

**Free  
Representation  
Unit**

**Annual Report and Financial  
Statements**

31 March 2014

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 Fenella Morris QC Michael Fealy QC
<b>Management committee to 3 October 2013</b>	George Miller (Chair) David Peter (Secretary) Michael Sprack (Treasurer) Asma Nizami Laura Inglis Madeline Stanley Jumoké Adejímola Karen Mackay (Ex officio as chief executive) Lindsey Poole (Ex officio as interim chief executive)
<b>Management committee from 3 October 2013</b>	George Miller (Chair) Madeline Stanley (Secretary) Marianne Tutin (Treasurer) Jumoké Adejímola Sukanya Deshraj Matthew Sellwood Michael Sprack Jon Woolf (Ex officio as chief executive) Ann Lewis (Ex officio as interim chief executive) Simon Lawson (Ex officio as chief executive)
<b>Chief Executive</b>	Simon Lawson (from 27 May 2014) Jon Woolf (from 1 October 2013 to November 2013)
<b>Interim Chief Executive</b>	Lindsey Poole (until 30 September 2013) Ann Lewis (from 3 February 2014 to 23 May 2014)

## Legal and administrative information

<b>Registered address</b>	60 Gray's Inn Road London WC1X 8LU
Telephone	020 7611 9555
Website	<a href="http://www.thefru.org.uk">www.thefru.org.uk</a>
<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

FRU's 42<sup>nd</sup> year of operation has been an interesting one, not without the usual challenges. The introduction of Employment Tribunal fees has had a significant impact on the number of claims being brought, which has in turn affected how much work is referred to us. This has had a profound impact on the ability of employees to enforce their legal rights or get access to justice. FRU remains profoundly concerned about the effect of the fees and other recent changes. We will continue to fight to provide representation to as many litigants unable to pay for representation as possible.

This fall in Employment work is shown in our annual statistics; this year we represented clients in just over 700 cases, a slight decrease on last year. We hope that allowing people to bring their cases directly to us will make it easier for clients to obtain representation from us, increasing our workload as a result.

We are coming to the end of two year's funding from the Trust for London who have funded one of our Assistant Legal Officer posts. We are grateful to the Trust for providing this funding, which has enabled us to provide a more comprehensive service to our volunteer representatives, by having an additional legal officer available to offer support, guidance and training. We look forward to a continuing relationship with Trust for London in the future.

As always, none of our clients could be helped if it wasn't for the hard work of our volunteers. We thank the 422 representatives that took out a FRU case this year and hope that each of them found the experience valuable. From personal experience I know that I learned something new with each FRU case I conducted.

A very welcome addition to FRU this year was our first ever pupil Barrister, Daniel Brown. Daniel spent six months in the FRU office, representing clients, before going to Outer Temple to complete his first six months of pupillage. We hope he will spend much of his final six months of pupillage seconded back to FRU. We wish to thank the anonymous donor whose financial contribution made this scheme possible and Outer Temple Chambers for their partnership.

The Management Committee decided to work on strengthening the organisation this year. Whilst expansion to other areas of the country has long been mooted as a long-term goal for FRU, we felt it was important to improve our model in London before duplicating it elsewhere. To this end, we have canvassed the views of our volunteers, our referral agencies and our clients and have been making improvements to our service based on the feedback we've received. I am extremely grateful to the members of the Management Committee, all of whom have worked tirelessly in support of FRU this year.

For most of the year we saw social security referrals maintaining the high of the previous year. We worked hard to meet this demand and increased our representation rate by 33%. More recently, the nationwide drop in appeals lodged in the social security tribunal has affected the volume of work we do. We are keeping this evolving situation under review to ensure that we are in a position to meet the changing demands of our service users.

I would also like to thank the staff of the Unit. They do an excellent job of keeping the work of FRU going. Next year will present similar challenges for FRU, but I am confident that we can face these and continue as one of the UK's leading providers of pro bono advocacy.

## Chair's report Year to 31 March 2014

### Clients

	Year to 31 March 2014		Year to 31 March 2013	
	Cases taken	% of cases referred	Cases taken	% of cases referred
Employment	307	48	429	55
Social Security	403	31	306	33
Criminal Injuries Compensation	4	36	2	29
	714	36	737	43

The total number of cases dealt with shows a very slight fall from the previous year's number, though there was an increase in the number of social security cases and a corresponding drop in employment cases.

### Volunteer representatives

#### *Training Day Attendance*

	Year to 31 March 2014	Year to 31 March 2013
Employment	916	1,042
Social Security	803	583

We continue to offer three employment and three social security training days throughout the year and these training course continue to be popular with students.

### Nottingham

FRU Nottingham expanded into Social Security work this year. This means that both offices are now covering the whole range of FRU's work. Nottingham's social security work has grown rapidly, actually surpassing its Employment work, despite the late start.

Contact with other law schools across the country in previous years indicates that there is an appetite for expansion beyond London and we certainly know the need is there. This is something we will continue to explore in future years.

### 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 Maura McGowan QC, Chair of the Bar Council 2013 and to Nicholas Lavender QC, Chairman for 2014 for their continued support for our organisation. The grant provided by the Bar Council is the bed rock of FRU and makes a major contribution to our stability.

**Supporters (continued)**

***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 (ELA) and have worked with them on facilitating the 100 Days scheme. Our thanks go to Paul Daniels for maintaining the link with the ELA Pro Bono Committee. The Institute of Barristers Clerks has also supported our work in many ways.

***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:

12KBW	5RB
Three Dr Johnson's Buildings	Brick Court Chambers
Cloisters	Devereux
Fountain Court Chambers	Keating Chambers
Landmark Chambers	

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
One Essex Court	South Square

***Linklaters LLP***

FRU has developed an excellent relationship with Linklaters and has been delighted to host one of their trainees for six months of the year. Nishma Jethwa joined us in April 2013 and worked with us until the end of September 2013 and made a considerable contribution to the team. Linklaters are also extremely generous in their financial support, being the largest single donor among firms and chambers.

**Supporters (continued)**

***Individual Fundraising Efforts***

Each year, we are overwhelmed by the efforts of individual fundraisers who undertake great feats, both daring and foolhardy, to raise money for us.

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. 22 people donned FRU t-shirts and walked in 'Team-FRU' this year. We're also grateful to all the walkers whose contributions added to the general funds, part of which go to support FRU.

In other sporting events, John Hendy QC, our very own 'Cycling Silk', raised a very welcome donation through his sponsored cycle ride. Five people ran the London 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 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 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:

Daphne Romney QC, Cloisters  
Schona Jolly, Cloisters  
David Reade QC, Littleton  
Niran De Silva, Littleton  
Daniel Barnet, Outer Temple  
Jamila Duncan-Bosu, Anti Trafficking Labour Exploitation Unit  
PJ Kirby QC, Hardwicke  
Tim Pitt-Payne QC, 11KBW  
Naomi Cunningham, Outer Temple  
Jessica Boyd, Blackstone Chambers  
Zoe Leventhal, Landmark Chambers  
Tom Tabori, 39 Essex Street  
Benjamin Tankel, 39 Essex Street  
Jack Holborn, 39 Essex Street  
Edmund Nourse, One Essex Court  
Michael Fealy QC, One Essex Court



**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:

Tim Pitt-Payne QC, 11KBW  
Naomi Cunningham, Outer Temple  
Robin White, Old Square  
Desmond Rutledge QC, Garden Court Chambers  
Sally Robertson, Cloisters  
Rhoddy Chalmers

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 2013-2014 were:

Interim CEO	Lindsey Poole (from 1 April 2013)
CEO	Jon Woolf (from 1 October 2013)
Interim CEO	Ann Lewis (from 3 February 2014)
Principal Legal Officers	Michael Reed, Emma Baldwin
Assistant Legal Officers	Matthew Jackson (September 2012 – August 2013) Andrew Watson (September 2012 – August 2013) Adam Ross (from September 2013) Ella Davis (from September 2013)
Fundraiser (part-time)	Rebecca Wilkinson (June 2013 – February 2014)
Office Manager	Sharon Sneddon
Administrator	Jessica Harris (August 2012 – January 2014) Lauren O'Driscoll (from March 2014)
Accountant (part-time)	Bosedede Babalola

Signed:



George Miller, Management Committee Chair

Date: 22nd September 2014

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 2014. 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 and 17 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 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 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.

### Financial performance

Incoming resources for the year were £454,596 (2013 – £490,441). Outgoing resources totalled £406,602 (2013 – £441,094). This results in net incoming resources of £47,994 (2013 – £49,347).

### 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 months expenditure are necessary.

The balance sheet shows total reserves of £253,946 (2013 – £205,952) of which £28,604 (2013 - £32,479) is restricted.

Unrestricted reserves are thus £225,342 (2013 - £173,473). 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 £188,269 (2013 - £135,544); 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 2014, except where shown.

Trustee	Appointed/Resigned
Nigel Giffin QC (Joint senior trustee)	
Sean Jones QC (Joint senior trustee)	
John McCaughran QC (Senior trustee)	resigned May 2013
Jennifer Eady QC	
Sean Wilken QC	resigned October 2013
Fenella Morris QC	
Michael Fealy QC	

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

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 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.

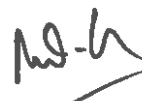
The trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Signed on behalf of the trustees:



Sean Jones QC  
Joint Senior Trustees

Date: 17/9/14



Nigel Giffin QC

18 September 2014

**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 2014, which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the 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 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 2014 and of its incoming resources and application of resources for the year then ended;

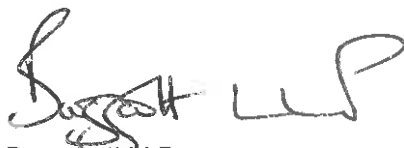
**Opinion on the financial statements (continued)**

- ◆ 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

29 September 2014

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 2014

	Notes	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	323,982	34,000	357,982	407,664
. Investment income		399	—	399	240
Incoming resources from charitable activities					
	2	96,215	—	96,215	82,537
<b>Total incoming resources</b>		<b>420,596</b>	<b>34,000</b>	<b>454,596</b>	<b>490,441</b>
<b>Resources expended</b>					
Cost of generating funds					
. Cost of generating voluntary income	3	22,482	405	22,887	48,523
Charitable activities					
. Legal representation to those in need	3	334,084	37,470	371,554	377,036
Governance costs	3	12,161	—	12,161	15,535
<b>Total resources expended</b>		<b>368,727</b>	<b>37,875</b>	<b>406,602</b>	<b>441,094</b>
<b>Net incoming (outgoing) resources</b>		<b>51,869</b>	<b>(3,875)</b>	<b>47,994</b>	<b>49,347</b>
<b>Net movement in funds</b>		<b>51,869</b>	<b>(3,875)</b>	<b>47,994</b>	<b>49,347</b>
<b>Fund balances brought forward at 1 April 2013</b>		<b>173,473</b>	<b>32,479</b>	<b>205,952</b>	<b>156,605</b>
<b>Fund balances carried forward at 31 March 2014</b>		<b>225,342</b>	<b>28,604</b>	<b>253,946</b>	<b>205,952</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 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	5		61,380		70,336
<b>Current assets</b>					
Debtors		3,593		2,259	
Debtors (amounts falling due after more than one year)		12,240		12,240	
Prepayments and accrued income		68,587		37,544	
Cash at bank and in hand		146,875		135,415	
		<u>231,295</u>		<u>187,458</u>	
Creditors, accruals and deferred income	6	<u>(38,729)</u>		<u>(51,842)</u>	
<b>Net current assets</b>			<b>192,566</b>		<b>135,616</b>
<b>Total net assets</b>			<u><b>253,946</b></u>		<u><b>205,952</b></u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Restricted funds	7		28,604		32,479
Unrestricted funds					
. Designated funds	8		37,073		37,929
. General funds			188,269		135,544
			<u>253,946</u>		<u>205,952</u>

Approved by the trustees  
and signed on their behalf by:



Sean Jones QC  
Joint Senior Trustees



Nigel Giffin QC

18 September 2014

Date: 17/9/14

### **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 2014

### **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 £	2014 Total funds £	2013 Total funds £
Donation received:				
· Bar Council <sup>1</sup>	64,800	—	64,800	64,800
· Inns of Court	60,000	—	60,000	51,000
· Linklaters LLP	37,000	—	37,000	62,000
· Individuals	60,518	—	60,518	60,588
· Freshfields Bruckhaus Deringer LLP	5,000	—	5,000	10,000
Employment Lawyers Association	20,000	—	20,000	20,000
London Legal Support Trust	29,804	—	29,804	33,006
Trust for London	—	34,000	34,000	19,833
Individuals' sponsored activities	18,168	—	18,168	12,935
Inns of Court & Bar Educational Trust	6,000	—	6,000	6,000
Clients	680	—	680	2,540
Trusts	—	—	—	3,500
Income received under standing order from individuals and sets of chambers	19,388	—	19,388	21,380
40 <sup>th</sup> Anniversary dinner	—	—	—	36,900
Other	596	—	596	860
<b>Total donations</b>	<b>321,954</b>	<b>34,000</b>	<b>355,954</b>	<b>405,342</b>
Tax repayment under Gift Aid	2,028	—	2,028	2,322
	<b>323,982</b>	<b>34,000</b>	<b>357,982</b>	<b>407,664</b>

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

**2 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Training of potential volunteers	78,440	—	78,440	67,548
Subscriptions from referral agencies	13,375	—	13,375	10,589
Payments by Law Schools ('FRU option')	4,400	—	4,400	4,400
	<b>96,215</b>	<b>—</b>	<b>96,215</b>	<b>82,537</b>

Notes to the financial statements 31 March 2014

3 Resources expended

	Generating voluntary income		Legal representation		Governance		Total	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Fundraising costs								
40 <sup>th</sup> Anniversary dinner	4,335	—	—	—	4,335	—	4,335	3,066
	—	—	—	—	—	—	—	26,117
	4,335	—	—	—	4,335	—	4,335	29,183
Staff costs								
. Wages and salaries	9,300	—	172,888	21,975	3,715	—	207,878	215,182
. Social security costs	914	—	17,000	2,002	364	—	20,280	20,581
. Recruitment costs	227	—	4,306	—	97	—	4,630	—
	10,441	—	194,194	23,977	4,176	—	232,788	235,763
General expenditure								
. Depreciation	674	405	12,803	7,695	—	—	8,100	24,440
. Loss on disposal	59	—	1,120	—	—	—	1,179	—
. Premises	3,984	—	74,060	908	—	—	78,044	77,494
. Office move	—	—	—	—	—	—	—	—
. Office running	2,062	—	35,928	3,259	—	—	3,259	—
. Library	488	—	8,497	771	—	—	771	44,389
. Other	439	—	7,482	860	—	—	860	15,121
	7,706	405	139,890	13,493	—	—	147,596	3,604
Auditor's remuneration								
. Current year Audit fee	—	—	—	—	7,085	—	7,085	6,840
. Current year other services	—	—	—	—	—	—	—	1,200
. Prior year Audit fee	—	—	—	—	900	—	900	2,000
. Prior year other services	—	—	—	—	—	—	—	1,060
	—	—	—	—	7,985	—	7,985	11,100
<b>Total</b>	<b>22,482</b>	<b>405</b>	<b>334,084</b>	<b>37,470</b>	<b>12,161</b>	<b>—</b>	<b>368,727</b>	<b>406,602</b>
								<b>441,094</b>

No employee earned £60,000 or more (including benefits) during the current or previous year. The average number of employees was 8 (2013 – 8). No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2013 - £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 this falls within the various exemptions available to registered charities. FRU is not registered for VAT.

#### 5 Tangible fixed assets

	Leasehold improve- ments £	Computer equipment and software £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2013	28,168	100,715	39,031	167,914
Additions	—	11,580	2,220	13,800
Disposals	—	(64,688)	(3,728)	(68,416)
At 31 March 2014	28,168	47,607	37,523	113,298
<b>Depreciation</b>				
At 1 April 2013	5,634	81,020	10,924	97,578
Charge for the year	5,634	8,731	7,212	21,577
Disposals	—	(64,688)	(2,549)	(67,237)
At 31 March 2014	11,268	25,063	15,587	51,918
<b>Net book values</b>				
At 31 March 2014	16,900	22,544	21,936	61,380
At 31 March 2013	22,534	19,695	28,107	70,336

#### 6 Creditors, accruals and deferred income

	2014 Total funds £	2013 Total funds £
Other creditors	2,440	11,503
Accruals	30,542	28,707
Deferred income	5,747	11,632
	38,729	51,842

#### 7 Restricted funds

	At 1 April 2013 £	Incoming resources £	Resources expended £	At 31 March 2014 £
Trust for London	72	34,000	29,775	4,297
Office move	32,407	—	8,100	24,307
	32,479	34,000	37,875	28,604

## 8 Designated funds

	At 1 April 2013 £	Incoming resources £	Resources expended £	At 31 March 2014 £
Fixed asset fund	37,929	—	856	37,073

The fixed asset fund represents the net book value of the charity's unrestricted fixed assets as at 31 March 2014 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

## 9 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>Fund balances at 31 March 2014 are represented by:</b>				
Fixed assets	37,073	24,307	61,380	70,336
Current assets	221,331	9,964	231,295	187,458
Creditors, accruals and deferred income	(33,062)	(5,667)	(38,729)	(51,842)
<b>Total</b>	<b>225,342</b>	<b>28,604</b>	<b>253,946</b>	<b>205,952</b>

## 10 Commitments

### *Lease commitments – operating leases*

At 31 March 2014, the charity had annual commitments under non-cancellable operating leases as follows.

	2014 £	2013 £
Operating leases which expire:		
. Before one year	639	—
. Within two to five years	57,412	46,918

### 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](mailto:office.manager@thefru.org.uk).

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List of donors 31 March 2014

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