

**Free  
Representation  
Unit**

**Annual Report and Financial  
Statements**

31 March 2013

Charity Registration Number  
295952

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## Legal and administrative information

<b>Patrons</b>	The Rt Hon Lady Justice Arden The Rt Hon Lady Justice Black The Rt Hon Sir Henry Brooke The Rt Hon Lord Browne-Wilkinson The Rt Hon Lord Clarke of Stone-cum-Ebony The Rt Hon Lady Justice Hallett The Rt Hon Lord Judge, Lord Chief Justice The Rt Hon Lord Phillips of Worth Matravers
<b>Trustees</b>	Nigel Giffin QC (Joint senior trustee) Sean Jones QC (Joint senior trustee) Jennifer Eady QC Sean Wilken QC Fenella Morris QC Michael Fealy
<b>Management committee to 5 October 2012</b>	Asma Nizami (Chair) Mathew Hill (Secretary) Giles Robertson (Treasurer) George Miller Tahera Begum Andrew Gliddon Jumoké Adejímola Karen Mackay ( <i>Ex officio</i> as chief executive)
<b>Management committee from 5 October 2012</b>	George Miller (Chair) David Peter (Secretary) Michael Sprack (Treasurer) Asma Nizami Laura Inglis Madeline Stanley Jumoké Adejímola Karen Mackay ( <i>Ex officio</i> as chief executive) Lindsey Poole ( <i>Ex officio</i> as interim chief executive)
<b>Chief Executive Interim Chief Executive</b>	Karen Mackay (until 31 March 2013) Lindsey Poole (from 1 April 2013)
<b>Registered address</b>	60 Gray's Inn Road London WC1X 8LU
<b>Telephone</b>	020 7611 9555
<b>Website</b>	<a href="http://www.thefru.org.uk">www.thefru.org.uk</a>

## **Legal and administrative information**

<b>Charity registration number</b>	295952
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB

Much has changed at FRU this year. One welcome development is that for the first time in four years, our budget is showing a surplus. This comes partly as a result of our costs being reduced in our new office premises, but we cannot discount the efforts of our outgoing senior trustee, John McCaughran QC, for his stellar effort in securing much needed support and donations from the commercial Bar. Now that our finances have stabilised, we can move forward and look at issues such as replacing FRU's ageing IT and revisiting the idea of expanding FRU's model across the country.

We continue to be the UK's largest pro bono provider of advocacy, having represented clients in just under 1,000 cases in the past year. This is a slight decrease on last year's figure, though looking at the numbers over the past three years it is hard to identify a pattern. We would like to thank the 496 representatives who took out a case last year and look forward to our next generation of volunteers being just as enthusiastic about our work. Our volunteers are the lifeblood of the Free Representation Unit.

This year we have experienced significant changes to the composition of our team of staff members and our board of trustees. Our Senior Trustee, John McCaughran QC has stepped down after eight years of service, and Robin Purchas resigned after 10 years of membership. In addition, our Chief Executive Karen MacKay, retired. We wish them all the best of luck in the future.

Nigel Giffin QC and Sean Jones QC, both of 11KBW, have been appointed as our joint Senior Trustees. We also welcome Fenella Morris QC and Michael Fealy onto the board, and look forward to the appointment of Ben Carroll, partner at Linklaters, pending the amendment of our constitution to allow solicitors to become trustees. We are looking forward to working ever closer with our supporting solicitors in the future.

At the time of writing, Lindsey Poole holds the position of Chief Executive on an interim basis. We are grateful to her for stepping into the organisation at short notice whilst the process of appointing a permanent Chief Executive takes place.

The changes do not end there. Thanks to a grant from the Trust for London in 2012, we have secured two years funding for a second assistant legal officer, specialising in employment law. The position will increase FRU's capacity to take on more cases and provide the holder of the role with an invaluable training opportunity. Andrew Watson held the post for the first year and his contribution to the training of our representatives has not gone unnoticed.

Our greatest cause for concern going forward is the recent introduction of fees in the Employment Tribunal and Employment Appeal Tribunal. It is likely that many of our clients would qualify for a full or part remission of their fees, but we remain vigilant in monitoring how the introduction of fees affects our caseload. We hope that those who have suffered a genuine wrong by their employer will not be discouraged from seeking redress at a Tribunal.

We also note that usage of the First-tier Tribunal for social security appeals is predicted to increase markedly, from 370,000 in 2011-12, to a predicted 515,000 cases in 2012-13. Whilst this increase doesn't yet appear to have made its impact on our referrals, we remain alert and hope to continue to represent a significant portion of those whose cases are referred to us.

**Chair's report** Year to 31 March 2013

Whilst FRU has consolidated its financial position this year, we recognised that times are still tough, especially for many of the referral agencies we rely on. Our worries are twofold; firstly that difficulties facing referral agencies will lead to fewer cases being referred to us, and secondly if our referral agencies cease being able to advise, that will have a significant adverse effect on those who rely on them. We hope that this will not be the result of changes to legal aid and government funding of frontline advice organisations.

I would like to thank the management committee for their dedication and hard work over the past year. Thanks must also go to the staff at FRU, the support they provide to our volunteers is invaluable. Finally, I should extend FRU's gratitude to all that have donated to us in the past year. Your contributions allow us to provide our clients with the help that they need at such a crucial moment, as well as giving our representatives unparalleled experience of legal practice. FRU's simple but effective model has been operating for 41 years; with your help, we look forward to continued successes year after year.

George Miller, FRU Management Committee Chair 2012- 2013



Date: 19<sup>th</sup> September 2013

## Chief Executive's report Year to 31 March 2013

This year FRU celebrated 40 years of providing a service to clients and young lawyers. My thanks go to Karen MacKay who left FRU on the 31st March 2013 for the peace and tranquillity of the Dorset countryside. Karen had overseen many changes in FRU including the move to Gray's Inn Road, refocusing the financial position and the introduction of a new Assistant Legal Officer post. Whilst I have written this report, all credit for the achievements must go to Karen for her masterful leadership of FRU over the past seventeen months.

FRU is an alchemy of two elements: clients referred by agencies (cases) and volunteer representatives (reps).

### *Clients*

	Year to 31 March 2013		Year to 31 March 2012	
	Cases taken	% of cases referred	Cases taken	% of cases referred
Employment	429	55	482	58
Social Security	306	33	369	46
Criminal Injuries Compensation	2	29	4	44
	<b>737</b>	<b>43</b>	<b>855</b>	<b>53</b>

This year the number of cases taken is down on last year, with less employment cases being referred and a drop in the proportion of social security cases being taken. The reasons for this are complex and interrelated but we believe that the reasons include less volunteers trained (particularly on social security tribunals), the increase in referrals made too late to place and the increased complexity of employment cases referred (which limits the pool of volunteers available to take the cases).

### *Volunteer representatives*

#### Training Day Attendance

	Year to 31 March 2013	Year to 31 March 2012
Employment	1,042	962
Social Security	583	790

Our training courses continue to be popular with students, with employment the most favoured subject. We offer both employment and social security training courses on at least three separate occasions over the year.

### *National expansion*

FRU works closely with Nottingham Law School Legal Advice Clinic at Nottingham Trent University. Nick Johnson, Stephanie Wright, Faye Deverell and the team have adopted the FRU model for their students and FRU London has trained their students in Employment Law. We have started early discussions regarding the expansion into Social Security Law.

## Chief Executive's report Year to 31 March 2013

Regular contact with other law Schools across the country tells us that there is an appetite for expansion beyond London and we certainly know the need is there. This work will be taken forward in the next financial year.

### **Supporters**

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

#### The Bar Council

Our thanks go to Michael Todd QC, Chair of the Bar Council 2012 and to Maura McGowan QC, Chair of the Bar Council 2013 for their continued support for our organisation. The grant provided by the Bar Council is the bed rock of our organisation and makes a major contribution to our stability. Michael and Maura have also been exceptionally generous with their time which is much appreciated when they have so many calls to answer.

#### The Inns of Court and the Inns of Court Bar Educational Trust

All four Inns of Court support our work both by providing grants towards our work and by promoting our activities with their young members. We are very grateful for this opportunity. Our interest as a charity with educational benefits nicely overlaps with that of the Inns of Court Bar Educational Trust and we recognise the enormous benefits of working closely together. We also thank them for their donations to us.

#### Support from Associations

We continue to enjoy a positive relationship with the Employment Lawyers Association and have worked with them on facilitating the 100 Days scheme. Our thanks go to Paul Daniels for maintaining the link with the ELA Committee. This year we were delighted to receive a donation from ComBar, The Commercial Bar Association and our thanks goes to John McCaughran QC for making the introduction for us. The Institute of Barristers Clerks has supported our work in many ways and we are very pleased to receive a donation from their members as well.



**Supporters (continued)**

Chambers and Individual Barristers

Much of our support comes from the efforts of individuals and from chambers. We attract support across the Bar and are very grateful both for the fundraising events in our name and for the regular contributions we receive. Two sets of chambers, 5 Raymond Buildings and 12 King's Bench Walk, have an annual quiz night in support of the Bar Pro Bono Unit and ourselves.

Our 'Friends in Law' scheme is run jointly with the Bar Pro Bono Unit and acknowledges those chambers who have given over £1,000 to both FRU and the Bar Pro Bono Unit. This year our Friends in Law are:

11KBW	Coram Chambers
12KBW	Devereux
20 Essex Street	Fountain Court Chambers
42 Bedford Row	Keating Chambers
5RB	One Crown Office Row
Blackstone Chambers	Renaissance Chambers
Carmelite Chambers	South Square
Cloisters	

We wish to make particular mention of our Platinum Friends in Law whose donations to both FRU and the Bar Pro Bono Unit were in excess of £3,000 each. This year these are:

11KBW	One Crown Office Row
Blackstone Chambers	South Square

Linklaters LLP

FRU has developed an excellent partnership with Linklaters and have been delighted to host one of their trainees for six months of the year. Hannah Rix joined us in April 2012 and worked with us until the end of September 2012 and made a considerable contribution to the team. Linklaters have been generous with their donation which has helped to support one of our Legal Officer posts.

## Supporters (continued)

### Individual Fundraising Efforts

Each year, we are overwhelmed by the fantastic effort of individual fundraisers who undertake great feats, both daring and foolhardy, in order to make a contribution to our funds. 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 into making this event such a success. A group of 20 people donned FRU t-shirts and walked for FRU in May 2012. John Hendy QC, our very own 'Cycling Silk', raised a very welcome donation through his sponsored cycle ride. We had five people run the marathon on our behalf: Alison Picton, Elizabeth Forrester, Holly Windle, Michael Reed and Sean Jones QC. We are so grateful to all who took part in these events and to all their friends and relations who sponsored them. We are also grateful for the donations from authors of legal books, who kindly donate their royalties to FRU, including Daniel Barnett, Michael Reed and Naomi Cunningham.

### Other support

FRU is indebted to the Attorney General for his 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 the Bar Pro Bono Unit and other members of the Attorney General's pro bono coordinating 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 taking on a case that is beyond our experience. They include:

- David Reade QC & Niran de Silva both of Littleton Chambers
- Daniel Barnett, Outer Temple Chambers
- The Anti-Trafficking and Labour Exploitation Unit at Islington Law Centre
- Jan Luba QC, Garden Court Chambers
- Angela Rainey, 39 Essex Street
- Isabel McArdle, 1 Crown Office Row
- Richard Mumford, 1 Crown Office Row
- Michael Fealy, One Essex Court
- Andrew Fraser-Urquart, Francis Taylor Building
- Aidan O'Neill QC, Matrix Chambers and Ampersand
- David Blundell, Landmark Chambers
- Tim Buley, Landmark Chambers

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

- Rhoderick Chalmers
- Naomi Cunningham, Outer Temple Chambers
- Tim Pitt-Payne QC, 11KBW
- Anne Fairpo, 13 Old Square
- Desmond Rutledge, Garden Court Chambers
- Sally Robertson, Cloisters

**Chief Executive's report Year to 31 March 2013**

**Supporters (continued)**

Other support (continued)

Our main website was designed and is maintained and hosted by New Digital Partnership at no cost whatever to us and we are greatly indebted for the donation of their expertise.

There are many people whose help is not always obvious, but without their help, our work would be more difficult. The efforts of the 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 client's 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. Our staff members during 2012-2013 were:

Chief Executive Officer	Karen MacKay (retired 31 March 2013)
Principal Legal Officers	Michael Reed Emma Baldwin
Assistant Legal Officers	Elizabeth Forrester (from September 2011 to August 2012) Matthew Jackson (from September 2012) Andrew Watson (from September 2012)
Fundraiser (part-time)	Catherine Hanley (until end of December 2012)
Office Manager	Sharon Sneddon
Administrator	Kirsty Luke (covering Ellie Chandler's maternity leave until August 2012) Jessica Harris (from September 2012)
Accountant (part-time)	Bosedede Babalola

**Financial performance**

Our financial results for the year are set out on pages 16. Our results this year are an improvement on the previous year due to the work of our previous Chief Executive Officer and the support from the Management Committee, particularly the Treasurer.

Lindsey Poole



(Interim Chief Executive from 1 April 2013)

Date: 19/2/13

The trustees present their report together with the financial statements of The Free Representation Unit ("FRU" or "the Unit") for the year ended 31 March 2013. 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 18 and 19 of the attached financial statements and comply with the Unit's constitution, the law and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

## **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. We are almost certainly the largest single provider of free advocacy in the United Kingdom.

### **Applicants to the Tribunal**

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

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

### **FRU Volunteers**

FRU was founded in 1972 by Bar Students who wanted to provide aspiring lawyers with real experience of advocacy and who wanted vulnerable claimants to have free representation. 40 years on, FRU provides more than 1,500 training places annually for potential volunteers 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.

### **Reserves policy**

It is the policy of the trustees to ensure that the organisation maintains adequate free reserves to meet its charitable obligations while maintaining adequate reserves to allow operations to continue if there is a short term downturn in income or increase in expenditure. The trustees consider that it would take 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 to six months expenditure are necessary.

The balance sheet shows total reserves of £205,952 (2012 – £156,605) of which £32,479 (2012 - £42,284) is restricted.

Unrestricted reserves are thus £173,473 (2012 - £114,321). 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, free reserves are £135,544 (2012 - £63,062); they are thus within the desired range of free reserves.

## 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 8 August 2007. The Unit is run by a Management Committee consisting of representatives who are elected from the body of volunteers who carry out the work of the Unit together with the Chief Executive.

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

### Risk management

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

### Trustees

The following trustees were in office at the date of approval of the financial statements and served throughout the year ended 31 March 2013, except where shown.

<i>Trustee</i>	<i>Appointed/Resigned</i>
Nigel Giffin QC (Joint senior trustee)	
Sean Jones QC (Joint senior trustee)	
John McCaughran QC (Senior trustee)	resigned May 2013
Jennifer Eady QC	
Robin Purchas QC	resigned December 2012
Sean Wilken QC	
Fenella Morris QC	appointed May 2013
Michael Fealy	appointed May 2013

It is our policy, on the appointment of a new trustee or a new member of the Management Committee, to check that they are conversant with the relevant provisions of charity law and that they are sufficiently familiar with the workings of FRU. In most cases, they are conversant, but, where necessary, briefings are provided.

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

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**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 incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 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 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:



**Sean Jones QC**  
Joint Senior Trustees (from May 2013)



**Nigel Giffin QC**

Date: 23 SEP 2013

22 September 2013

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

We have audited the financial statements of the Free Representation Unit for the year ended 31 March 2013, which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

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

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

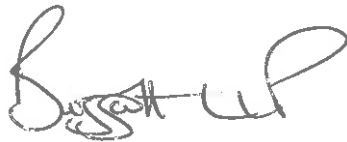


**Independent auditor's report 31 March 2013**

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

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

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



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

27 September 2013

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

**Statement of financial activities Year to 31 March 2013**

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	387,831	19,833	<b>407,664</b>	361,003
. Investment income		240	—	<b>240</b>	212
Incoming resources from charitable activities					
	2	82,537	—	<b>82,537</b>	76,015
<b>Total incoming resources</b>		<b>470,608</b>	<b>19,833</b>	<b>490,441</b>	<b>437,230</b>
<b>Resources expended</b>					
Cost of generating funds					
. Cost of generating voluntary income	3	48,029	494	<b>48,523</b>	25,078
Charitable activities					
. Legal representation to those in need	3	347,892	29,144	<b>377,036</b>	433,485
Governance costs	3	15,535	—	<b>15,535</b>	10,695
<b>Total resources expended</b>		<b>411,456</b>	<b>29,638</b>	<b>441,094</b>	<b>469,258</b>
<b>Net incoming (outgoing) resources</b>		<b>59,152</b>	<b>(9,805)</b>	<b>49,347</b>	<b>(32,028)</b>
<b>Net movement in funds</b>		<b>59,152</b>	<b>(9,805)</b>	<b>49,347</b>	<b>(32,028)</b>
<b>Fund balances brought forward at 1 April 2012</b>		<b>114,321</b>	<b>42,284</b>	<b>156,605</b>	<b>188,633</b>
<b>Fund balances carried forward at 31 March 2013</b>		<b>173,473</b>	<b>32,479</b>	<b>205,952</b>	<b>156,605</b>

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

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

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

Balance sheet 31 March 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	5		70,336		93,543
<b>Current assets</b>					
Debtors		2,259		2,636	
Debtors (amounts falling due after more than one year)		12,240		12,240	
Prepayments and accrued income		37,544		45,887	
Cash at bank and in hand		135,415		56,386	
		<u>187,458</u>		<u>117,149</u>	
Creditors, accruals and deferred income	6	(51,842)		(54,087)	
<b>Net current assets</b>			<b>135,616</b>		<b>63,062</b>
<b>Total net assets</b>			<b><u>205,952</u></b>		<b><u>156,605</u></b>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Restricted funds	7		32,479		42,284
Designated funds	8		37,929		51,259
Unrestricted funds			135,544		63,062
			<u>205,952</u>		<u>156,605</u>

Approved by the trustees  
and signed on their behalf by:



Sean Jones QC  
Joint Senior Trustees

Date: 23 SEP 2013



Nigel Giffin QC

22 September 2013

**Basis of accounting**

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

**Income**

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

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

**Resources expended**

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

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

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

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

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

**Cash flow**

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

## Principal accounting policies 31 March 2013

### **Tangible fixed assets**

All assets 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

### **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.

### **Leasing**

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

**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Donation received:				
Bar Council <sup>1</sup>	64,800	—	64,800	64,720
Bar Council <sup>2</sup>	—	—	—	78,285
Inns of Court	51,000	—	51,000	48,000
Linklaters LLP	62,000	—	62,000	37,000
Individuals	60,588	—	60,588	26,448
Freshfields Bruckhaus Deringer LLP, Herbert Smith	10,000	—	10,000	10,000
Employment Lawyers Association	20,000	—	20,000	20,000
London Legal Support Trust	33,006	—	33,006	25,050
Trust for London	—	19,833	19,833	—
Individuals' sponsored activities	12,935	—	12,935	8,827
Inns of Court & Bar Educational Trust	6,000	—	6,000	6,000
Clients	2,540	—	2,540	350
Trusts	3,500	—	3,500	1,000
Income received under standing order from individuals and sets of chambers	21,380	—	21,380	23,500
40 <sup>th</sup> Anniversary dinner	36,900	—	36,900	—
Other	860	—	860	7,902
Total donations	385,509	19,833	405,342	357,082
Tax repayment under Gift Aid	2,322	—	2,322	3,921
	387,831	19,833	407,664	361,003

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

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

**2 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Training of potential volunteers	67,548	—	67,548	61,345
Subscriptions from referral agencies	10,589	—	10,589	10,270
Payments by Law Schools ('FRU option')	4,400	—	4,400	4,400
	82,537	—	82,537	76,015

**Notes to the financial statements 31 March 2013**

**3 Resources expended**

	Generating voluntary income						Governance				Total	
	Unrestricted		Restricted		Unrestricted		Restricted		Unrestricted		Restricted	
	£	£	£	£	£	£	£	£	£	£	£	
Fundraising costs	3,066	—	—	—	—	—	—	3,066	—	—	—	4,111
40 <sup>th</sup> Anniversary dinner	26,117	—	—	—	—	—	—	26,117	—	—	—	26,117
	<b>29,183</b>	—	—	—	—	—	—	<b>29,183</b>	—	—	—	<b>4,111</b>
Staff costs												
Wages and salaries	10,117	—	188,184	12,833	4,048	—	—	202,349	12,833	—	—	202,219
Social security costs	971	—	18,054	1,169	387	—	—	19,412	1,169	—	—	19,626
	<b>11,088</b>	—	<b>206,238</b>	<b>14,002</b>	<b>4,435</b>	—	—	<b>221,761</b>	<b>14,002</b>	—	—	<b>221,845</b>
General expenditure												
Depreciation	728	494	13,835	9,383	—	—	—	14,563	9,877	—	—	14,624
Loss on disposal	—	—	—	—	—	—	—	—	—	—	—	10,214
Premises	3,875	—	72,915	704	—	—	—	76,790	704	—	—	96,719
Office move	—	—	—	—	—	—	—	—	—	—	—	36,001
Office running	2,219	—	38,663	3,507	—	—	—	40,882	3,507	—	—	60,877
Library	756	—	13,170	1,195	—	—	—	13,926	1,195	—	—	13,339
Other	180	—	3,071	353	—	—	—	3,251	353	—	—	5,842
	<b>7,758</b>	<b>494</b>	<b>141,654</b>	<b>15,142</b>	—	—	—	<b>149,412</b>	<b>15,636</b>	—	—	<b>236,616</b>
Auditor's remuneration												
Current year Audit fee	—	—	—	—	6,840	—	—	6,840	—	—	—	6,886
Current year other services	—	—	—	—	1,200	—	—	1,200	—	—	—	—
Prior year Audit fee	—	—	—	—	2,000	—	—	2,000	—	—	—	—
Prior year other services	—	—	—	—	1,060	—	—	1,060	—	—	—	—
	—	—	—	—	<b>11,100</b>	—	—	<b>11,100</b>	—	—	—	<b>6,886</b>
<b>Total</b>	<b>48,029</b>	<b>494</b>	<b>347,892</b>	<b>29,144</b>	<b>15,535</b>	—	—	<b>411,456</b>	<b>29,638</b>	—	—	<b>469,258</b>

No employee earned £60,000 or more (including benefits) during the current or previous year. The average number of employees was 8 (2012 – 7). No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2012 - £nil). No trustee had any beneficial interest in any contract with the charity during the year.

#### 4 Taxation

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

#### 5 Tangible fixed assets

	Leasehold improvements £	Computer equipment and software £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2012	28,168	100,170	38,342	166,680
Additions	—	545	689	1,234
Disposals	—	—	—	—
At 31 March 2013	28,168	100,715	39,031	167,914
<b>Depreciation</b>				
At 1 April 2012	—	71,515	1,622	73,137
Charge for the year	5,634	9,505	9,302	24,441
Disposals	—	—	—	—
At 31 March 2013	5,634	81,020	10,924	97,578
<b>Net book values</b>				
At 31 March 2013	22,534	19,695	28,107	70,336
At 31 March 2012	28,168	28,655	36,720	93,543

#### 6 Creditors, accruals and deferred income

	2013 Total funds £	2012 Total funds £
Other creditors	11,503	—
Accruals	28,707	49,472
Deferred income	11,632	4,615
	51,842	54,087

#### 7 Restricted funds

	At 1 April 2012 £	Incoming resources £	Resources expended £	At 31 March 2013 £
Trust for London	—	19,833	19,761	72
Office move	42,284	—	9,877	32,407
	42,284	19,833	29,638	32,479



**8 Designated funds**

	At 1 April 2012 £	Incoming resources £	Resources expended £	At 31 March 2013 £
Fixed asset fund	51,259	—	13,330	37,929

The fixed asset fund represents the net book value of the charity's unrestricted fixed assets as at March 2013.

**9 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
<b>Fund balances at 31 March 2013 are represented by:</b>				
Fixed assets	37,929	32,407	70,336	93,543
Current assets	181,719	5,739	187,458	117,149
Creditors, accruals and deferred income	(46,175)	(5,667)	(51,842)	(54,087)
<b>Total</b>	<b>173,473</b>	<b>32,479</b>	<b>205,952</b>	<b>156,605</b>

**10 Commitments**

**Lease commitments – operating leases**

At 31 March 2013, the charity had annual commitments under non-cancellable operating leases as follows.

	2013 £	2012 £
Operating leases which expire:		
. After five years	46,918	48,960

List of donors 31 March 2013

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Mr Andrew Baker QC	Mr David Foxton QC	Mr DJ Richardson
Miss Stephanie Barwise QC	Miss Joanna M Heal	Judge M Rowland
Mr Simon Beard	Mr Jonathan Hirst QC	Mr Martin Seaward
Mr Adrian Beltrami QC	Mr Theodore Huckle QC	Mr Andrew Short QC
Miss Claire Blanchard QC	Rt Hon Prof Sir Robin Jacob	Mr Alexander Silverleaf QC
Mr Anthony Boswood QC	Miss Nerys Jefford QC	Mr P M Stanley QC
Mr Timothy Brenton QC	Mr Jeremy Johnson QC	Mr Michael Tappin QC
Sir Henry Brooke	Ms Elizabeth Jones QC	The Hon Mrs Justice Thirlwall
Sir Christopher Clarke	Mr Thomas Kark QC	Mr Robert Thomas QC
Mr Robert Clay QC	Mr Stephen Kenny QC	Mr Oliver Ticciati
Mr Richard Coleman QC	Mr D Lewis	Mr Daniel Toledano QC
Mr Kieran Coonan QC	Mr Simon Lofthouse QC	Mr William Trower QC
Miss Clare Cruise	Mr Guy Mansfield QC	Mr Nicholas Vineall QC
Ms Julia Dias QC	Mr Robert Martin QC	Miss Elizabeth Weaver
Sir James Dingemans QC	Mr Julian Matthews	Mr Thomas Weitzman QC
Mrs Penelope Draffan	Ms D McCarthy	Ms Heather Williams QC
Mr Philip Edey QC	Sir John Mummery	Mr Antony Zacaroli QC
Mr M S Egan QC	Mr David Owen QC	
Mr Robert Englehart QC	Mr Lionel Persey QC	
Mr Hugh Evans	His Honour Judge Charles Purle QC	
Ms Alison Firth	Mr V A Ramsey	
Mr Vernon Flynn QC	Mr Peter Rees QC	

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