

**Free
Representation
Unit**

**Annual Report and Financial
Statements**

31 March 2016

Charity Registration Number
295952

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The following page does not form part of the audited financial statements:

List of donors	28
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Legal and administrative information

Patrons

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

Trustees

Sean Jones QC (Joint senior trustee)
Michael Fealy QC (Joint senior trustee)
Fenella Morris QC
Nigel Giffin QC
Ben Cooper

Management committee in the period from 16 October 2014 to 29 October 2015

Andrew Watson (Chair)
James Quelch (Secretary)
Liam Sabec (Treasurer)
Charlotte Bull
Allison Crabtree
Jessica Harris
Adam Ross
Simon Lawson (Ex officio as Chief Executive Officer)

Management committee in the period from 29 October 2015 to 27 October 2016

Adam Ross (Chair)
Clara Browne (Secretary)
Andrew Watson (Treasurer)
Allison Crabtree
Howard Leithead
Keileigh Pink
James Quelch
Lorna Reid (Ex officio as Interim Chief Executive Officer,
from 21 December 2015)

Management committee in the from 27 October 2016

Andrew Watson (Chair)
Hannah Lewis (Treasurer)
Patrick Tomison (Secretary)
Gemma Daly
Howard Leithead
Patrick Lyons
Rachel Sullivan
Lorna Reid (Ex officio as Chief Executive Officer)

Legal and administrative information

Chief Executive	Simon Lawson (to 13 October 2015)
Interim Chief Executive	Lorna Reid (from 21 December 2015)
Registered address	60 Gray's Inn Road London WC1X 8LU
Telephone	020 7611 9555
Website	www.thefru.org.uk
Charity registration number	295952
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB

Chair's report Year to 31 March 2016

FRU saw a significant increase in the number of referrals made in the year to 31 March 2016, from under 1,200 in the year to 31 March 2015 to over 1,500. It is to the organisation's credit that it was able to support an increase in the number of cases represented of nearly 15% - a 10% increase in the number of employment cases represented, and an 18% increase in the number of social security cases represented.

There remains a low number of employment tribunal referrals in comparison with the position before the introduction of employment tribunal fees on 29 July 2013. In the year to 31 March 2013, FRU represented claimants in 434 employment cases; in the year to 31 March 2016 it was 210 – a drop of approximately 50%. By way of comparison, the Employment Tribunal's own statistics showed a decrease in quarterly receipts of approximately 60% over the same period.

In an attempt to widen the net for our employment referrals, we introduced a self-referral scheme at the end of 2014, so that clients with upcoming employment tribunal hearings were able to refer themselves in straightforward cases with shorter hearings. We are extremely grateful to Trust for London for providing funding for the post of an Assistant Legal Officer with responsibility for running the self-referral scheme and supervising our employment volunteers. Rachel Sullivan, the second holder of this post has continued the good work of Ella Davis the previous year. Approximately one third of all employment cases represented by FRU came through the self-referral route in the year to 31 March 2016.

The work which FRU does both depends on and benefits our volunteer representatives. They provide greatly-needed assistance to clients in need, and obtain the unrivalled experience of arguing a real-life case when—for the vast majority of them—they are still at law school. We are grateful to all the volunteers who took on cases this year, and we hope that they found the experience to be a rewarding one.

I wish to express my thanks also to the other members of the management committee and the trustees, who give their time freely to assist in the running of FRU, and to our staff, whose dedication and hard work form the backbone of the organisation.

Clients

The following tables demonstrate the number of cases represented by FRU volunteers in 2015/16 increased by 13% from 2014/15 and the number of volunteers attending our training days increased by 21%. These figures are very encouraging and hopefully show that FRU continues to provide a good service to its main users – clients in need of representation and volunteers who want to gain valuable advocacy experience.

	Year to 31 March 2016		Year to 31 March 2015	
	Cases taken	% of cases referred	Cases taken	% of cases referred
Employment (includes self-referral)	210	48	191	44
Social Security	407	37	346	48
Criminal Injuries Compensation	1	33	1	100
	618	40	538	46

Volunteer representatives

Training Day Attendance

	Year to 31 March 2016	Year to 31 March 2015
Employment	383	398
Social Security	785	519

Nottingham

FRU Nottingham is the only FRU branch outside of London and represents clients in both employment and social security claims. FRU represented 45 clients in social security hearings and 19 clients in employment hearings during 2015-16. Whilst the majority of tribunal hearings have taken place in Nottingham, we have also covered hearings in Derby, Boston and Sheffield. FRU is part of the Nottingham Trent Law School, which won the Access to Justice Foundation award for innovative work and Best Contribution by a Law School at the LawWorks & Attorney General Student Awards 2016. FRU remains aware of the need for pro bono advocacy services outside of London and is exploring how it can facilitate this.

Supporters

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

The Bar Council

Our thanks go to Alistair MacDonald QC, Chairman of the Bar Council in 2015 and Chantal-Aimée Doerries QC, Chairman in 2016, for the Bar Council's continued support. The grant provided by the Bar Council is the bedrock of FRU's funding and makes a major contribution to our financial stability.

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

All four Inns of Court support our work by providing grants towards our work and by promoting our activities with their student members. We are very grateful to them for this. Our position as a charity with educational objectives complements the Inns of Court and the Bar Educational Trust and we recognise the enormous benefits of working closely together. We thank them too for their donation.

Support from Associations

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

Supporters (continued)

Support from Associations (continued)

We enjoy a fruitful relationship with the Employment Lawyers Association (ELA) and have continued to work with them on facilitating the 100 Days scheme. This year we have also enjoyed supporting the Employment Tribunal Litigant in Person Support (ELIPS) scheme. Our thanks go to Ruth Badrick and Cyril Dennemont for maintaining the link with the ELA Pro Bono Committee.

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. Two sets of chambers – 5 Raymond Buildings and 12 King's Bench Walk – have annual quiz nights in support of FRU and the Bar Pro Bono Unit.

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:

One Crown Office Row	One Essex Court	5RB
11KBW	12 King's Bench Walk	20 Essex Street
39 Essex Chambers	Blackstone	Brick Court
Cloisters	Serjeants' Inn	South Square

Additionally, One Crown Office Row, 5RB, 11KBW, One Essex Court (Chambers of Lord Grabiner QC) and South Square have been conferred with special Platinum Friends in Law Awards to signify their significant financial contributions to both charities.

Linklaters LLP

FRU has developed an excellent relationship with Linklaters and was delighted to host a Linklaters trainee for six months in 2015. Xide Low joined us in April 2015 and worked with us until the end of September 2015. He made a considerable contribution to the team. 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 their financial support, being the largest donor among firms and chambers.

Individuals

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

We had five runners in the London Marathon in April 2015 whose fundraising efforts are very much appreciated: Ella Davis, Elizabeth Forrester, Elliot Fry, Michael Reed and Hannah Venn-Munns.

Supporters (continued)

Individuals (continued)

The popular Walk the Thames event was taken up on behalf of FRU by Rachel Sullivan, Emma Baldwin, Hannah Wright, Michael Fealy, James Quelch, Jayne Evans, Andrew Rhodes, Daniel Bowman, Alex Maunders, Ben Jones and Sharin Cockerton.

We are also grateful to the authors of legal books who kindly donate their royalties to FRU, including Naomi Cunningham and Michael Reed for *Employment Tribunal Claims: Tactics and Precedents* and Jonathan Kirk QC for *Modern Financial Regulation*.

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 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 taking on a case that is beyond our experience. They include:

Sasha Blackmore, Landmark Chambers
Samantha Broadfoot, Landmark Chambers
Nathan Caiden, Cloisters
Andrew Edge, 11KBW
Michael Fealy QC, One Essex Court
David Forsdick QC, Landmark Chambers
Admas Habteslasie
John Hendy QC, Old Square
Jack Holborn, 39 Essex Chambers
Mark Humphreys, Littleton Chambers
Tristan Jones, Blackstone Chambers
James Laddie, Matrix Chambers
Zoë Leventhal, Landmark Chambers
Peter Linstead, Tanfield Chambers
Edmund Nourse, One Essex Court
David Reade QC, Littleton Chambers
David Renton, Garden Court Chambers
Sally Robertson, Cloisters
Niran de Silva, Littleton Chambers
Tom Tabori, 39 Essex Chambers
Benjamin Tankel, 39 Essex Chambers
Sarah Wilkinson, Blackstone Chambers

Supporters (continued)

Other support (continued)

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:

Naomi Cunningham, Outer Temple
Anne Fairpo, Temple Tax Chambers
Timothy Pitt-Payne QC, 11KBW
Sally Robertson, Cloisters
Desmond Rutledge, Garden Court Chambers
Robin White, Old Square Chambers

Our main website was designed and is maintained and hosted by New Digital Partnership at no cost whatsoever 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 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. Our staff members during 2015-2016 were:

Interim CEO	Lorna Reid (from December 2015)
CEO	Simon Lawson (to October 2015)
Principal Legal Officers	Michael Reed Emma Baldwin (part-time to December 2015) Lorna Reid (part-time to December 2015)
Assistant Legal Officer	Hannah Wright (to September 2015) Gemma Daly (from September 2015)
Assistant Legal Officer & Self-referral Coordinator	Ella Davis (to September 2015) Rachel Sullivan (from September 2015)
Office Manager	Sharon Sneddon

Chair's report Year to 31 March 2016

Staff (continued)

Administrators	Faye Edmeade (to October 2015) Deborah Acquah (from October 2015)
Accountant (part-time)	Bosede Babalola

Signed: 

Adam Ross, Management Committee Chair

Date 15 November 2016

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 2016. 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 16 to 22 of the attached financial statements and comply with the Unit's constitution, the law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015.

OBJECTIVES AND ACTIVITIES

What we do

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

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

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

Applicants to the Tribunal

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

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

OBJECTIVES AND ACTIVITIES (continued)

FRU Volunteers

FRU was founded in 1972 by Bar Students who wanted to provide aspiring lawyers with real experience of advocacy and who wanted vulnerable claimants to have free representation. 40 years on, FRU provides more than 1,000 training places annually for potential volunteers who are law students and graduates and junior lawyers from both branches of the profession, who gain valuable experience of client handling, case management and advocacy in a real court.

Public benefit

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

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

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

ACHIEVEMENTS AND PERFORMANCE

In the period 2015-2016 FRU volunteers represented 618 clients in the first-tier employment and social security tribunals. 400 volunteers worked with us during this time.

"I just wanted to make you aware of what a great job FRU did on helping me out with the remainder of my case. After the first volunteer managed to prove I was an employee on the original case, all was left to do was discuss amounts and failure to consult details regarding a breach of TUPE. I managed to reach a settlement with the intended parties, but the next volunteer on the case was fantastic at going back and forth between parties getting all the required information, keeping me in the loop with very clear details for a non-legal mind like myself and followed up to completion. He made me feel at ease and I would highly recommend him to anyone else in need. Many thanks to everyone at FRU, you guys do a great job and I really appreciate everything."

FINANCIAL REVIEW

Results for the year

Income for the year was £396,817 (2015: £391,738). Expenditure totalled £409,236 (2015: £401,988). This results in net loss position of £12,419 (2015: £10,250).

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 £100,000.

The balance sheet shows total reserves of £231,277 (2015: £243,696) of which £23,295 (2015: £24,687) is restricted.

Unrestricted reserves are thus £207,982 (2015: £219,009). 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 £192,954 (2015: £197,184) 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 25 March 2010. 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.

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 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.

The key risks to the organisation are changes in legislation and tribunal procedures and property management.

Changes in legislation 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 our income from training.

To mitigate this risk the charity regularly reviews receipts of cases and explores other areas of law and legal representation which could be taken on.

The lease for the charity's current premises comes to an end in January 2017 and the charity is expecting to have to pay significantly more for comparable office space. To mitigate this expected increase in expenditure the charity has increased its focus on fundraising.

Trustees

The following trustees were in office at the date of approval of the financial statements and served throughout the year ended 31 March 2016, except where shown.

<u>Trustee</u>	<u>Appointed/Resigned</u>
Nigel Giffin QC (Joint senior trustee – to October 2015)	
Michael Fealy QC (Joint senior trustee – from October 2015)	
Sean Jones QC (Joint senior trustee)	
Fenella Morris QC	
Ben Cooper	Appointed December 2015

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

It is our policy, on the appointment of a new trustee 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 income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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



Michael Fealy QC

Date: 14/11/16

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 2016, 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), including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' 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 Chair's report and the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information which is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or 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 2016 and of its income and expenditure for the year then ended;

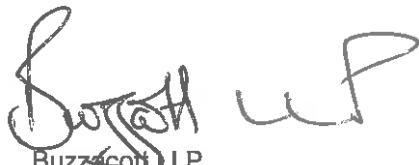
Opinion on the financial statements (continued)

- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- ◆ the information given in the Trustees' 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

23 November 2016

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 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Income from:					
Donations	1	293,036	33,500	326,536	324,707
Investments		436		436	216
Charitable activities					
. Legal representation of those in need	2	69,845	-	69,845	66,815
Total income		<u>363,317</u>	<u>33,500</u>	<u>396,817</u>	<u>391,738</u>
Expenditure on:					
Raising funds					
. Raising donations	3	21,137	336	21,473	20,562
Charitable activities					
. Legal representation of those in need	3	353,207	34,556	387,763	381,426
Total expenditure		<u>374,344</u>	<u>34,892</u>	<u>409,236</u>	<u>401,988</u>
Net expenditure and net movement in funds for the year		(11,027)	(1,392)	(12,419)	(10,250)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2015		<u>219,009</u>	<u>24,687</u>	<u>243,696</u>	<u>253,946</u>
Fund balances carried forward at 31 March 2016		<u>207,982</u>	<u>23,295</u>	<u>231,277</u>	<u>243,696</u>

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

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

All income from investments was unrestricted in 2015.

Balance sheet 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	7		26,269		39,780
Current assets					
Debtors		16,052		3,908	
Debtors (amounts falling due after more than one year)		—		12,240	
Prepayments and accrued income		69,677		55,734	
Cash at bank and in hand		150,087		167,913	
		<u>235,816</u>		<u>239,795</u>	
Current liabilities					
Creditors, accruals and deferred income	8	<u>(30,808)</u>		<u>(35,879)</u>	
Net current assets			205,008		203,916
Total net assets			<u>231,277</u>		<u>243,696</u>
The funds of the charity:					
Restricted funds	9		23,295		24,687
Unrestricted funds					
Designated funds	10	15,028		21,825	
General funds		192,954		197,184	
			<u>207,982</u>		<u>219,009</u>
			<u>231,277</u>		<u>243,696</u>

Approved by the trustees
and signed on their behalf by:



Sean Jones QC
Joint Senior Trustees



Michael Fealy QC

Date: 14/11/16

Principal accounting policies 31 March 2016

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

Basis of preparation

These accounts have been prepared for the year to 31 March 2016.

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

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

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

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. Other than presentational adjustments to reanalyse expenditure for the year ended 31 March 2015 to accord with the format prescribed by the updated Charities SORP FRS 102, no further adjustments were required. Specifically, governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to expenditure on legal representation to those in need.

Critical accounting estimates and areas of judgement

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

The only item in the accounts where these judgements and estimates have been made is in respect to estimating the useful economic life of tangible fixed assets.

Assessment of going concern

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

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

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

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Cash flow

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

Tangible fixed assets

All assets costing more than £100 are capitalised.

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

◆ Leasehold improvements	On a straight line basis over the life of the lease
◆ Office equipment	25% on a reducing balance basis
◆ Computer equipment	33% on a reducing balance basis
◆ Computer software	33% on a straight line basis

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

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

Leased assets

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

Pension costs

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

1 Donations

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Donations received:				
Bar Council ¹	64,800	—	64,800	64,800
Inns of Court	60,000	—	60,000	60,000
Linklaters LLP	37,000	—	37,000	37,000
Individuals	49,739	—	49,739	44,644
Freshfields Bruckhaus Deringer LLP	—	—	—	3,000
Employment Lawyers Association	20,000	—	20,000	20,000
London Legal Support Trust	24,341	—	24,341	20,678
Trust for London	—	33,500	33,500	34,000
Individuals' sponsored activities	11,290	—	11,290	11,741
Inns of Court & Bar Educational Trust	5,000	—	5,000	5,250
Clients	700	—	700	2,365
Income received under standing order from individuals and sets of chambers	17,112	—	17,112	17,758
Other	1,251	—	1,251	339
Total donations	291,233	33,500	324,733	321,575
Tax repayment under Gift Aid	1,803	—	1,803	3,132
2016 Total funds	293,036	33,500	326,536	324,707
2015 Total funds	290,707	34,000	324,707	

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

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Training of potential volunteers	56,555	—	56,555	53,935
Subscriptions from referral agencies	8,890	—	8,890	8,480
Payments by Law Schools ('FRU option')	4,400	—	4,400	4,400
2016 Total funds	69,845	—	69,845	66,815
2015 Total funds	66,815	—	66,815	

Notes to the financial statements 31 March 2016

3 Expenditure

	Cost of raising funds										Total 2015 £	
	Unrestricted		Restricted		Legal representation		Governance		Total			
	£	£	£	£	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		
Fundraising costs	2,837	—	—	—	—	—	—	—	2,837	—	2,837	2,227
Staff costs												
Wages and salaries	10,270	—	191,033	22,986	4,108	—	—	—	205,411	22,986	228,397	216,612
Social security costs	905	—	16,849	2,210	363	—	—	—	18,117	2,210	20,327	18,893
Pension costs	173	—	3,105	106	69	—	—	—	3,347	106	3,453	—
Recruitment costs	52	—	976	—	22	—	—	—	1,050	—	1,050	1,383
	11,400	—	211,963	25,302	4,562	—	—	—	227,925	25,302	253,227	236,888
General expenditure												
Depreciation	340	336	6,457	6,378	—	—	—	—	6,797	6,714	13,511	21,600
Premises	4,146	—	77,735	1,025	—	—	—	—	81,881	1,025	82,906	75,470
Office running	1,535	—	27,827	1,340	—	—	—	—	29,362	1,340	30,702	39,038
Library	590	—	10,800	405	—	—	—	—	11,390	405	11,795	12,276
Other	289	—	5,373	106	—	—	—	—	5,662	106	5,768	7,354
	6,900	336	128,192	9,254	—	—	—	—	135,092	9,590	144,682	155,738
Auditor's remuneration												
· Current year audit fee	—	—	—	—	7,440	—	—	—	7,440	—	7,440	7,200
· Prior year audit fee	—	—	—	—	30	—	—	—	30	—	30	(65)
· Current year non audit fee	—	—	—	—	1,020	—	—	—	1,020	—	1,020	—
	—	—	—	—	8,490	—	—	—	8,490	—	8,490	7,135
Total	—	—	13,052	—	(13,052)	—	—	—	—	—	—	—
Allocation of governance costs												
2016 Total funds	21,137	336	353,207	34,556	—	—	—	—	374,344	34,892	409,236	401,988
2015 Total funds	20,244	318	343,827	37,599	—	—	—	—	364,071	37,917	401,988	—

4 Staff costs and remuneration of trustees and key management personnel

No employee earned £60,000 or more (including benefits) during the current or previous year. The average number of employees was 8 (2015 – 8). No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2015 - £nil). No trustee had any beneficial interest in any contract with the charity during the year.

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 year was £39,980 (2015 - £29,214).

5 Net income (expenditure)

This is stated after charging:

	2016 £	2015 £
Staff costs	253,227	236,888
Operating lease rentals	57,588	57,588
Auditor's remuneration		
· Current year audit fee	7,440	7,200
· Prior year audit fee	30	(65)
· Current year non audit fee	1,020	—
Depreciation	13,511	21,600

6 Taxation

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

7 Tangible fixed assets

	Leasehold improve- ments £	Computer equipment and software £	Office equipment £	Total £
Cost				
At 1 April 2015 and 31 March 2016	28,168	47,607	37,523	113,298
Depreciation				
At 1 April 2015	16,902	35,578	21,038	73,518
Charge for the year	5,633	3,790	4,088	13,511
At 31 March 2016	22,535	39,368	25,126	87,029
Net book values				
At 31 March 2016	5,633	8,239	12,397	26,269
At 31 March 2015	11,266	12,029	16,485	39,780

8 Creditors, accruals and deferred income

	2016 Total funds £	2015 Total funds £
Other creditors	2,731	3,569
Accruals	27,957	32,230
Deferred income	120	80
	30,808	35,879

9 Restricted funds

	At 1 April 2015 £	Income £	Expenditure £	At 31 March 2016 £
Trust for London	6,732	33,500	(28,178)	12,054
Office move	17,955	-	(6,714)	11,241
	24,687	33,500	(34,892)	23,295

The Trust for London restricted fund comprises funds received towards the salary and associated costs of a Legal Officer and Self-Referral Manager.

The Office move fund comprises the net book value of fixed assets that were donated to the charity on its move to its current premises.

10 Designated funds

	At 1 April 2015 £	Income £	Expenditure £	At 31 March 2016 £
Fixed asset fund	21,825	-	(6,797)	15,028

The fixed asset fund represents the net book value of the charity's unrestricted fixed assets as at 31 March 2016 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2016 Total funds £
Fund balances at 31 March 2016 are represented by:			
Fixed assets	15,028	11,241	26,269
Current assets	223,762	12,054	235,816
Creditors, accruals and deferred income	(30,808)	-	(30,808)
2016 Total funds	207,982	23,295	231,277

12 Commitments

Lease commitments – operating leases

At 31 March 2016, the charity had the following future minimum commitments under non-cancellable operating leases as follows.

	2016 £	2015 £
Payments which fall due:		
. Within one year	46,588	57,588
. After one year but within five years	22,020	68,632
. After five years	—	—

13 Related party transactions

During the year the charity received donations from trustees totalling £400 (2015: £400).

There were no further related party transactions during the year (2015 – none) which required disclosure.

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

11 King's Bench Walk	One Crown Office Row
11 South Square Chambers	One Essex Court
12 King's Bench Walk	Quadrant Chambers
3 Verulam Buildings	Smith & Williamson
5 Raymond Buildings	South Square Chambers
Devereux Chambers	The Eric F Sparkes Charitable Trust
Employment Lawyers Association	The General Council of the Bar
Inns of Court & Bar Educational Trust (ICBET)	The Honourable Society of Gray's Inn
Kroll Ontrack Legal Technologies	The Honourable Society of Lincoln's Inn
Latham & Watkins	The Honourable Society of Middle Temple
Linklaters LLP	The Honourable Society of the Inner Temple
London Legal Support Trust	Trust for London

Individuals

A. Beltrami	B. Strong
A.W. Hughes	B. Quiney
A.F. Wilkie	B. O'Sullivan
A. Cameron	B. Langstaff
A.M. Silverleaf	Browne-Wilkinson
A. Nissen	C.A.C. Murfitt
A.M.L. Firth	C.D. Smith
A. Pople	C. Hutton
A.G. Perkins	C. Lambert Purle
A.L. Myerson	C.P. Manzoni
A. Henshaw	C. Samek
A.J. Short	C.S. Welchman
A.V. Bramwell Bartlett	C. Clarke
A.W. Baker	C. Blanchard
A. Hudson	C. Robertson
A.J. Zacaroli	C. Tulloch
A. Temple	C. Quigley
B.A. Marder	C. Wood
Bell	D.C. Pitman

Individuals (continued)

D. Margolin	J.B. Storey
D.M. Beard	J. Johnson
D. Toledano	J.J. Russell
D.A. Foxton	J.M. Nicholson
D. Forsdick QC	J.G. Boal
D. Lewis	J.M. Heal
D.P. Friedman	J. Crosfill
D.J. Richardson	J.G.R. Martyn
D. Lewis	J.L. Litton
D.C. Lovell-Pank	J. McCaughran
E.J. Mellor	J. Mummery
E.H. Ovey	J. Davies-Jones
E. Weaver	J. Hirst
F.M.H. Randolph	J. Kirk
F.M.C. McCredie	J.S. Wiggs
F. Pirie	J. Dias
G.D.A. Weddell	J. David Matthews
G.P. Connor	K. Monaghan
G.M. Huston	K. Thirlwall
G.P. Lazarus	K. Coonan
G.S. Murdoch	K.S. Bishop
G.R.J. Mansfield	L. & G. Hinton
G. Roots	L. Persey
H.W. Baker	M.D. Barca
H.C. Tayler	M. Sparkes
H. Williams	M. Rowland
H. Brooke	M.F. Young
H. Turcan	M.O. Rodger
H.J. Byrt	M.J. Brindle
H.M. Boggis-Rolfe	M.J. Douglas
H.L. Evans	M. Tappin
I.K. Barsoum	M.L. Brent
I.J. Ghosh	M.S. Egan
J. Goudie	N.A. Jefford
J.A. Orford	N. Le Poidevin
J. Evans-Tovey	N. Lowe
J.B. Brodie	N.M.H. Williams

Individuals (continued)

N.T. Levisaur	R Englehart
N. Vineall	R.J. Evans
N. Giffin	R.L. Martin
N. Tozzi	R. Symonds
O Ogunfowora	R. Thomas
P.A.B. Jackson	R. Allen
P.A. Hitchcock	R. Jacob
P.H. Milmo	R.V.M.E. Behar
P.M. Stanley	S. Beard
Penry-Davey	S.J. Thorley
P. Andrews	S. Lofthouse
P. Burbidge	S. Lopez Salzedo
P. Carter	S.N. Barwise
P.J. Rees	S.E. Shay
P. Thompson	S. Irwin
P. Edey	S. Kenny
P. Naughton	S. Kramer
P.L. Baxendale	S.R. Roberts
P.L. Gibson	T. Huckle
P. Melwani	T.A.C. Leech
P.R. Cowell	T.J.B. Dumont
R.W.R. Thompson	T. Weitzman
R. Booth	T.W.V. Kark
R. Coleman	T.D. Brenton
R. Jory	T. Smith
R.M. Perkoff	T Weisselberg
R.J. McGregor-Johnson	V.J.H. Flynn
R.M. Planters	W. Gage
R.A. Hantusch	W. Trower
R. Clay	
