

**Free
Representation
Unit**

**Annual Report and Financial
Statements**

18 month period ended 30 September
2019

Charity Registration Number
295952

Contents

Messages of support to FRU for the EGM and volunteer reception 29 April 2019

The work of the Free Representation Unit has never been more needed than it is at the moment. Obtaining effective access to justice can be daunting and beyond the financial means of many. I am, as ever, hugely grateful for the work that FRU volunteers do in the Tribunals for individual users but also the work you do spreading the word among colleagues. We all share in the task of delivering justice and our role as judges is made all the more effective by the skill, expertise and enthusiasm you bring to your voluntary service. Thank you. Ernest

Sir Ernest Ryder – Senior President of Tribunals and Lord Justice of Appeals

The Law Society is proud to support the work of the Free Representation Unit, which has an outstanding history of improving access to justice for those that cannot afford legal help and who are not entitled to public funding. The work that FRU volunteers do continues to be a vital life line to many in need in the face of devastating cuts to legal aid. The work done by one volunteer on one case has a far-reaching impact on the life of the client helped, as well as their family and friends. Pro bono work exemplifies the very best of the legal profession.

Christina Blacklaws – President of the Law Society of England & Wales 2018 - 2019

“I would like to send my admiration and gratitude to all those who devote their free time to the invaluable work that FRU undertakes. The Unit’s success is only possible with your support, and I hope that everyone involved knows how many lives have been improved and people rescued as a result of your generosity and tenacity. Long may it continue.”

The Secret Barrister

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Legal and administrative information

Patrons	The Rt Hon Lady Arden of Heswall The Rt Hon Lady Black of Derwent The Rt Hon Lord Clarke of Stone-cum-Ebony The Rt Hon Lady Hallett The Rt Hon Lord Judge The Rt Hon Lord Phillips of Worth Matravers The Secret Barrister
Trustees	Sean Jones QC (Joint senior trustee) Michael Fealy QC (Joint senior trustee) Fenella Morris QC Alison Padfield QC The Honourable Mr Justice Johnson
Management committee in the period from 01 November 2018 to 29 April 2019	Rachel Sullivan (Chair) Patrick Tomison (Secretary) Tom Phillips (Treasurer) Deborah Acquaah Howard Leithead Patrick Lyons Gemma Daly David Abbott (Ex officio as Chief Executive Officer)
Management committee in the period from 27 October 2017 to 01 November 2018	Rachel Sullivan (Chair) Patrick Tomison (Secretary) Tom Phillips (Treasurer) Deborah Acquaah Howard Leithead Patrick Lyons Gemma Daly David Abbott (Ex officio as Chief Executive Officer)
Chief Executive	David Abbott
Registered address	5th Floor Kingsbourne House, 229-231 High Holborn, London, WC1V 7DA
Telephone	020 7611 9555
Website	www.thefru.org.uk
Charity registration number	295952

Legal and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Unity Trust Bank plc
9 Brindleyplace
Birmingham
B1 2HB

Background to this annual report

FRU's reporting year usually runs from 01 April until 31 March. As we reported in our previous annual report, we are in a process of transition from the current FRU charity to a new, incorporated charity. A number of legal steps are required to wind up the existing charity and transfer the assets and liabilities to the new legal entity. The target date for that transition was 01 September 2019. It is possible to extend the reporting year by up to six months, so for practical reasons the trustees decided to extend the reporting period for this report to 30 September 2019. Where this makes it difficult to compare annual data, we have tried to provide the data for the period 01 April 2018 – 31 March 2019 in addition to the full 18-month data.

Patron and trustee

We were delighted that in October 2018 The Secret Barrister agreed to become a FRU patron. The Secret Barrister is a junior barrister practising criminal law before the courts of England and Wales. The Secret Barrister is also an award-winning blogger who in 2018 published 'Stories of the Law and How It's Broken', a critique of how the criminal justice system currently functions. The trustees and staff do not know who the Secret Barrister is and, whilst it is highly unusual to appoint an anonymous patron, the Secret Barrister's passion for the justice system and for FRU's work is clear. We are pleased that such a high-profile member of the legal profession is able and willing to offer practical support to our work. We took the opportunity to ask our existing patrons whether they were happy to renew their relationship with FRU. We were very pleased that each patron wanted to remain in the position of patron. It is very helpful to have the endorsement of such senior judicial figures and we thank each of them for their continued commitment to FRU.

We were equally delighted to hear that our trustee, Jeremy Johnson QC had been appointed as a Justice of the High Court, with effect from 1 October 2019. The appointment was made by The Queen on the recommendation of the Lord Chancellor. Jeremy has been assigned to the Queen's Bench Division. We wish Jeremy every good wish in his new judicial career.

FRU's work

Casework

To assist with comparisons with previous years we have presented case data for the 12 months to the end of March 2019 and for the 18-month period of this report.

	Year to 31 March 2019		Year to 31 March 2018		18 months to 30 September 2019	
	Cases taken	% of cases referred	Cases taken	% of cases referred	Cases taken	% of cases referred
Employment (includes self- referral)	154	31%	154	39%	214	30%
Social Security	361	25%	340	30%	508	26%
Criminal Injuries Compensation	0	0	0	0	1	33%
	515	26%	494	32%	723	27%

Training Day Attendance

	Year to 31 March 2019	Year to 31 March 2018	18 months to 30 Sept 2019
Employment (includes self-referral)	409	383	534
Social Security	402	481	535
	811	864	1069

One of the themes of this report is the impact of our financial position on delivering our service. We know that we only scratch the surface in terms of reaching those who need tribunal representation, so we could multiply our capacity and still leave unmet need. The number of cases referred to us grew during the reporting period, both in London and Nottingham. This shows that our referral agencies continue to have confidence in our service. We are constrained by the space in the office but more importantly by the capacity of our legal officers to supervise volunteers. There is a 'safe' level of cases that can be supervised. During 2018 we needed to increase our income and reduce our expenditure to manage our potential deficit. We have been fortunate in recent years that our employment assistant legal officer has been funded by Trust for London. We funded our social security assistant legal officer from general income. As salaries are our largest budget heading, we took the difficult decision not to recruit a social security assistant legal officer in September 2018, on the basis that we could not afford to appoint until we had obtained specific funding for that post. We say more below about the financial aspects of this, but in terms of workload this necessary decision placed significant stress on our already busy staff. All the remaining staff members pulled together to try to maintain the service level for what we hoped would be a temporary period. The burden fell particularly on Emma Baldwin and Abou Kamara, our social security team. We trained fewer social security representatives because we realised that it would be unfair to train volunteers that we would not have the capacity to supervise. We managed to maintain the level of service in part through an increase in cases represented in Nottingham but also by the team working additional hours because they are dedicated to our volunteers and clients.

We were pleased to continue our self-referral scheme for employment cases, enabling clients with more straightforward claims to apply for representation directly. This scheme is generously funded by Trust for London. The employment caseload continues to grow following the termination of employment tribunal fees, and it is useful for some clients to be able to approach us directly. 144 clients used the self-referral scheme and these cases had a higher representation rate of 43%. There are unfortunately unacceptable listing delays for employment tribunal hearings with the average waiting time between employment tribunals receiving a claim and when it is heard reached 237 days during this period and waits of up to 18 months not being uncommon.

Policy comment

In representing hundreds of clients each year, we gain significant understanding of what causes clients to seek our help, how policy or organisational processes sometimes cause unnecessary problems and how these can be addressed. Although we are not primarily a campaigning body, we do look for opportunities to provide objective evidence to policy makers. During this reporting period we contributed written evidence to the following consultations:

- Justice Select Committee inquiry into HMCTS Court & Tribunal Reforms
- Ministry of Justice consultation 'Fit for the future: transforming the Court and Tribunal Estate'
- Dept. of Business, Energy & Industrial Strategy consultation 'Enforcement of employment rights'
- Dept. of Business, Energy & Industrial Strategy consultation on 'Employment status'

We also submitted written and Oral evidence to the Women & Equalities Select Committee inquiry into 'Sexual harassment in the workplace', with Michael Reed our Principal Legal Officer appearing before the committee with other employment law experts.

Subsequent inquiry reports drew on FRU's evidence, for example the Women & Equalities Select Committee adopted one of our recommendations to its inquiry and widely disseminated a video clip of Michael's evidence. We believe that it is a good investment of our resource to try to prevent future problems in areas where we can provide a voice for our clients.

In addition, Gemma Daly, former FRU assistant legal officer and management committee member, contributed to a BBC radio 'Law in Action' feature on the work of the social security tribunal. This gave important insight for members of the public about how these tribunals function and the importance of legal representation in complex proceedings.

Notable visitors

We were pleased to welcome a number of notable visitors to our office during this period. These included:

- Sir Ernest Ryder, Senior President of Tribunals and Lord Justice of Appeal.
- Lord Goldsmith, former HM Attorney General and noted pro bono champion
- Christina Blacklaws, President of the Law Society during 2018 – 2019
- Richard Atkins QC, Chair the Bar Council of England & Wales during 2019

During each visit our guests met groups of FRU volunteers and staff and were welcomed by our trustees. Such visits provide public support for our work and an opportunity for visitors and volunteers to exchange views on pro bono and current issues in the justice system.



Sir Ernest Ryder, Senior President of Tribunals visited the office in 2018. Here he is speaking to our Assistant Legal Officers.

Development activity

During this period we were implementing phase one of a three-phase digital upgrade strategy. This was funded by generous grants from the Legal Education Foundation, the Access to Justice Foundation and Allen & Overy LLP. The project upgraded our hardware and software, improved our broadband connectivity and security, introduced new corporate email accounts for all FRU volunteer and digitised some core administrative processes, such as the annual renewal of subscriptions from our referral agencies. Implementing this organisational change whilst our office manager was on maternity leave was very challenging, and delivery of the main elements took 12 months longer than first planned. Thanks must go to all staff for undertaking additional work to review the existing files and systems and plan for how to set up our new systems. Thanks must also go to Dr Simon Davey and to Dean Redmond, our IT consultants who steered us through some challenging times. The impact of the upgrade is that our risks from aged equipment have been mitigated, our processes are more efficient, and security and information assurance significantly improved. We have one final element of this phase to deliver, which is digitising the case referral form used by the referral agencies. This will be launched in the spring of 2020. We say more below about the next digital challenges that we need to address.

Nottingham

FRU Nottingham is the only FRU branch outside of London and represents clients in both employment and social security claims. FRU Nottingham is part of the Nottingham Law School Legal Advice Centre, a teaching law firm which is fully authorised and regulated by the Solicitors Regulation Authority. Nottingham Law School Legal Advice Centre provide practical legal work experience to Nottingham Law School students, whilst offering pro bono and low-cost legal services to the community.

Chair's report Period ended 30 September 2019

FRU Nottingham represented 107 clients in social security hearings and 19 clients in employment hearings during the period 1 April 2018 – 30 September 2019. Whilst the majority of tribunal hearings have taken place in Nottingham, we have also covered hearings in Chesterfield, Derby, and Lincoln. Across the same period FRU Nottingham secured over £1.7 million in compensation and benefit entitlement for their clients.

FRU Nottingham has strengthened its existing referral networks with local advice agencies and Law Centres, and has developed new referral relationships with organisations including local NHS Foundation Trusts, local authorities, and voluntary sector organisations. We also continue to represent clients that have approached us directly, especially in our employment cases. We are confident that our reputation is growing stronger within the locality and we will continue to receive increased referrals in the future.



Law Society President Christina Blacklaws visited the FRU office in 2018 and spoke to a group of volunteers

Supporters

FRU is exceptionally fortunate with the support that it enjoys from all parts of the legal profession.

The Bar Council

Our thanks go to Andrew Walker QC Chair of the Bar Council in 2018, Richard Atkins QC, Chair in 2019 and Malcolm Cree, Chief Executive, for the Bar Council's continued support. The grant provided by the Bar Council is the bedrock of FRU's funding and makes a major contribution to our financial stability. David Abbott was pleased to provide an oral and written annual report on our work to the Bar Council at its meeting in May 2019.

The Inns of Court

All four Inns of Court support our work by providing grants and by promoting our activities with their student members. We are very grateful to them for this, particularly because the Inns agreed a significant increase in their donations, from £15,000 each to £20,000 each from January 2019.

The Inns of Court and the Bar Educational Trust (ICBET)

Our position as a charity with educational objectives complements those of the Inns of Court and the Bar Educational Trust and we recognise the enormous benefits of working closely together. The trustees of ICBET have supported FRU for many years and in 2018 made a donation of £10,000. We were very grateful that in early 2019 the trustees agreed to consider a supplementary request for further support to enable us to re-appoint someone to the social security ALO post. The additional one-off donation of £20,000 was key to re-establishing this post and we sincerely thank the trustees for this generosity.

Support from Associations

The London Legal Walk continues to go from strength to strength and we are greatly indebted to the team at the London Legal Support Trust for the work they put in to making this event such a success. This year our supporters once again donned FRU t-shirts to walk in our team. We are also grateful to all the walkers and the barristers' chambers who raised money for the general funds, part of which go to support FRU.

We enjoy a fruitful relationship with the Employment Lawyers Association (ELA) and have continued to work with them on facilitating the 100 Days scheme. This year we have also increased our support to the Employment Tribunal Litigant in Person Support (ELIPS) scheme in London, which goes from strength to strength. Our thanks go to Natasha Joffe for maintaining the link with the ELA Pro Bono Committee, and we thank all ELA members for this crucial support to our employment service.

Chambers

Much of our support comes from barristers' chambers. We attract support from across the Bar and are very grateful both for the fundraising events in our name and for the regular contributions we receive, for example 5 Raymond Buildings has a popular annual quiz night in support of FRU and Advocate. The full list of chambers that made a financial donation is on page 34. We are increasingly also receiving useful help in kind, such as the use of meeting rooms. We were grateful to No.5 Chambers in 2019 for their kind agreement to photocopy training day materials, which saved us a great deal of effort.

Grants from Charitable trusts

Trust for London continued to fund the employment Self-Referral Scheme, by covering the cost of the Employment Assistant Legal Officer and Self-Referral Scheme Co-ordinator. This grant of £40,000 for three years is a significant contribution to our service and we are extremely grateful for Trust for London's continued confidence in FRU. The self-referral scheme has a 43% representation rate, which is significantly higher than the general representation rate for employment cases of 30%.

The Legal Education Foundation continued to support the implementation of the first phase of our digital strategy. As we reported in the previous annual report, this project is essential to improving our service to our clients, volunteers, referral agencies and staff in the future.

We were also fortunate to receive the support of other charitable trusts. An application to the City Bridge Trust for support with our core costs for 5 years was successful. This was a major boost as it brings a degree of certainty to our financial planning for an extended period. We are grateful to the trustees of the Trust for this mark of confidence in our work and organisation.

We also received support from the Persula Foundation and the London Legal Support Trust who provided grants that enabled us to re-appoint a social security assistant legal officer. The trustees of the Eric F Sparkes Charitable Trust have been long-standing FRU supporters and we were also grateful to receive a donation from the City of London Solicitors' Company Charitable Fund. It is important that we have a wide basket of supporters, and donations from charitable trusts are becoming a crucial element of our income. We plan to seek support from other relevant trusts in the future.

Linklaters LLP

FRU has continued our excellent relationship with Linklaters and we were delighted to host Linklaters trainees for two periods during this year, Priya Kotecha and Andrew Comisky undertook cases and assisted in the office. We are very grateful to Ben Carroll who sits with our board of trustees and provides us valuable advice and support. Linklaters is also extremely generous in its financial support, being the largest donor among firms and chambers.

Individuals

We are very grateful for the efforts of individual fundraisers who raise money for us.

We had one runner in the London Marathon in April 2018: Ginevra Bicciole and one runner in April 2019: Hamish McCallum, whose fundraising efforts are very much appreciated.

The popular London Legal Walk event was taken up on behalf of FRU in 2018 by Ernest Formelu, Abou Kamara, Alison Padfield QC, David Abbott, Andrew Comiskey and Verity Bell. In 2019 our team consisted of Chelle Byron, Imogen Leipnik, Robin Robison, Michael Reed and David Abbott.

Holly Stout very bravely swam the Serpentine in London's Hyde Park in September 2018.

Richard and Kat Butler, Alastair Prince and Karolin Wagner all ran, alongside Rachel Sullivan who walked, the half marathon as part of the Walk the Thames event organised by the London Legal Support Trust.

Jack Gilliland ran the Vitality London 10k.

FRU also entered a team of four cyclists in the Prudential Ride London-Surrey 100 on 4 August 2019. Our team consisted of Anne Fairpo, Tony Almeida, Jack Gilliland and Amrit Bachu.

In one-off events, Robin Robison walked the South Downs Way for FRU and Ayesha Taranum arranged a crowdfunding campaign as her parting gift to FRU as she left us in 2019.

We are also grateful to the authors of legal books who kindly donate their royalties to FRU, including Naomi Cunningham and Michael Reed for *Employment Tribunal Claims: Tactics and Precedents* and Jonathan Kirk QC, Thomas Samuels and Lee Finch for *Mis-Selling Financial Services*.

Other support

FRU is indebted to the Attorneys General and Solicitors General (who included a former FRU volunteer) who served during this period for their role in the leadership of pro bono in the legal profession. We have also enjoyed the support and cooperation of many pro bono organisations, not least Advocate, Lawworks and other members of the Attorney General's pro bono organising committee. Many members of the legal profession have helped us in a variety of ways during the year, publicising our work, providing pro bono advice and support or helping with some of the more complex cases we receive.

They include:

Tim Buley, Landmark Chambers

Anne Fairpo, Temple Tax Chambers

Dominic Howells, Blackstone Chambers

Katherine Barnes, 39 Essex Street

Christopher Brown, Matrix

Leon Glenister, Landmark Chambers

Charles Bagot QC, Harwicke

Eleanor Mitchell, Matrix

Sally Robertson, Cloisters

Celia Rooney, Blackstone Chambers

We could not run our volunteers' training days without the help of speakers who have given up their time to contribute:

Sally Robertson, Cloisters

Celia Rooney, Blackstone Chambers

Gemma Daly, Doughty Street

Desmond Rutledge, Garden Court Chambers

Alison Padfield QC, 4 New Square

Ella Davis, 1 Chancery Lane

Rachel Sullivan, 39 Essex Street

Matthew Jackson, 10 KBW

Andrew Watson, 12 KBW

Alexandra Sidossis, 4-5 Gray's Inn Square

Chair's report Period ended 30 September 2019

During this period FRU also became founding members of the pro bono committee of our local Law Society. We thank Westminster and Holborn Law Society for taking the initiative to promote the value of pro bono to its 10,000 members in central London.

There are many people whose help is not always obvious, but without their help, our work would be more difficult. The efforts of chambers' clerks help to make so much happen behind the scenes. We are grateful also to the many Tribunal judges and the staff from HM Courts and Tribunals Service for their assistance, support and patience.

But our greatest help comes from our very own volunteer representatives, who are professional, dedicated and loyal and who put in thousands of hours on their clients' cases. We simply would not exist without them.



Chair of the Bar Council Richard Atkins QC visited the FRU office in 2019 and spoke to a group of volunteers. The Bar Council is one of FRUs principal supporters.

Staff

None of the fantastic work of the Unit could have happened without the excellent work of the staff.

We had many comings and goings during this period. In October our long-serving Office Manager Sharon Sneddon returned from on 12 month's maternity leave and we said goodbye to her cover, Lobna Rahman.

Verity Bell and Josh Yetman were initially our assistant legal officers (ALO) with Josh switching to cover the employment brief from September 2018 to March 2019. Heloise Ramage-Hays joined us to replace Josh as employment ALO in March 2019. Laura Regueiro Romero joined us as our social security ALO in June 2019.

We have been fortunate to retain 6-month placements of trainee solicitors from Linklaters LLP, and during this period Andrew Comiskey and Imogen Leipnik joined us. Both Andrew and Imogen made a significant contribution to our work in their relatively short time with us.

Chair's report Period ended 30 September 2019

We continued to benefit from the extended pupillage offered by Outer Temple Chambers. Alexandra Sidossis again made a significant contribution to our work and were pleased that she subsequently obtained tenancy at 4-5 Gray's Inn Square. We thank Patrick Reeves' family, through Outer Temple Chambers, for this support.

Finally, our Office Administrator was Ayesha Tarannum until she left to start a career in teaching in June 2019 and was replaced by Nneoma Atumonyogo.

Our staff members during 2018/2019 were:

CEO	David Abbott
Principal Legal Officers	Michael Reed Emma Baldwin
Assistant Legal Officer	Joshua Yetman Laura Regueiro Romero Abou Kamara
Assistant Legal Officer & Self-referral Coordinator	Verity Bell Joshua Yetman Heloise Ramage-Hayes
Office Manager	Lobna Rahman Sharon Sneddon
Administrators	Ayesha Taranum Nneoma Atumonyogo
Book keeper (part-time)	Bosedede Babalola

Looking to the future

Maintaining FRU's service is a remarkable achievement each year. Being a member of staff, trustee or committee member, it is easy to lose sight of the huge impact that FRU has on each client and volunteer. We want to grow and enhance our service of course, not only to maintain it, so that we can help more people, in more ways. We have taken steps to build for the future by investing in technology and that is already helping us to be more efficient and effective. However, it is an unfortunate fact that too much of the resource of our small team is used in just keeping our heads above water. Six of our nine staff are customer facing and working to maximise the number of cases taken, and two of the support team are part-time. That leaves little capacity for development. The 18-months covered by this report were extremely testing for the staff, committee members and trustees. We all pulled together to maintain the service and steward our scarce resources carefully. There are now little by way of reserves to fall back on, but it is of course difficult to apply to a potential funder for a sum of money just to provide an operational cushion. We need to build our service up with funding from new sources. Any new projects we take on will need to provide a net inflow of resources so that we can make our core service fully sustainable.

Chair's report Period ended 30 September 2019

We want to develop; we have ideas for how to do so but we currently lack the capacity to work on them. We have created a new incorporated charity and we will benefit from a fresh injection of expertise from new trustees, who can complement the detailed knowledge of our service held by the existing trustees. We want to build up both the infrastructure and service delivery elements of our activity and will actively look for partnerships that will enable us to do so.

As we go into the next period our immediate challenges are that our lease expires in March 2021 so we will be searching for new accommodation. We also need to implement phase 2 and 3 of our data strategy and in addition both our website and our bespoke FRUonline portals need to be renewed as a matter of urgency. When we add in that we need to identify new funding for our two ALO posts it is clear that we won't be short of priorities.

Governance

At the moment, FRU is an unincorporated association and a registered charity. The charity's structure previously had two elements; an elected management committee made up of active FRU members who are responsible for day to day management of FRU's affairs and appointed trustees who hold FRU's assets and provide strategic advice and support. This structure served us well, but it has some constraints and it has now time to update our organisation. We decided to create a new charitable incorporated body to continue FRU's service. This will have a single trustee board, retaining the best of our current approach as we will retain some elected trustees and a trustee appointed by the Chair of the Bar Council. Importantly we will be able to appoint trustees from a wider range of backgrounds and we can use the opportunity to widen the skills and experience available to manage FRU.

The Extraordinary General Meeting (EGM) we held on 29 April 2019 marked a significant departure for FRU. FRU was created by law students, and our ethos has always been that our members ran the organisation. That was delivered through the annual election of a management committee comprised of volunteers who had been ratified to take out a case.

Chair's report Period ended 30 September 2019

The management committee had responsibility for setting direction and policy, stewarding our resources and overseeing the work of the paid staff. In the new charity there will only be one governance board, the trustees, rather than trustees and a management committee. As part of our transition to our new charity we needed to enable the trustees to decide the timing of the transfer of assets and liabilities. The most straightforward way to achieve that was to transfer the functions of the management committee to the trustees. The EGM adopted a motion that ended the separate role of the committee and enabled the trustees to wind up existing FRU at the appropriate time. We have been fortunate to have had the management input from so many FRU volunteers who had real knowledge of our service. Each of them brought energy and commitment at a time when most of them were establishing their legal career. Our thanks go to everyone who has served as a committee member over the years. The ethos of involving FRU members in the stewardship of the organisation will continue. The Articles of Association of the new incorporated FRU charity provide for 2 trustees to be elected from the members. This retains an important connection while minimising the previous risk posed by the potential annual loss of continuity arising from the election of the committee.

David Abbott
Chief Executive

Rachel Sullivan
Management Committee Chair until April
2019

The trustees present their report together with the financial statements of The Free Representation Unit ("FRU" or "the Unit") for the period 01 April 2018 to 30 September 2019. This report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 33 of the attached financial statements and comply with the Unit's constitution, the law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015.

OBJECTIVES AND ACTIVITIES

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 through a partnership with Nottingham Law School. We are one of the largest single providers 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 these tribunals deal with.

Although the decisions 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 allowing claimants to represent themselves; the reality is most applicants do not understand the basic principles of the law relevant to their case and many would struggle to represent themselves.

OBJECTIVES AND ACTIVITIES (continued)

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. 45 years on, FRU provides up to 1,000 training places annually for potential volunteers who are law students and graduates and junior lawyers from both branches of the profession, who 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.

The trustees are of the view that we provide a public benefit on 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.

ACHIEVEMENTS AND PERFORMANCE

FRU's core activity is the provision of free representation in tribunal hearings. Although the organisation has been tested during these 18 months, we have managed to maintain the number of people that we represented. The trustees would like to thank the staff for their hard-work, commitment and dedication. We don't underestimate how difficult it was to maintain a comparable service after losing an entire post between September 2018 and June 2019, and in coping with the financial uncertainty during the year. We appreciate that such effort was only possible for a short period whilst we sought additional funding.

FRU was able to train 811 people and to represent 723 clients during this period. We also developed our efforts to engage with policy makers to provide a voice for the experiences of our clients. We contributed evidence to consultations and inquiries into employment and social security law, and in relation to the functioning of justice system itself, which has been under sustained pressure from budget cuts. In particular we note the impact of Michael Reed's evidence to the Women & Equalities Select Committee inquiry into harassment in the workplace. This activity accords with our charitable objectives and we will continue to look for opportunities to represent the interests of our clients.

Therefore, in terms of our impact on access to justice for our clients we are proud that:

- Every working day of the year two FRU volunteers are either setting off to a tribunal hearing or helping a client to reach an agreed settlement of their case.
- Every working day of the year up to 20 volunteers attend the office to prepare for their tribunal hearings, each putting dozens of hours into each case.
- Time and again tribunal judges refer to the quality of FRU submissions and their beneficial impact on the administration of justice

FINANCIAL REVIEW

Results for the period

Income for the (18 month) period was £726,237 (2018 – 12 months: £385,041). Expenditure totalled £716,700 (2018: £477,835). This results in net gain position of £9,537 (2018: deficit of £92,794).

During the year we worked with the staff and management committee to carefully manage the financial position to ensure that we met our financial commitments whilst maintaining the service as far as possible. This included reducing FRU's expenditure and identifying additional sources of funding.

In terms of reducing expenditure we took the difficult decision not to make an appointment to the vacant social security ALO post in September 2018. This gave us a significant financial saving, but we are aware that it increased pressure on the remaining staff. We also obtained a saving by agreeing for our office manager to return from maternity leave on part-time hours. Additionally, we reduced discretionary expenditure such as office cleaning and reference books and re-negotiated contracts to reduce our ongoing costs.

In terms of increasing income, we took steps to broaden our funding sources. For example, we launched an innovative legal crowd funding campaign, not to fund a specific case, but to fund a class of cases being taken on by FRU. With the support of the Secret Barrister this raised over £10,000 from the general public. We also wrote to a section of the members of the Bar asking them to make a single donation or to commit to a standing order. We were grateful that many of those who we wrote to responded positively. Staff and management committee members also gave a great deal of effort to identifying and applying to grant making trusts.

Not all applications were successful, but we received a major boost from the agreement of the City Bridge Trust to make a grant for five years commencing in April 2019. We also received generous donations from the ICBET, the Persula Foundation, the London Legal Support Trust and the City of London Solicitors' Company Charitable Fund amongst others. Grateful as we are for this support, reliance on income from grant income will always require a significant investment of time and resource upfront. As a strategic priority we need to identify other sources of income that are less resource intensive to obtain and can be sustainable over an extended period.

Reserves policy and financial position

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 three to six 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 three months expenditure are necessary. This equates to approximately £120,000.

The balance sheet shows total reserves of £147,724 (2018: £138,187) of which £30,919 as at 30 September 2019 were restricted (2018: £20,000).

Unrestricted reserves are therefore £116,805 (2018: £118,187). After deducting those unrestricted reserves that are represented by tangible fixed assets, and are therefore not readily available to meet expenditure or are designated for a particular purpose, the charity's free reserves were £78,642 as at 30 September 2019 (2018: £66,355). This is significantly below the charity's target level of free reserves. To manage the additional risk that this represents, the charity has introduced additional financial monitoring tools that monitor income and expenditure in real time with reporting to the management committee and trustees promptly at the end of each month. This has enabled timely decisions to be taken to reduce discretionary expenditure whilst additional income is sought, so that there is always certainty that the charity meets its financial obligations. Steps will be taken to build up the free reserves through applications for additional funding.

The trustees have taken careful steps to manage the finances of the charity and to forecast our income and expenditure over the forthcoming 12 months accurately. We set out in this report the actions taken to manage the risks from the COVID-19 crisis, which is an important feature of the current financial and operational situation. In reaching their conclusion that the charity is a going concern, the trustees have considered the ability of the charity to absorb a fall in voluntary income of up to 10% without an adverse effect on the delivery of its charitable activities.

We are satisfied that through a combination of successful applications for additional funding, generous additional donations from existing supporters and careful management of expenditure we are in a strong position to operate for the next 12 months, indeed our financial situation is currently stronger than was forecast prior to COVID-19 occurring. We also have plans for additional funding applications which, if successful, would further strengthen our financial position.

GOVERNANCE, STRUCTURE AND MANAGEMENT

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 25 March 2010. Until 29 April 2019 the Unit was run by a Management Committee, consisting of representatives who were elected from the body of volunteers who carry out the work of the Unit, together with the Chief Executive. The assets of the Unit are vested in the trustees, who are appointed by the Chair of the Bar Council. The appointment of a trustee by the Chair of the Bar Council occurs after consultation 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.

Following the adoption of a resolution at an Extraordinary General Meeting on 29 April 2019 the functions and powers of the management committee were transferred to the trustees.

We needed to prepare for the transition to the new incorporated FRU charity, so the EGM was asked to approve the following resolution:

"It is resolved that:

1.The trustees of existing FRU shall take over the roles and responsibilities of the Management Committee, and references to the Management Committee in the Constitution shall be treated as references to the Trustees.

2.Clause 32 of the Constitution is amended so as to read:

"FRU may be dissolved by the unanimous agreement of the Trustees."

3.Clause 33 of the Constitution is amended so as to read:

"If FRU is dissolved by the unanimous agreement of the Trustees or otherwise ceases to exist, such assets of FRU remaining after discharging any liabilities shall be transferred by the Trustees to a corporate charitable entity with the same objectives as FRU. In the event that such transfer fails for any reason, such assets shall be applied for such purposes considered to be charitable under English law as may be specified:

1.by the Trustees;

2.by the Charity Commissioners for England and Wales in the absence of specific provision by the Trustees."

The resolution was duly carried.

As previously reported a new incorporated FRU charity with the same charitable objectives has been registered with Companies House, the Charity Commission and HMRC. We are in the process of transferring the assets and liabilities to the new charity but have not set a final date when this will take effect. We would like to express our thanks to Jeremy Johnson for his hard work in supporting this transition, and to our pro bono legal advisers from Dechert LLP and Baker & MacKenzie LLP.

Key management personnel

The trustees consider that they together with the Chief Executive comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The salary of the Chief Executive is set by the trustees, who ensure that it is broadly in line with comparable roles.

Risk management

The Trustee Board 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.

The key risks to the organisation are changes that reduce the flow of referrals, volunteers or income. These risks can be generated by changes in government policy or through FRU's inability to meet client, referral agency or volunteer expectations.

Changes in policy and tribunal procedures can impact on the number of cases the charity receives in the office. If there are not sufficient cases the charity is unable to satisfy the number of volunteers it recruits. To recruit fewer volunteers impacts on the charity's income from training.

To mitigate these risks the charity undertakes a range of actions including regularly reviewing trends in the number, type and source of referrals, reviewing other areas of law and legal representation which could be taken on, reviewing channels for referrals, gathering information about stakeholder satisfaction, ensuring that all expenditure provides value for money and identifying ways of working that meet need and provide assurance to funders that FRU is efficient and effective. An example of the effectiveness of this risk mitigation is the development of the digital strategy to meet the needs of all stakeholders over the next five to ten years.

During the preparation of this document the COVID-19 crisis arose. The crisis posed risks to FRU in the following terms: The pandemic risked reducing case referrals due to referral agencies not operating, and reducing the availability of volunteers and legal staff. This could lead to insufficient resources being available to represent the cases that we had already committed to representing and/or the inability to accept new cases leading to a loss of confidence in the service. To manage these risks when the impact of the virus was completely unknown, FRU suspended the receipt of new cases and a pause on signing out cases to volunteers for a 4 week period. At the start of this period we moved to fully remote working to protect the health and safety of staff and stakeholders. Our office systems are accessible remotely thanks to our investment in IT over the last 2 years. This enabled FRU to take stock of the situation and to plan for how to match resources to commitments.

Following this assessment we began to accept new cases but restricted how many of those cases were signed out to ensure that we could always meet our commitments. We only signed out cases to those volunteers who had recent experience of representation so that they had the skills to take part in remote tribunal hearings. We purchased additional digital legal reference books so that our access to information was maintained. We posted updates to stakeholders so that they retained confidence in how FRU was managing the situation. We developed a new remote training package for new volunteers, piloting this in June and offering it to over 200 volunteers in July. This will ensure that when we move to more normal operating conditions we will retain sufficient volunteers to meet new demand.

The other risks to the charity were from restrictions on fundraising opportunities caused by the lockdown. To reduce our expenditure we placed one member of staff on furlough, enabling access to government financial support. We also delayed the decision as to whether to appoint 2 new assistant legal officers. To increase income we applied for emergency financial support that had been made available by a coalition of grant-making trusts and were awarded £75,000, which represents approximately 15% of our annual income. In addition, due to strong relations with stakeholders we received 2 additional payments totalling nearly £20,000 from existing funders and an individual supporter raised £15,000. We believe that this income more than replaces funding that will be limited by COVID-19.

We believe that this package of measures places FRU in a strong position to maintain our service over the next 12 months and beyond.

Trustees

The following trustees were in office at the date of approval of the financial statements and served throughout the 18 month period ended 30 September 2019.

Trustee

Michael Fealy QC (Joint senior trustee)
Sean Jones QC (Joint senior trustee)
Fenella Morris QC
Alison Padfield QC
Mr Justice Jeremy Johnson

The Chair of the General Council of the Bar (Bar Council) appoints the trustees of FRU.

It is our policy, on the appointment of a new trustee, 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.

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

Statement of 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 income and expenditure 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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.

Trustees' report to Period ended 30 September 2019

The trustees are responsible for keeping proper 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, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Signed on behalf of the trustees:

A handwritten signature in purple ink, appearing to read 'Sean', is displayed within a light grey rectangular box.

Date: 3 August 2020

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

Opinion

We have audited the accounts of Free Representation Unit (the 'charity') for the eighteen month period ended 30 September 2019 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 30 September 2019 and of its income and expenditure for the eighteen month period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Emphasis of matter – effects of COVID-19

We draw attention to the accounting policies on pages 31 and 32 of the financial statements and, in particular the "assessment of going concern" and the trustees' conclusion that, notwithstanding the impact of the ongoing social and economic disruption relating to the pandemic on the charity's income, there is no material uncertainty related to the charity's ability to continue to adopt the going concern basis of accounting,

Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 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 charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

3 August 2020

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

Statement of Financial Activities Period ended 30 September 2019

	Notes	Unrestricted funds £	Restricted funds £	18 month period to 30 September 2019 Total funds £	Unrestricted funds £	Restricted funds £	Year ended 31 March 2018 Total funds £
Income from:							
Donations	1	514,336	118,000	632,336	283,260	39,050	322,310
Investments		62	—	62	16	—	16
Charitable activities							
. Legal representation of those in need	2	93,839	—	93,839	62,715	—	62,715
Total income		608,237	118,000	726,237	345,991	39,050	385,041
Expenditure on:							
Raising funds							
. Raising donations	3	29,577	—	29,577	20,883	—	20,883
Charitable activities							
. Legal representation of those in need	3	580,042	107,081	687,123	401,372	55,580	456,952
Total expenditure		609,619	107,081	716,700	422,255	55,580	477,835
Net expenditure and net movement in funds for the period		(1,382)	10,919	9,537	(76,264)	(16,530)	(92,794)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2018		118,187	20,000	138,187	194,451	36,530	230,981
Fund balances carried forward at 30 September 2019		116,805	30,919	147,724	118,187	20,000	138,187

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

All recognised gains and losses are included in the above statement of financial activities.

Balance Sheet Period ended 30 September 2019

	Notes	30 September 2019 £	30 September 2019 £	31 March 2018 £	31 March 2018 £
Fixed assets					
Tangible assets	7		38,163		51,832
Current assets					
Debtors (amounts falling due after more than one year)	8	24,497		24,497	
Prepayments and accrued income		57,086		69,962	
Cash at bank and in hand		96,733		81,688	
		178,316		176,147	
Current liabilities					
Creditors, accruals and deferred income	9	(68,755)		(89,792)	
Net current assets			109,561		86,355
Total net assets			147,724		138,187
The funds of the charity:					
Restricted funds	10		30,919		20,000
Unrestricted funds					
. Designated funds	11	38,163		51,832	
. General funds		78,642		66,355	
			116,805		118,137
			147,724		138,187

Approved by the trustees
and signed on their behalf by:



Date:

3 August 2020

Principal accounting policies Period ended 30 September 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the 18 month period ended 30 September 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

One area where a judgement and estimate have been made is in respect of estimating the useful economic life of tangible fixed assets.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. The charity has therefore made judgements when estimating the impact of COVID-19 on the charity's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect of a period of one year from the date of approval of these accounts.

Assessment of going concern (continued)

The charity's free reserves as at 30 September 2019 were £78,642 (2018: £66,355). This is significantly below the charity's target level of free reserves of £120,000 (see reserves policy on page 18). To manage the additional risk that this represents, the charity has introduced additional financial monitoring tools that monitor income and expenditure in real time with reporting to the management committee and trustees promptly at the end of each month. This has enabled timely decisions to be taken to reduce discretionary expenditure whilst additional income is sought, so that there is always certainty that the charity meets its financial obligations. Steps will be taken to build up the free reserves through applications for additional funding.

As explained more fully in the Trustees' Report, the trustees have considered the effect of the COVID-19 pandemic on the charity and have concluded that although there remains a significant challenge to raise sufficient funds to maintain current levels of activity, this does not constitute a material uncertainty in relation to the going concern status of the charity. In reaching this conclusion, the Trustees have considered the ability of the charity to absorb a fall in voluntary income of up to 10% without an adverse effect on the delivery of its charitable activities. In particular, the trustees have taken careful steps to manage the finances of the charity and to forecast the charity's income and expenditure over the forthcoming 12 months accurately and are satisfied that through a combination of successful applications for additional funding, generous additional donations from existing supporters and careful management of expenditure the charity is in a strong position to operate for the next 12 months.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, fees from the training of volunteers, subscriptions from referral agencies and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided/the facilities are used by the charity. An equivalent amount is included as expenditure.

Principal accounting policies Period ended 30 September 2019

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Fees from the training of volunteers are recognised once the course has been provided. Subscriptions from referral agencies are received for a 12-month period and are recognised over that period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes staff costs associated with fundraising, and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs form part of the costs of the charitable activity.

Cash flow

The accounts do not include a statement of cash flow because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 102.

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 useful life:

- | | |
|--------------------------|-----------------------------------------------------|
| ◆ Leasehold improvements | On a straight line basis over the life of the lease |
| ◆ Office equipment | 25% on a reducing balance basis |

Tangible fixed assets (continued)

- | | |
|----------------------|---------------------------------|
| ◆ Computer equipment | 33% on a reducing balance basis |
| ◆ Computer software | 33% on a straight line basis |

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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

Principal accounting policies Period ended 30 September 2019

Designated funds represent those monies set aside from unrestricted funds by the trustees for a specific purpose.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Pension costs

Contributions in respect to defined contribution pension schemes are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 3. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Donations and other financial support

	Unrestricted funds £	Restricted funds £	18 month period ended 30 September 2019 Total Funds £
Donations received:			
. Bar Council ¹	97,200	—	97,200
. Inns of Court	105,000	—	105,000
. Linklaters LLP	51,288	—	51,288
. Individuals	101,465	—	101,465
. City Bridge Trust	19,250	—	19,250
. Persula Foundation	—	5,000	5,000
. Legal Education Foundation	—	25,000	25,000
Employment Lawyers Association	30,000	—	30,000
London Legal Support Trust	50,475	5,000	55,475
Trust for London	—	60,000	60,000
Individuals' sponsored activities	20,792	—	20,792
Inns of Court & Bar Educational Trust	10,000	20,000	30,000
Income received under standing order from individuals and sets of chambers	21,397	3,000	24,397
Total donations	506,867	118,000	624,867
Tax repayment under Gift Aid	7,469	—	7,469
2019 Total funds	514,336	118,000	632,336

¹ The Chairman of the General Council of the Bar (Bar Council) appoints the trustees of FRU.

1 Donations and other financial support (continued)

	Unrestricted funds £	Restricted funds £	Year ended 31 March 2018 Total funds £
<i>Donations received:</i>			
. Bar Council ¹	64,800	—	64,800
. Inns of Court	60,000	—	60,000
. Linklaters LLP	37,000	—	37,000
. Individuals	42,281	—	42,281
. Access to Justice	—	—	—
. Allen and Overy	—	—	—
. Legal Education Foundation Employment Lawyers Association	—	10,800	10,800
London Legal Support Trust	15,000	—	15,000
Trust for London	29,001	—	29,001
Individuals' sponsored activities	—	28,250	28,250
Inns of Court & Bar Educational Trust	10,013	—	10,013
Clients	8,000	—	8,000
Income received under standing order from individuals and sets of chambers	205	—	205
Other	13,632	—	13,632
Total donations	871	—	871
Tax repayment under Gift Aid	280,803	39,050	319,853
2018 Total funds	2,457	—	2,457
	283,260	39,050	322,310

¹ The Chairman of the General Council of the Bar (Bar Council) appoints the trustees of FRU.

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	18 month period ended 30 September 2019 Total funds £
Training of potential volunteers	65,284	—	65,284
Subscriptions from referral agencies	17,755	—	17,755
Payments by Law Schools ('FRU option')	10,800	—	10,800
2019 Total funds	93,839	—	93,839

	Unrestricted funds £	Restricted funds £	Year ended 31 March 2018 Total funds £
<i>Training of potential volunteers</i>	42,625	—	42,625
<i>Subscriptions from referral agencies</i>	9,690	—	9,690
<i>Payments by Law Schools ('FRU option')</i>	10,400	—	10,400
<i>2018 Total funds</i>	62,715	—	62,715

3 Expenditure

	Cost of raising funds		Legal representation		Governance		Total Unrestricted £	Total Restricted £	18 month period ended 30 September 2019 Total £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Unrestricted £	Restricted £			
Fundraising costs	3,503	—	—	—	—	—	3,503	—	3,503
Staff costs									
. Wages and salaries	15,690	—	285,077	68,949	6,276	—	307,043	68,949	375,992
. Social security costs	1,535	—	26,793	4,780	618	—	28,946	4,780	33,726
. Pension costs	2,638	—	17,427	700	2,939	—	23,004	700	23,704
. Recruitment costs	57	—	1,069	—	24	—	1,150	—	1,150
	19,920	—	330,366	74,429	9,857	—	360,143	74,429	434,572
General expenditure									
. Depreciation	1,225	—	21,472	1,788	—	—	22,697	1,788	24,485
. Premises	772	—	133,436	—	—	—	134,208	—	134,208
. Office running	2,348	—	58,483	20,876	—	—	60,831	20,876	81,707
. Library	735	—	9,858	3,000	—	—	10,593	3,000	13,593
. Other	1,074	—	3,500	6,988	—	—	4,574	6,988	11,562
	6,154	—	226,749	32,652	—	—	232,903	32,652	265,555
Auditor's remuneration									
. Current year audit fee	—	—	—	—	10,500	—	10,500	—	10,500
. Prior year audit fee	—	—	—	—	2,570	—	2,570	—	2,570
	—	—	—	—	13,070	—	13,070	—	13,070
Total									
Allocation of governance costs	—	—	22,927	—	(22,927)	—	—	—	—
2019 Total funds	29,577	—	580,042	107,081	—	—	609,619	107,081	716,700

3 Expenditure

	<i>Cost of raising funds</i>		<i>Legal representation</i>		<i>Governance</i>		<i>Total Unrestricted</i> £	<i>Total Restricted</i> £	<i>Year ended 31 March 2018 Total</i> £
	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Unrestricted</i> £	<i>Restricted</i> £			
<i>Fundraising costs</i>	2,316	—	—	—	—	—	2,316	—	2,316
<i>Staff costs</i>									
. <i>Wages and salaries</i>	11,308	—	205,453	39,790	4,523	—	221,284	39,790	261,074
. <i>Social security costs</i>	1,040	—	18,148	3,812	418	—	19,606	3,812	23,418
. <i>Pension costs</i>	1,753	—	11,581	1,178	1,953	—	15,287	1,178	16,465
. <i>Recruitment costs</i>	333	—	6,245	—	142	—	6,720	—	6,720
	14,434	—	241,427	44,780	7,036	—	262,897	44,780	307,677
<i>General expenditure</i>									
. <i>Depreciation</i>	833	—	15,816	—	—	—	16,649	—	16,649
. <i>Premises</i>	373	—	73,682	—	—	—	74,055	—	74,055
. <i>Office running</i>	1,587	—	39,534	—	—	—	41,121	—	41,121
. <i>Library</i>	569	—	9,953	—	—	—	10,522	—	10,522
. <i>Other</i>	771	—	2,513	10,800	—	—	3,284	10,800	14,084
	4,133	—	141,498	10,800	—	—	145,631	10,800	156,431
<i>Auditor's remuneration</i>									
. <i>Current year audit fee</i>	—	—	—	—	7,811	—	7,811	—	7,811
. <i>Prior year audit fee</i>	—	—	—	—	3,600	—	3,600	—	3,600
	—	—	—	—	11,411	—	11,411	—	11,411
<i>Total</i>									
<i>Allocation of governance costs</i>	—	—	18,447	—	(18,447)	—	—	—	—
2018 Total funds	20,883	—	401,372	55,580	—	—	422,255	55,580	477,835

4 Staff costs and remuneration of trustees and key management personnel

No employee earned £90,000 or more (including benefits) during the current accounting period (of 18 months), and no employee earned over £60,000 in the prior accounting period (12 months). The average number of employees was 9 (2018 – 9). No trustee received any remuneration or expenses in respect of their services as a trustee during the period (2018 - £nil). No trustee had any beneficial interest in any contract with the charity during the period.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Chief Executive. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the 18 month period was £88,130 (2018 – for 12 months was £47,853).

5 Net income (expenditure)

This is stated after charging:

	18 month period ended 30 September 2019 £	Year ended 31 March 2018 £
Staff costs	434,572	307,677
Operating lease rentals	133,632	50,766
Auditor's remuneration		
. Current year audit fee	10,500	7,811
. Prior year audit fee	2,570	3,600
Depreciation	24,485	16,648

6 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 this falls within the various exemptions available to registered charities. FRU is not registered for VAT.

7 Tangible fixed assets

	Leasehold improve- ments £	Computer equipment and software £	Office equipment £	Total £
Cost				
At 1 April 2018	55,968	47,607	38,021	141,596
Additions	—	10,458	358	10,816
At 30 September 2019	<u>55,968</u>	<u>58,065</u>	<u>38,379</u>	152,412
Depreciation				
At 1 April 2018	15,364	43,810	30,590	89,764
Charge for period	18,740	2,933	2,812	24,485
At 30 September 2019	<u>34,104</u>	<u>46,743</u>	<u>33,402</u>	114,249
Net book values				
At 30 September 2019	21,864	11,322	4,977	38,163
At 31 March 2018	<u>40,604</u>	<u>3,797</u>	<u>7,431</u>	51,832

	Leasehold improve- ments £	Computer equipment and software £	Office equipment £	<i>Total £</i>
<i>Cost</i>				
At 1 April 2017	55,968	47,607	37,523	141,098
Additions	—	—	498	498
At 31 March 2018	<u>55,968</u>	<u>47,607</u>	<u>38,021</u>	141,596
<i>Depreciation</i>				
At 1 April 2017	2,871	42,028	28,217	73,116
Charge for year	12,493	1,782	2,373	16,648
At 31 March 2018	<u>15,364</u>	<u>43,810</u>	<u>30,590</u>	89,764
<i>Net book values</i>				
At 31 March 2018	<u>40,604</u>	<u>3,797</u>	<u>7,431</u>	51,832
At 31 March 2017	<u>53,097</u>	<u>5,579</u>	<u>9,306</u>	67,982

8 Debtors (amounts falling due in more than one year)

The debtor represents the deposit paid on the rent of the charity's Kingsbourne House offices.

9 Creditors, accruals and deferred income

	2019 Total funds £	2018 Total funds £
Other creditors	22,219	25,039
Accruals	25,586	52,053
Deferred income	20,950	12,700
	68,755	89,792

10 Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	At 30 September 2019 £
Staff fund	—	90,000	(71,429)	18,571
Digital strategy	20,000	25,000	(32,652)	12,348
Matrix Chambers	—	3,000	(3,000)	—
	20,000	118,000	(107,081)	30,919

The Staff Fund comprises of monies granted to support specific posts, namely the Assistant Legal Officer and Self-referral Scheme Coordinator and the Assistant Legal Officer – Social Security.

The Digital Strategy fund comprises of monies received from donors specifically to further the charity's digital strategy.

The Matrix Chambers fund consists of a grant made to cover the purchase of legal reference materials and staff training.

	At 1 April 2017 £	Income £	Expenditure £	At 31 March 2018 £
Trust for London	16,530	28,250	(44,780)	—
Digital strategy	20,000	10,800	(10,800)	20,000
	36,530	39,050	(55,580)	20,000

The Trust for London restricted fund comprised funds received towards the salary and associated costs of an Assistant Legal Officer and a Self-Referral Scheme Coordinator.

The Digital Strategy fund comprises of monies received from donors specifically to further the charity's digital strategy.

11 Designated funds

	At 1 April 2018 £	Income £	Expenditure and transfers £	At 30 September 2019 £
Fixed asset fund	51,832	10,816	(24,485)	38,163

The fixed asset fund represent the net book value of the charity's unrestricted fixed assets as at 30 September 2019 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

	At 1 April 2017 £	Income £	Expenditure and transfers £	At 31 March 2018 £
Fixed asset fund	67,982	—	(16,150)	51,832

The fixed asset fund represent the net book value of the charity's unrestricted fixed assets as at 31 March 2018 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Fund balances at 30 September 2019 are represented by:			
Fixed assets	38,163	—	38,163
Current assets	147,397	30,919	178,316
Creditors, accruals and deferred income	(68,755)	—	(68,755)
2019 Total funds	116,805	30,919	147,724

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<i>Fund balances at 31 March 2018 are represented by:</i>			
<i>Fixed assets</i>	<i>51,832</i>	<i>—</i>	<i>51,832</i>
<i>Current assets</i>	<i>156,147</i>	<i>20,000</i>	<i>176,147</i>
<i>Creditors, accruals and deferred income</i>	<i>(89,792)</i>	<i>—</i>	<i>(89,792)</i>
2018 Total funds	118,187	20,000	138,187

13 Commitments

Lease commitments – operating leases

At 30 September 2019, the charity had the following future minimum commitments under non-cancellable operating leases as follows.

<i>Leasehold premises</i>	2019 £	2018 £
Payments which fall due:		
. Within one year	80,460	80,460
. After one year but within five years	40,230	160,920
<i>Other</i>	2019 £	2018 £
Payments which fall due:		
. Within one year	4,464	8,628
. After one year but within five years	15,516	5,725

14 Related party transactions

During the period the charity received £nil donations from trustees (2018: £nil). Other than those disclosed elsewhere in the notes to the financial statements, there were no further related party transactions during the period (2018: none) which required disclosure.

15 Post balance sheet events

Since the year end, the worldwide outbreak of the Coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. The trustees acknowledge and recognise the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and they have ensured that both resources and processes are in place to mitigate any disruption to the charity. As a result the impact of the Covid-19 pandemic does not warrant any adjustments to these financial statements.

The following pages do not form part of the statutory financial statements.

Individual Donors

Note that some of our records are incomplete or not up to date. Would any donor whose name is incorrectly shown or omitted, or who wishes to be anonymous in future years, please accept our apologies and correct our records by contacting our office manager, Sharon Sneddon; office.manager@thefru.org.uk.

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5RB
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Chancery Bar Association
City Bridge Trust
City of London Solicitors' Company Charitable Fund
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COMBAR
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GM Huston
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HC Tayler
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Henry King
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