | –                     | <b>23,500</b>            | 31,028                   |
|  | 361,003                 | –                     | <b>361,003</b>           | 282,812                  |

<sup>1</sup> The Chairman of the General Council of the Bar (the 'Bar Council') appoints the trustees of FRU.

<sup>2</sup> Donation in relation to the office move March 2012.

## 2 Incoming resources from charitable activities

|  | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2012<br>£ | Total<br>2011<br>£ |
|--|-------------------------|-----------------------|--------------------|--------------------|
| Training of potential volunteers       | 61,345                  | –                     | <b>61,345</b>      | 51,475             |
| Subscriptions from referral agencies   | 10,270                  | –                     | <b>10,270</b>      | 10,980             |
| Payments by Law Schools ('FRU option') | 4,400                   | –                     | <b>4,400</b>       | 4,400              |
|  | 76,015                  | –                     | <b>76,015</b>      | 66,855             |



# Notes to the accounts continued

## 3 Expenditure

|                        | Generating Voluntary Income |                 | Legal Representation |                 | Governance        |                 | Total             |                 | Total<br>£     | 2011 Total<br>£ |
|------------------------|-----------------------------|-----------------|----------------------|-----------------|-------------------|-----------------|-------------------|-----------------|----------------|-----------------|
|                        | Unrestricted<br>£           | Restricted<br>£ | Unrestricted<br>£    | Restricted<br>£ | Unrestricted<br>£ | Restricted<br>£ | Unrestricted<br>£ | Restricted<br>£ |                |                 |
| Fundraising costs      | 4,111                       | –               | –                    | –               | –                 | –               | 4,111             | –               | <b>4,111</b>   | 4,077           |
| Staff costs            |                             |                 |                      |                 |                   |                 |                   |                 |                |                 |
| Wages and salaries     | 9,075                       | –               | 189,514              | –               | 3,630             | –               | 202,219           | –               | <b>202,219</b> | 186,844         |
| Social security costs  | 981                         | –               | 18,266               | –               | 379               | –               | 19,626            | –               | <b>19,626</b>  | 18,277          |
|                        | 10,056                      | –               | 207,780              | –               | 4,009             | –               | 221,845           | –               | <b>221,845</b> | 205,121         |
| General expenditure    |                             |                 |                      |                 |                   |                 |                   |                 |                |                 |
| Depreciation           | 970                         | 1,153           | 7,888                | 4,613           | –                 | –               | 8,858             | 5,766           | <b>14,624</b>  | 14,106          |
| Loss on disposal       | –                           | –               | 10,214               | –               | –                 | –               | 10,214            | –               | 10,214         | –               |
| Premises               | 4,786                       | –               | 90,933               | –               | –                 | –               | 95,719            | –               | <b>95,719</b>  | 95,464          |
| Office move            | –                           | –               | –                    | 36,001          | –                 | –               | –                 | 36,001          | <b>36,001</b>  | –               |
| Office running         | 3,044                       | –               | 57,833               | –               | –                 | –               | 60,877            | –               | <b>60,877</b>  | 33,974          |
| Library                | 667                         | –               | 12,672               | –               | –                 | –               | 13,339            | –               | <b>13,339</b>  | 13,630          |
| Other                  | 291                         | –               | 5,551                | –               | –                 | –               | 5,842             | –               | <b>5,842</b>   | 19,885          |
|                        | 9,758                       | 1,153           | 185,091              | 40,614          | –                 | –               | 194,849           | 41,767          | <b>236,616</b> | 173,059         |
| Auditors' remuneration |                             |                 |                      |                 |                   |                 |                   |                 |                |                 |
| Audit fee              | –                           | –               | –                    | –               | 6,686             | –               | 6,686             | –               | <b>6,686</b>   | 6,250           |
| Total                  | 23,925                      | 1,153           | 392,871              | 40,614          | 10,695            | –               | 427,491           | 41,767          | <b>469,258</b> | 388,567         |

No employee earned £60,000 or more (including benefits) during the current or previous year.

The average number of employees was 7 (2011: 7).

No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2011 - £nil). No trustee had any beneficial interest in any contract with the charity during the year.

## 4 Taxation

The Free Representation Unit is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as they fall within the various exemptions available to registered charities. FRU is not registered for VAT.

# Notes to the accounts continued

## 5 Tangible fixed assets

|                  | Leasehold<br>Improvements<br>£ | Computer<br>Equipment and<br>Software<br>£ | Office<br>Equipment<br>£ | Total<br>£     |
|------------------|--------------------------------|--|--------------------------|----------------|
| Cost:            |                                |  |                          |                |
| At 1 April 2011  | 34,049                         | 74,605                                     | 13,581                   | <b>122,235</b> |
| Additions        | 28,168                         | 25,565                                     | 34,614                   | <b>88,347</b>  |
| Disposal         | (34,049)                       | –  | (9,853)                  | (43,902)       |
| At 31 March 2012 | 28,168                         | 100,170                                    | 38,342                   | <b>166,680</b> |
| Depreciation:    |                                |  |                          |                |
| At 1 April 2011  | 23,835                         | 58,022                                     | 10,344                   | <b>92,201</b>  |
| Charge for year  | –                              | 13,493                                     | 1,131                    | <b>14,624</b>  |
| Disposal         | (23,835)                       | –  | (9,853)                  | (33,688)       |
| At 31 March 2012 | –                              | 71,515                                     | 1,622                    | <b>73,137</b>  |
| Net book values: |                                |  |                          |                |
| At 31 March 2012 | 28,168                         | 28,655                                     | 36,720                   | <b>93,543</b>  |
| At 31 March 2011 | 10,214                         | 16,583                                     | 3,237                    | 30,034         |

## 6 Creditors, accruals and deferred income

|                 | Total<br>2012<br>£ | Total<br>2011<br>£ |
|-----------------|--------------------|--------------------|
| Accruals        | <b>49,472</b>      | 16,532             |
| Deferred income | <b>4,615</b>       | 1,675              |
|                 | <b>54,087</b>      | 18,207             |

## 7 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

| Purpose     | At<br>1st April<br>2011<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | At<br>31st March<br>2012<br>£ |
|-------------|------------------------------|----------------------------|----------------------------|-------------------------------|
| IT          | 5,766                        | –                          | (5,766)                    | –                             |
| Office move | –                            | 78,285                     | (36,001)                   | <b>42,284</b>                 |
|             | 5,766                        | 78,285                     | (41,767)                   | <b>42,284</b>                 |

# Notes to the accounts continued

## 8 Designated funds

|                  | At 1st<br>April 2011 | Incoming<br>funds | Fund<br>Expended | At 31st<br>March 2012 |
|------------------|----------------------|-------------------|------------------|-----------------------|
| Fixed asset fund | –                    | 51,259            | –                | <b>51,259</b>         |
|                  |                      | 51,259            | –                | <b>51,259</b>         |

The fixed asset fund represents the net book value of the charity's unrestricted fixed assets as at March 2012.

## 9 Analysis of net assets between funds

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2012<br>£ | Total<br>funds<br>2011<br>£ |
|---|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Fund balances at 31 March 2012 are represented by:</b> |                            |                          |                             |                             |
| Fixed assets  | 51,259                     | 42,284                   | <b>93,543</b>               | 30,034                      |
| Current assets  | 117,149                    | –                        | <b>117,149</b>              | 176,806                     |
| Creditors, accruals and deferred income                   | (54,087)                   | –                        | <b>(54,087)</b>             | (18,207)                    |
| <b>Total</b>  | <b>114,321</b>             | <b>42,284</b>            | <b>156,605</b>              | <b>188,633</b>              |

## 10 Commitments

Lease commitments – operating leases

At 31 March 2012, the charity had annual commitments under non-cancellable operating leases as follows:

|                                | 2012<br>£     | 2011<br>£ |
|--------------------------------|---------------|-----------|
| Operating leases which expire: |               |           |
| After five years               | <b>48,960</b> | 66,350    |

# List of Donors

The General Council of the Bar  
Linklaters LLP  
Employment Lawyers Association  
The Honourable Society of the Inner Temple  
The Honourable Society of the Middle Temple  
The Honourable Society of Lincolns Inn  
The Honourable Society of Grays Inn  
The Inns of Court and The Bar Educational Trust (ICBET)  
Institute of Barristers Clerks  
One Crown Office Row  
One Essex Court Chambers  
11 Kings Bench Walk  
11 South Square Chambers  
12 Kings Bench Walk  
3 - 4 South Square Chambers  
3 Verulam Buildings  
5 Raymond Buildings  
Blackstone Chambers  
Cloisters  
Devereux Chambers  
Harwicke Chambers  
Old Square Chambers  
Tanfield Chambers  
Freshfields  
Herbert Smith  
The Authors of 'Employment Tribunal Claims', Naomi Cunningham and Michael Reed  
The Eric F. Sparkes Charitable Trust

AR Boswood  
ML Brent  
TD Brenton QC  
MJ Brindle QC  
JB Brodie  
Sir Henry Brooke  
Lord Browne-Wilkinson  
HJ Byrt  
P Carter QC  
Sir Christopher Clarke  
RC Clay  
Richard Coleman QC  
G Connor  
K Coonan QC  
PR Cowell  
John Crossfill  
Clare Cruise  
Paul Darling QC  
Katharine Davidson QC  
Julia Dias QC  
JM Dingeman QC  
EL Dixon  
M Douglas QC  
PH Draffan  
T Dumont  
Jennifer Eady QC  
Philip Edey QC  
M Egan QC  
RM Englehart QC  
HL Evans  
RJ Evans  
J Evans-Tovey  
AM Firth  
Vernon J H Flynn  
DA Foxtan QC  
DP Friedman QC  
Sir William Gage  
CR George QC  
I J Ghosh QC  
PL Gibson  
TJ Goudie QC  
Nigel Giffin QC  
RA Hantusch  
PJ Harrison QC  
JM Heal  
J Hirst QC  
P A Hitchcock  
Theo Huckle  
AW Hughes QC  
GM Huston  
C Hutton  
Sir Stephen Irwin

PAB Jackson QC  
Sir Robin Jacob  
M James  
NA Jefford QC  
J Johnson  
ES Jones QC  
SW Jones QC  
Tom Kark QC  
SCW Kenny QC  
His Honour Judge Stephen Kramer QC  
Sir Brian Langstaff  
GP Lazarus  
TAC Leech  
NT Levisaur  
D Lewis  
J Litton  
P Lloyd Williams  
S Lofthouse QC  
Victoria Lord  
D Lovell-Pank QC  
N M Lowe QC  
AJ Lydiard QC  
GRJ Mansfield QC  
C Manzoni QC  
BA Marder  
RL Martin QC  
JGR Martyn  
JC Mathew  
JD Matthews  
D McCarthy  
J McCaughran QC  
FMC McCredie  
RJ McGregor-Johnson  
EJW Mellor QC  
PH Milmo QC  
C Moger  
K Monaghan QC  
MD Mott  
Sir John Mummery  
G S Murdoch  
CAC Murfitt  
AL Myerson  
P Naughton QC  
JM Nicholson QC  
A Nissen QC  
O Ogunfowora  
JA Orford  
EH Ovey  
David Owen  
The Hon. Mr Justice Penry-Davey  
AG Perkins

*continued.....*

LE Persey QC  
F Pirie  
His Honour David C Pitman  
RM Planters  
N L Poidevin  
PRK Prescott QC  
His Honour Judge RNM Price  
Robin Purchas QC  
His Honour Judge Charles Lambert  
    Purle QC  
C Quigley QC  
VA Ramsey  
FMH Randolph  
Peter John Rees QC  
DJ Richardson  
SR Roberts  
MO Rodger QC  
GRG Roots QC  
Judge Mark Rowland  
JJ Russell QC  
Simon Salzedo QC  
CS Samek  
MV Seaward  
SE Shay  
AJ Short  
AM Silverleaf QC  
SL Singleton QC  
Paul Stanley  
G & GI Stelmach & Wysokinska-  
    Stelmach  
J Storey QC  
JL Stratford  
CP Sydenham  
RS Symonds  
Michael Tappin  
HC Taylor  
A Temple QC  
The Hon Mrs Justice Thirlwall  
Robert Thomas  
WFC Thomas  
RWR Thompson QC  
SJ Thorley QC  
O Ticciati  
Daniel Toledano QC  
NK Tozzi  
WSP Trower QC  
HJM Tucker  
HW Turcan  
CS Vajda QC  
NEJ Vineall QC  
Sir Geoffrey Vos  
SM Walker  
EA Weaver  
GDA Weddell  
Lord and Lady Wedderburn  
TEB Weitzman  
CS Welchman  
Judge JS Wiggs  
The Hon Mr Justice AF Wilkie  
Heather Williams QC  
NMH Williams QC  
C Wood  
MM Wood  
D & AL Yip  
MF Young  
AJ Zacaroli QC





Free Representation Unit  
60 Gray's Inn Road  
London WC1X 8LU

Telephone: 0207611 9555

Website: [www.thefru.org.uk](http://www.thefru.org.uk)

Charity Registration Number 295952