

**Free
Representation
Unit**

**Annual Report and Financial
Statements**

Year to 31 December 2022

Charity Registration Number
1183592
Company Registration Number
11732557

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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 Baroness Hallett The Rt Hon Lord Judge The Rt Hon Lord Phillips of Worth Matravers The Secret Barrister
Trustees	Sean Jones QC Michael Fealy QC Fenella Morris QC Alison Padfield QC
Chief Executive and Company Secretary	David Abbott
Registered address	10/11 Gray's Inn Square, Gray's Inn, London, WC1R 5JD
Telephone	020 7611 9555
Website	www.thefru.org.uk
Charity registration number	1183592
Company Registration Number	11732557
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Unity Trust Bank plc 9 Brindleyplace Birmingham B1 2HB

The start of a new era

This is the first operational annual report of the Free Representation Unit in the form of the incorporated company registered with the Charity Commission as charity number 1183592 and with Companies House as Company Number 11732557. From 1 August 2022 we transferred all the assets and liabilities of the former FRU unincorporated association charity (registered with the Charity Commission as Charity Number 295952) (the 'FRU Association') to this entity, which has the same charitable purposes as the association.

Although this report covers the 12 months to 31 December 2022, due to this entity previously being dormant there was no activity from 1 January 2022 to 31 July 2022. The financial statements therefore cover a five-month period. The period prior to 31 July 2022 is covered by a separate annual report and financial statements for the former entity. The standard practice of showing financial performance for the previous year has not been adopted because this entity was dormant and the FRU Association performance is not comparable.

We made this change to our governance for the following reasons:

- ◆ To simplify our structures, which consisted of an annually elected management committee, and a board of trustees appointed by the Chair of the Bar Council. Having a single group of trustees makes the role and responsibilities clearer.
- ◆ To enable a wider range of people to be appointed as trustees, bringing more skills and experience to support our service. The trustees of the FRU Association were restricted to being only members of the Bar or judges.
- ◆ To provide greater protection for our trustees through the limitation of personal liability for any debts.

The fact that this change has taken place in the 50th year of FRU's life is a good way to underline our development into a modern fit for purpose organisation.

FRU's work

Due to the short operating period being covered by this report, the reports on our activity will be in summary form. The period included the final easing of COVID-19 restrictions and the creation of a new hybrid operational model.

Our employment work remained steady during lockdown and afterwards. There are severe delays in listing cases, with waiting periods of two years not uncommon. This makes managing the delivery of our service difficult, because few volunteers have the capacity to remain with us for such lengthy periods. Volunteers have to hand over the baton of case preparation sometimes three or even four times. Whilst this ensures that the client is represented, it is disruptive and resource intensive for FRU staff to supervise.

The flow of social security cases has varied. There are many theories for this but little definitive evidence. During the latter part of the year, we developed a proposal to research the causes of a drop in referrals for social security representation. We did this in consultation with other agencies who offer a similar service, which have all experienced a similar reduction in requests. We are grateful to the Trust for London which subsequently agreed to fund this research, which will take place during 2023.

FRU's work (continued)

We have continued to achieve excellent results for our clients. For example, we analysed case outcome for a sample period between July – September 2022. During that period we achieved:

- ◆ Employment tribunal awards - £190,000
- ◆ Negotiated settlements – £89,000
- ◆ Social security tribunal awards - £435,000.

Therefore, in those three months alone we secured more than the annual cost of running our service for our clients. Each judgement or settlement secures income for our clients which is greatly needed during the cost-of-living crisis that we have all experienced.

During these five months we trained or retrained 536 people in employment and social security law.

Making organisational change is a challenge whilst managing the complexities of a charity like FRU and where resources are limited. We were delighted to get to the point in July where we could hold special meetings of the FRU Association and the limited company to formally agree the transfer of assets and liabilities between the two. The FRU Association is still an entity, and it will be formally wound up over the next 12 months. Thanks go to our advisers from Baker McKenzie and Dechert for ensuring that we met all our legal obligations and delivered a, mostly, smooth transition.

2022 marked 50 years since FRU was set up by a small number of law students. We were unable to mark this 50th anniversary with an extensive range of events due to our lack of capacity. We will mark the end of our celebrations with an event in National Pro Bono Week in 2023.

I was pleased to be invited to be the guest editor of the [autumn edition of Central London Lawyer](#), the magazine of the Westminster & Holborn Law Society, which focused on pro bono. Westminster & Holborn Law Society has over 10,000 members working in some of the largest and prestigious law firms in the UK. I took the opportunity to write about barriers to and motivation for undertaking pro bono legal activity, encouraging lawyers to see pro bono as useful to them as it is to their clients. The magazine also featured a piece by a recent secondee to FRU from Linklaters LLP. Scott Miller wrote about his experience at FRU and how it helped him in the next stage of his legal career.

Supporters

The Bar Council

As always the Bar Council is a vital supporter of our service, and we benefit from generous funding and a range of other practical support. We attended the annual Bar Council Pupillage Fair and led a session on the benefits of doing pro bono for those seeking pupillage, and the Bar Council and Young Bar conference.

Thanks go to Mark Fenhalls KC the Bar Council Chair during this reporting period and to the Bar Council Chief Executive Malcolm Cree CBE and all his colleagues.

Supporters (continued)

The Inns of Court

All four Inns of Court support our work by providing grants and by promoting our activities with their student members. Together the Inns are our largest source of income and their support is invaluable. We are looking for ways to work more closely with the Inns in future to promote the value of pro bono to their members from the beginning of their legal careers.

Support from other organisations

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. Many chambers complete the London Legal Walk and nominate FRU and Advocate to receive the proceeds, for which we are grateful. During this five month period we received donations from 5RB chambers, 39 Essex, 11 KBW and Devereux chambers.

Grants from Charitable trusts

Income from charitable trusts is important in terms of the size and regularity of grants.

We were in the third year of our five year grant programme from the City Bridge Trust which is associated with the Corporation of the City of London. Being able to count on guaranteed income for five years is a real benefit in planning our service. The Trust is a generous supporter, and offers access to non-financial help and opportunities in addition to the grant income.

We have a long-standing relationship with the Inns of Court & Bar Educational Trust (ICBET), whose charitable objectives to support the education of aspiring barristers aligns well with our own mission. ICBET's significant grant supports us to offer clinical legal education to aspiring barristers which increases their skills and prospects of securing pupillage.

We were very pleased to receive a new grant from the Essex Community Foundation to support our work in Essex. The grant supported the salary of a legal officer and ensured that we had the capacity to prioritise referrals from Essex and work with our eight referral agencies in Essex to encourage cases to be referred. We would like to build on this new relationship in the future.

Linklaters LLP

FRU has continued our excellent relationship with Linklaters, and we were delighted to once more host a Linklaters' trainee solicitor, Scott Miller, who represented clients and assisted with the wider work of the Unit for six months. In particular Scott worked on the legal team representing 15 claimants in a complex Employment Tribunal claim against multiple respondents. He wrote an illuminating [blog](#) about his time with FRU and we are very grateful to him for his skill and commitment.

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.

Support from other organisations (continued)

Individuals

As always, we benefit from the financial support of hundreds of individuals throughout the year. Thanks go to all those who ran, walked or cycled for FRU. We are grateful to Holly Stout, John Mehrzad KC, Aston Squires and Jonny Castle for completing the London Marathon in October 2022 to raise funds for FRU. Jose Almeida also completed the Ride London cycle event, cycling over 100 miles for FRU.

Aside from sponsored activities the most significant income from individuals comes through one-off or regular donations. Some members of the public donate after hearing about our work on social or other media. In conjunction with Advocate, we write to all those who are appointed as King's Counsel (KC) each year, inviting them to donate to Advocate and FRU as part of celebrating their professional advance. Each year several new KCs donate £500 to FRU and to Advocate, for which we are grateful. Special thanks must go to the dozens of people who set up regular donations by standing order. Having certainty of this income helps with financial planning and raises considerable sums. Support of this kind is crucial to maintaining and developing our service.

City University

For many years we have had a successful partnership with the Law School at City University. City students are of course welcome to volunteer in the usual way, but they can also undertake FRU cases as part of their studies. We offer assessed clinical legal placements for students from City taking the Bar Vocational Studies course and those studying for the LLM. FRU legal officers train and supervise the students and provide a report to the university on their casework. Academic staff can also volunteer to take FRU cases to maintain their practical legal skills.

Other support

Our friends at the leading legal website The Lawyer again invited us to be the charity partner for the prestigious The Lawyer Awards earlier in 2022. This support continued throughout the year and in December the Lawyer published [an excellent article](#) about our secondment scheme with Linklaters LLP. We are hugely grateful for the support for our service demonstrated by The Lawyer since 2020.

For many years we have benefited from the support of the Employment Lawyers Association (ELA). ELA makes a generous annual donation. FRU supports the ELA ELIPS scheme which provides pro bono advice to litigants in person at the Employment Tribunal. Our volunteers attend the clinics to provide administrative support and to observe experienced employment law practitioners.

Thanks go to Michael Rubenstein, who kindly agreed to make FRU the charity partner for his '22 QCs on the Hot Employment Law Issues 2022 – 23' event.

Thanks go to our auditors, Buzzacott LLP for their professional and helpful advice.

Other support (continued)

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:

- ◆ Joshua Yetman 7 Bedford Row
- ◆ Michael Reed
- ◆ Toby Brown South Square Chambers
- ◆ Tom de la Mare KC Blackstone Chambers
- ◆ Georgina Churchouse Littleton Chambers
- ◆ George Molyneaux Blackstone Chambers
- ◆ Georgie Rea Garden Court Chambers
- ◆ Jack Castle Henderson Chambers
- ◆ Matthew Jackson Albion Chambers
- ◆ Oliver Percy Garden Court Chambers

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.

Staff

None of the fantastic work of the Unit could have happened without the excellent work of the staff. We continue to give grateful thanks to the staff who were with us during the final period of the lockdown and the return to a new working model. We are grateful to their dedication and resilience.

It was pleasing to see that Helen Moizer, one of our Assistant Legal Officers, secured a pupillage at No. 18 Chambers in Southampton from September 2022.

We have been fortunate to retain 6-month placements of trainee solicitors from Linklaters LLP, and during this period Scott Miller made a significant contribution to our work in his relatively short time with us.

Chief Executive's report Year ended 31 December 2022

Staff (continued)

Our staff members during 2022 were:

CEO	David Abbott
Principal Legal Officers	Emma Baldwin
	Emma Wilkinson
	Abou Kamara
Legal Officer	Helen Moizer
Assistant Legal Officers	Daniel Hallstrom
Office Manager	Sharon Sneddon
Admin Support Officer	Alice Wafer
Bookkeeper (part-time)	Bosede Babalola
Linklaters LLP secondee	Scott Miller

Finally, I would like to thank FRU's trustees Sean Jones KC, Michael Fealy KC, Alison Padfield KC and Fenella Morris KC for their support and guidance over the year. We are fortunate indeed that they have kindly agreed to become trustees of this our new legal entity.

Signed: 

Chief Executive Officer

Date: 18/12/2023

The trustees present their report together with the financial statements of The Free Representation Unit ("FRU" or "the Unit") for the year to 31 December 2022. 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 20 to 23 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 financial statements 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 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.

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. 50 years on, FRU provides up to 600 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.

OBJECTIVES AND ACTIVITIES (continued)

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. The trustees would like to thank the staff for their hard-work, dedication and adaptability.

FRU was again able to continue representing clients and training aspiring lawyers throughout the period. We have adapted our model to support our volunteers and to represent clients remotely. We note the sums secured for our clients outlined above in the Chief Executive's report. Our organisation is very cost effective, and it is possible that each year we obtain up to four times our running costs in tribunal awards and negotiated settlements. Our clients clearly benefit from having that income and securing their rights, so do our volunteers who develop their legal skills, the justice system benefits from reducing the number of litigants in person and so does wider society through support for the rule of law.

FINANCIAL REVIEW

Results for the period

Income for the period was £206,428. Expenditure totalled £204,855. This results in surplus position of £1,573. There was also a transfer from the unincorporated entity of £169,743.

FINANCIAL REVIEW (continued)

Results for the period (continued)

We are finding it harder to raise the funds required to maintain our service post pandemic. Applications for grants from trusts are frequently oversubscribed and we receive the message that we met the criteria but there were insufficient funds available to meet all eligible bids. During this period fundraising events were gradually moving towards being re-established but still not able to function at the same level. For example, income from the annual London Legal Walk was down by several thousands of pounds from what it had been before the pandemic. We will explore new funding sources, maximise income from existing sources and minimise all discretionary expenditure.

In this environment it is all the more important that we celebrate and value those who support us so generously. We particularly thank Dr Catrin Griffiths, editor of The Lawyer magazine for appointing FRU as the charity partner for The Lawyer awards again in 2022.

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 £171,316 reserves.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Organisation

The Free Representation Unit is a company limited by guarantee, registered with the Charity Commission, Companies House and HMRC. It is governed by articles of association adopted on 08 October 2018. The assets of the Unit are owned by the company. Under the Articles of Association, the current trustees are designated as the first trustees. We will be recruiting an additional number of appointed trustees and up to three trustees will be elected from the Active Members of FRU, who comprise volunteers who have recently taken a case or who have otherwise contributed to the management of the organisation.

The assets of the FRU unincorporated association were transferred to this entity from 01 August 2022. We would like to express our thanks to our pro bono legal advisers from Dechert LLP and Baker McKenzie LLP who assisted us with this process.

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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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 this risk mitigation is the identification of changes to the number of social security tribunal cases referred to FRU for representation. The understandable reduction during the height of the COVID-19 pandemic has been followed by a slow increase that has not seen a return to previous levels. Because the reasons for this are unclear we have secured funding for a research project. This will identify the underlying causes but also enable us to identify whether there are any barriers to referrals we can remove and even whether we may need to identify other priority legal areas to develop into to meet our charitable objectives.

We will collaborate with partner organisations in legal education, such as City University, and in pro bono legal services such as Advocate to maximise funding opportunities and create seamless transmission of cases and/or volunteers between appropriate agencies.

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 (who are the directors of the company for the purposes of company law) were in office at the date of approval of the financial statements and served throughout the year ended 31 December 2022.

Trustee

Michael Fealy KC

Sean Jones KC

Fenella Morris KC

Alison Padfield KC

The Chair of the General Council of the Bar (Bar Council) appointed Alison Padfield KC as a trustee under the terms of clause 26.3 of the Articles of Association.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

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 financial statements 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 financial statements 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 financial statements, 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 financial statements 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 financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 financial statements comply with the Companies Act 2006. 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.

Each of the trustees confirms that:

- ◆ So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Trustees' report Year ended 31 December 2022

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 financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the trustees: Michael Fealy KC
Michael Fealy KC (Dec 18, 2023 15:09 GMT)

Date: 18/12/2023

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

Opinion

We have audited the financial statements of Free Representation Unit (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is the directors' report for the purposes of company law, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; 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 financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of trustees (continued)

In preparing the financial statements, 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charity through discussions with management and from our knowledge and experience;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of trustees; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Worsey (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 December 2023

Statement of Financial Activities Year ended 31 December 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations	1	168,115	6,513	174,628	—	—	—
Charitable activities							
. Legal representation of those in need	2	31,800	—	31,800	—	—	—
Total income		199,915	6,513	206,428	—	—	—
Expenditure on:							
Raising funds							
. Raising donations	4	7,763	—	7,763	—	—	—
Charitable activities							
. Legal representation of those in need	4	189,120	7,972	197,092	—	—	—
Total expenditure		196,883	7,972	204,855	—	—	—
Net income (expenditure) before transfers		3,032	(1,459)	1,573	—	—	—
Transfer from Unincorporated entity	3	168,284	1,459	169,743	—	—	—
Net movement in funds		171,316	—	171,316	—	—	—
Reconciliation of funds:							
Fund balances brought forward		—	—	—	—	—	—
Fund balances carried forward		171,316	—	171,316	—	—	—

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

Balance Sheet Year ended 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		7,064		—
Current assets					
Debtors	9	10,399		—	
Cash at bank and in hand		200,515		—	
		<u>210,914</u>			
Current liabilities					
Creditors: amounts falling due within one year	10	(46,662)		—	
			164,252		—
Net current assets					
Total net assets					
			<u>171,316</u>		<u>—</u>
The funds of the charity:					
Restricted funds	11		—		—
Unrestricted funds					
. Designated funds	12	7,064		—	
. General funds		164,252		—	
			171,316		—
			<u>171,316</u>		<u>—</u>

Approved by the trustees

and signed on their behalf by:

Michael Fealy KC
Michael Fealy KC (Dec 18, 2023 15:09 GMT)

Date: 18/12/2023

Principal accounting policies Year ended 31 December 2022

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

Basis of preparation

These financial statements have been prepared for the year ended 31 December 2022.

The financial statements 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 financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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) the Companies Act 2006 and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- the basis on which the support costs are allocated across the various categories of charitable expenditure.

Assessment of going concern

With effect from 1 August 2022, the activities, assets and liabilities of The Free Representation Unit unincorporated association (the 'FRU Association') were transferred as a going concern into the Company Limited by Guarantee, The Free Representation Unit (Charity Registration Number: 1183592 Registered Company Number 11732557). The transfer was in accordance with a resolution of the trustees of both bodies and with a legal deed of transfer. The trustees are of the opinion that the Company will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

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.

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 recognition (continued)

- ◆ 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 financial statements 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 |
| ◆ 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.

Principal accounting policies Year ended 31 December 2022

Cash at bank and in hand

Cash at bank and in hand represents such financial statements 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.

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 of 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 4. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

1 Donations and other financial support

	Un- restricted funds £	Restricted funds £	2022 Total funds £
Donations received:			
. Bar Council ¹	32,400	—	32,400
. Inns of Court	40,000	—	40,000
. Linklaters LLP	25,000	—	25,000
. Individuals	9,517	—	9,517
. City Bridge Trust	1,167	—	1,167
. Essex Community Employment Lawyers Association	—	6,513	6,513
London Legal Support Trust	20,000	—	20,000
Individuals' sponsored activities	25,339	—	25,339
Income received under standing order from individuals and sets of chambers	6,815	—	6,815
Others	6,091	—	6,091
	193	—	193
Total donations	166,522	6,513	173,035
Gifts in Kind	1,593	—	1,593
2022 Total funds	168,115	6,513	174,628

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

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 £
Training of potential volunteers	16,250	—	16,250
Subscriptions from referral agencies	550	—	550
Payments by Law Schools ('FRU option')	15,000	—	15,000
2022 Total funds	31,800	—	31,800

3 Transfer from unincorporated entity

As stated in the Trustee's report, on 31 July 2022, all assets and activities of Free Representation Unit (unincorporated association) were transferred to Free Representation Unit (incorporated). As this is the first reporting period for Free Representation Unit (incorporated) to have financial activity, the balance sheet as at the transfer date has been shown here for comparison purposes:

	31 July 2022 £	31 July 2022 £
<hr/>		
<i>Fixed assets</i>		
<i>Tangible assets</i>		8,024
<i>Current assets</i>		
<i>Prepayments and accrued income</i>	107,560	
<i>Cash at bank and in hand</i>	<u>112,265</u>	
<i>Current liabilities</i>		
<i>Creditors, accruals and deferred income</i>	<u>(58,106)</u>	
		161,719
<i>Net current assets</i>		
<i>Total net assets transferred</i>		<u>169,743</u>
<i>The funds of the charity:</i>		
<i>Restricted funds</i>	1,459	
<i>Unrestricted funds</i>		
<i>. Designated funds</i>	8,024	
<i>. General funds</i>	<u>160,260</u>	
		169,743
<i>Total funds transferred</i>		<u>169,743</u>

Notes to the financial statements Year ended 31 December 2022

4 Expenditure

	Cost of raising funds		Legal representation		Governance		Total Unrestricted	Total Restricted	2022 Total	2021 Total
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted				
Fundraising costs	767	—	—	—	—	—	767	—	767	—
Staff costs										
. Wages and salaries	4,430	—	100,571	4,558	1,773	—	106,774	4,558	111,332	—
. Social security costs	500	—	8,909	1,703	202	—	9,611	1,703	11,314	—
. Pension costs	841	—	5,950	252	921	—	7,712	252	7,964	—
	5,771	—	115,430	6,513	2,896	—	124,097	6,513	130,610	—
General expenditure										
. Depreciation	86	—	874	—	—	—	960	—	960	—
. Premises	229	—	28,041	—	—	—	28,270	—	28,270	—
. Office running	746	—	18,122	—	—	—	18,868	—	18,868	—
. Library	—	—	533	1,459	—	—	533	1,459	1,992	—
. Legal	—	—	—	—	—	—	—	—	—	—
. Other	164	—	537	—	—	—	701	—	701	—
	1,225	—	48,107	1,459	—	—	49,332	1,459	50,791	—
Auditor's remuneration										
. Current year audit fee	—	—	—	—	15,000	—	15,000	—	15,000	—
. Prior year audit fee	—	—	—	—	7,687	—	7,687	—	7,687	—
	—	—	—	—	22,687	—	22,687	—	22,687	—
Total										
Allocation of governance costs	—	—	25,583	—	(25,583)	—	—	—	—	—
2022 Total funds	7,763	—	189,120	7,972	—	—	196,883	7,972	204,855	—

5 Staff costs and remuneration of trustees and key management personnel

No employee earned £60,000 or more (including benefits) during the year. The average number of employees was 9. No trustee received any remuneration or expenses in respect of their services as a trustee during the period. 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 period was £24,448.

6 Net income (expenditure)

This is stated after charging:

	2022 £	2021 £
Staff costs	130,610	—
Operating lease rentals	21,415	—
Auditor's remuneration		
· Current year audit fee	15,000	—
· Prior year audit fee	7,687	—
Depreciation	960	—

7 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.

8 Tangible fixed assets

	Leasehold improve- ments £	Computer equipment and software £	Office equipment £	Total £
Cost				
At 1 January 2022	—	—	—	—
Transfer from the FRU Association	4,583	2,430	1,011	8,024
At 31 December 2022	4,583	2,430	1,011	8,024
Depreciation				
At 1 January 2022	—	—	—	
Charge for period	521	334	105	960
At 31 December 2022	521	334	105	960
Net book values				
At 31 December 2022	4,062	2,096	906	7,064
At 31 December 2021	—	—	—	—

9 Debtors

	2022 Total funds £	2021 Total funds £
Accrued income	4,786	—
Prepayments	5,613	—
	10,399	—

10 Creditors, accruals and deferred income

	2022 Total funds £	2021 Total funds £
Other creditors	108	—
Accruals	33,992	—
Deferred income	12,562	—
	46,663	—

11 Restricted funds

	At 1 January 2022 £	Transfer from FRU Association £	Income £	Expenditure £	At 30 September 2022 £
Staff fund	—	—	6,513	(6,513)	—
Matrix Chambers	—	1,459	—	(1,459)	—
	—	1,459	6,513	(7,972)	—

12 Designated funds

	At 1 January 2022 £	Transfer from FRU Association £	Income £	Expenditure £	At 30 September 2022 £
Fixed asset fund	—	8,024	—	(960)	7,064

The fixed asset fund represent the net book value of the charity's unrestricted fixed assets as at 31 December 2022 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fund balances at 31 December 2022 are represented by:				
Fixed assets	7,064	—	7,064	—
Debtors and cash at bank	210,914	—	210,914	—
Creditors, accruals and deferred income	(46,662)	—	(46,662)	—
Total funds	171,316	—	171,316	—

14 Commitments

Lease commitments – operating leases

The charity had the following future minimum commitments under non-cancellable operating leases as follows.

	2022 £	2021 £
<i>Leasehold premises</i>		
Payments which fall due:		
. Within one year	65,660	—
. After one year but within five years	147,735	—

15 Related party transactions

During the period the charity received £nil donations from trustees (2021: £nil). The transfer of assets and liabilities from the FRU Association to the FRU incorporated entity is a related party transaction due to the trustees of both entities being in common.

16 Post balance sheet events

There are no significant post balance sheet events to report for this charity.

List of donors and financial supporters Year ended 31 December 2022

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.

Institutions

5RB Chambers	London Legal Support Trust
11 King's Bench Walk Chambers	Salesforce
39 Essex Chambers	The General Council of the Bar
Allen & Overy Foundation	The Honourable Society of Gray's Inn
Access to Justice Foundation –	
Community Justice Fund	The Honourable Society of Lincoln's Inn
Chancery Bar Association	The Honourable Society of Middle Temple
City Bridge Trust	The Honourable Society of the Inner Temple
	Essex Community Foundation
City University Law School	Linklaters LLP
Devereux Chambers	

Individuals

Adrian Hughes KC	Daniel Margolin
Alistair G Perkins	Daniel Beard
AL Myerson	Daniel Tatton Brown
Andrew Grantham	D Lewis
Andrew Short	Elizabeth Ovey
Andrew Moran	GDA Weddell
Anneli Howard	Grant Lazarus
Antony Zacaroli KC	GS Murdoch
Ben Collins	Guy Roots
Ben Quiney KC	HC Tayler
Brian Langstaff	Heather Williams
Caroline Hutton	Henry Turcan
Caroline Shea KC	Idranil Julian Ghosh
Charles Welchman	James Leabeater
Clare Robertson	JA Orford
C Wood	Sir Jeremy Johnson
D.C. Pitman	Jeremy Russell

List of donors and financial supporters Year ended 31 December 2022

Individuals (continued)

JG Boal
John Crosfill
John Litton KC
John McCaughran KC
JS Wiggs
Kelyn Bacon Darwin
Kieran Coonan KC
Lionel Persey
Mark Rowland
Martin Ford Young
Mathew Purchase KC
Michael Douglas KC
Michael Tappin
ML Brent
M S Egan KC
Neil Hext KC
Nicholas Lowe KC
Nicholas Leviseur
Nicholas Vineall KC
Nigel Giffin KC
Nigel Tozzi
Patricia A Hitchcock
Paul M Stanley
Peter Rees KC
Philip Edey
Richard Booth KC
Richard Coleman
Richard Jory KC
Robert Clay
Robert Evans
Simon Lofthouse KC
Stephanie Barwise KC

Theodore Huckle

Thomas Kark KC

Victoria Wakefield

William Gage

William Trower

Grateful thanks for the support from:



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