

**Free  
Representation  
Unit**

**Annual Report and Financial  
Statements**

Year to 31 December 2023

Charity Registration Number  
1183592 (England)  
Company Registration Number  
11732557 (England and Wales)

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## Legal and administrative information

<b>Patrons</b>	The Rt Hon Lady Arden of Heswall The Rt Hon Lady Black of Derwent The Rt Hon Lord Clarke of Stone-cum-Ebony The Rt Hon Baroness Hallett The Rt Hon Lord Judge (to 8 November 2023) The Rt Hon Lord Phillips of Worth Matravers The Secret Barrister
<b>Trustees</b>	Sean Jones KC Michael Fealy KC Fenella Morris KC Alison Padfield KC (resigned 31 December 2023) Sarah Bergstrom (appointed 12 February 2024)
<b>Chief Executive and Company Secretary</b>	David Abbott
<b>Registered address</b>	10/11 Gray's Inn Square, Gray's Inn, London, WC1R 5JD
<b>Telephone</b>	020 7611 9555
<b>Website</b>	<a href="http://www.thefru.org.uk">www.thefru.org.uk</a>
<b>Charity registration number</b>	1183592
<b>Company Registration Number</b>	11732557
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Unity Trust Bank plc 9 Brindleyplace Birmingham B1 2HB

### **The sad loss of a valued patron**

We were saddened to hear the news on 8 November that FRU patron Baron Igor Judge had died. It was particularly poignant because we were together that day to celebrate FRU's 50<sup>th</sup> anniversary. Lord Judge was Lord Chief Justice of England and Wales, the head of the judiciary, from 2008 to 2013. He was previously the Senior Presiding Judge and President of the Queen's Bench Division.

We were honoured to have such a senior judicial figure as Lord Judge as one of our patrons. Lord Judge was a friendly, kind and encouraging presence. We send our condolences to his friends and family and are grateful for his patronage.



***Former FRU Patron Lord Judge***

### **FRU trustee changes**

Grateful thanks must go to Alison Padfield KC who stepped down as a FRU trustee on 31 December 2023. Alison had been with us since 2017 and so she helped to steer us through challenging financial periods and through the Covid-19 pandemic. Alison has been a hands-on trustee, contributing to FRU training for new volunteers, making funding applications, securing career advice for volunteers, representing us to senior stakeholders and even undertaking the London Legal Walk to raise funds. Thank you to Alison for all her hard work and support over the last six years. Alison is replaced as the Bar Council's nominated trustee by Sarah Bergstrom, a barrister who works at HM Courts & Tribunals Service. We are delighted that Sarah has come on board, not least because she is also a trustee of one of our referral agencies, South West London Law Centres.

### **FRU's work**

As always, our staff team and volunteers remained busy representing clients. Employment Tribunal (ET) case referrals remained high, and we were only able to represent around one quarter of the cases referred to us. More cases came to us via our referral agency partners than by self-referral, and we will continue to explore how we can increase the number of cases that can reach us directly from clients. We secured tribunal awards of £119,328 and negotiated settlements worth £261,573, plus an additional £165,000 for a group claim brought on behalf of 15 claimants. These numbers only tell part of a much broader story: they do not, for example, capture unsuccessful tribunal claims or cases in which FRU's retainer covered representation at a preliminary hearing but not at a final hearing.

**FRU's work** (continued)

FRU volunteers represented clients in dozens of ET hearings, but also at some important Employment Appeal Tribunal (EAT) hearings which have established important points of law for the benefit of all UK workers. We have been greatly assisted in this regard by the selfless contributions of volunteer barristers, pupils, and experienced student volunteers. A particularly notable EAT case was *Moustache v Chelsea and Westminster NHS Foundation Trust* [2022] EAT 204 where the client was represented by a pupil barrister volunteer. The case clarified the extent of a tribunal's duty to consider and adjudicate claims brought by a litigant-in-person which had not been identified by the tribunal at a case management hearing, explicitly recognising the difficulties which unrepresented claimants may have in navigating the litigation process when unrepresented. Other cases included *Kingdom of Spain v Lorenzo* [2023] EAT 153, an appeal which may prompt future reconsideration of a landmark Supreme Court judgment about state immunity. Both cases are set for hearings in the Court of Appeal in 2024/25.

Other notable EAT cases included *Ion v Citu Manufacturing Ltd* [2023] EAT 151 (procedural issues with tribunal interpreters), *Jackson v The University Hospitals of North Midlands NHS Trust* [2023] EAT 102 (clarification of circumstances in which unilateral changes to an employee's contract will amount to dismissal), and *The Sports PR Company Ltd v Ms Valentina Londono Cardona* [2023] EAT 110, in which former FRU ALO Helen Moizer successfully defended a Respondent's appeal about extension of time limits.

The employment team continued working closely alongside Advocate to provide Employment Appeal Tribunal advocacy through the Employment Representation Service (EARS). In addition to the FRU basic volunteer training, we also offered established volunteers additional training through guest speakers, including prominent members of the Employment Bar. FRU contributed to the Employment Lawyers' Association consultation on the reform of the EAT Rules and EAT Practice Direction 2023, feeding the experience of our client group into the MOJ's widespread reform proposals. Principal Legal Officer Emma Wilkinson sits on the Committee of the Employment Law Bar Association and feeds back our experience, as well as that of our client groups, into meetings of the ET and EAT tribunal user group, and the Employment Lawyers Advice Network.

Over the course of 2023, we represented benefit claimants in around 200 hearings at the First-tier Tribunal in social security and criminal injuries compensation cases. We secured hundreds of thousands of pounds in tribunal awards on those claimants' behalf. For the most part, these were disability benefit appeals, but they also included complex overpayment and right to reside appeals at the cutting edge of social security law: e.g. the entitlement of destitute EEA nationals with pre-settled status to means-tested benefits, and DWP "risk review" appeals which have prompted significant national press coverage about the use of algorithms in social security adjudication.

During this period, we also represented claimants in the Upper Tribunal and the Court of Appeal. The work we do at this level, challenging and clarifying this important area of law, can affect the day-to-day life of thousands of people up and down the country, some of whom are among the most vulnerable in society. We would be unable to do this complex work without the contributions of volunteer barristers who assist us pro bono, to whom we are immensely grateful.

**FRU's work** (continued)

Notable appeals in 2023 included a case about the classification of Universal Credit's child element as a coordinated EU benefit and the scope of the post-Brexit power of UK courts and tribunals to refer EU law issues to the European Court of Justice (*Simkova v SSWP*), and a test case concerning the lawfulness of the exclusion of unmarried couples from entitlement to bereavement benefits (*Kelly v SSWP*). FRU has worked on many of the key authorities underpinning both appeals and continued to play an important background role as those cases went up to the Court of Appeal. The Court of Appeal judiciary recently paid tribute to FRU in these terms:

"The willingness of the profession and of bodies such as the FRU to provide support and representation in cases such as this which raise important points of principle is of singular importance to the Courts and to the furtherance of justice."

Our criminal injuries compensation work at First tier and Upper Tribunal included human rights challenges to provisions of the Criminal Injuries Compensation Scheme 2012, and an appeal which has clarified the definition of 'spiking' offences as crimes of violence for compensation claims.

**50<sup>th</sup> anniversary event**

2022 marked 50 years since FRU was set up by a small number of law students. We started celebrating the anniversary towards the end of 2021 and concluded the celebrations with a high profile event during National Pro Bono Week in November.

Longstanding supporter 39 Essex chambers kindly allowed us to use its function space to host an evening of speeches followed by a drinks reception. We were honoured to hear from Lady Ingrid Simler DBE PC the week before she took up her appointment as a Supreme Court Justice and from Lord Justice Nicholas Underhill, the Vice President of the Court of Appeal (Civil Division). Both spoke warmly about their experience as FRU volunteers, and of the value placed on FRU's work by the judiciary. The other speakers included Professor Emeritus Roger Burridge, Lord John Hendy KC and David Guy who were amongst the founding members of FRU, barrister and former FRU legal officer Naomi Cunningham and FRU patron the Secret Barrister (whose contribution was relayed by Principal Legal officer Emma Wilkinson). Our trustee Sean Jones KC was the host.

The event was a wonderful way to mark the fantastic work undertaken by generations of FRU staff and volunteers, and the esteem with which we are viewed by the profession. A welcome bonus was that the event raised £10,000 to support our work through ticket sales and sponsorship by our suppliers KCS Ltd and Ethos Communications.

We are grateful to everyone who spoke and attended the celebration for their support.



***Supreme Court Justice Dame Ingrid Simler speaks of the value of FRU's work.***



***FRU founders Lord John Hendy, David Guy and Prof Roger Burridge explain to Sean Jones KC why they created FRU.***

### **Engagement with stakeholders**

In March we responded to a consultation commissioned by the Senior President of Tribunals on how to exercise new powers to determine how many members each Employment Tribunal should be composed of. The proposal was that more tribunals should consist of an employment judge sitting alone. Our consultation response argued that in many cases the contribution of non-legal panel members remains important, and necessary. We said that the increased legalisation of Employment Tribunals leads to the need for a better understanding of the realities of the workplace and in our view this is provided through the judicial insight of the panel members.

We always look for opportunities to feed in to the policy development process on the basis of the views and needs of our clients.

In June we collaborated with the Bar Council, the Bar Association for Commercial, Finance & Industry, Advocate, the In-House Pro Bono Group and the Government Legal Department. The partnership produced a guide to pro bono for the employed Bar. The guide was produced to explain the benefits of pro bono to employed barristers, and to give practical information on how to get involved. We all see the employed Bar as being a significant untapped resource where barristers with relevant skills and experience can increase the help offered to clients in great need.

The British Embassy in Turkey asked us whether we could host a delegation of judges and academics from the Turkish Ministry of Justice. The visit was postponed due to the terrible earthquake experienced in Turkey in February but went ahead in July. The delegation had identified FRU's model as being of interest in terms of expanding access to justice in Turkey. The delegation heard from members of our staff team about their motivation for and experience of working with FRU. They were particularly interested to hear the experience of Linklaters LLP secondee Eloise Lloyd about the benefits of a FRU secondment as part of a training contract, and legal officers Daniel Hallstrom and James Miller on how FRU volunteering can assist pupillage applications.



***FRU CEO David Abbott and Principal Legal Officer Emma Wilkinson with the delegation of judges and officials from the Turkish Ministry of Justice.***

## **Supporters**

### ***The Bar Council***

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

Thanks go to longstanding friend of FRU Nick Vineall KC the Bar Council Chair during this reporting period and to the Bar Council Chief Executive Malcolm Cree CBE and all his colleagues.

### ***The Inns of Court***

All four Inns of Court support our work by providing grants and by promoting our activities with their student members. Together the Inns are our largest source of income, and their support is invaluable. I was pleased to meet with three of the four Sub/Under-Treasurers during the year to discuss our mutual priorities. Together with colleagues from Advocate we are looking for ways to work more closely with the Inns in future to promote the value of pro bono to their members from the beginning of their legal careers.

## **Support from other organisations**

### ***Chambers***

Much of our support comes from barristers' chambers. We attract support from across the Bar and are very grateful both for the fundraising events in our name and for the regular contributions we receive. This year we received donations from 1 Crown Office Row, 5RB through its quiz night, 11 King's Bench Walk, 12 King's Bench Walk, 39 Essex Chambers, One Essex Court, Devereux chambers, Garden Court Chambers, Keating Chambers, Serle Court and South Square chambers.



**Support from other organisations** (continued)

***Chambers*** (continued)

Many chambers also complete the London Legal Walk and nominate FRU and Advocate to receive the proceeds, for which we are grateful.

***Specialist Bar Associations***

We have been fortunate to receive donations from COMBAR the commercial bar association and the Chancery Bar Association for many years now. Our thanks go to the members of both associations for supporting access to justice.

***Grants from Charitable trusts***

Income from charitable trusts is important in terms of the size and regularity of grants. 2023 marks the final year of our five year grant programme from the City Bridge Trust which is associated with the Corporation of the City of London. Being able to count on guaranteed income for five years is a real benefit in planning our service. The Trust is a generous supporter, and offers access to non-financial help and opportunities in addition to the grant income.

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

During the year we received news that our application to the Trust for London for three-year's project funding was successful. The project is to increase access to representation in the employment and social security tribunal. The project has three stands; to cover the cost of an additional assistant legal officer post to directly enable more cases to be taken, to improve the FRU website to provide a better service to clients and referral agencies and to fund research into the fall in the number of referrals for representation in the social security appeal tribunal since the Covid-19 pandemic. The decline in these referrals has also been experienced by other agencies that offer that service and the cause is not apparent. The research findings will be used to identify any opportunities for FRU to change our referral model or practices so that clients find it easier to access representation. We will also share the findings across the advice, pro bono and academic sectors to promote wider learning. Trust for London has supported our service in the past and we are grateful for this long-term investment. The first project deliverable was the appointment of Jamie Miller to the ALO position in July 2023.

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

***Linklaters LLP***

FRU has continued our excellent relationship with Linklaters, and we were delighted to once more host a Linklaters' trainee solicitor, Eloise Lloyd, who represented clients and assisted with the wider work of the Unit for six months. Several Linklaters' staff took on cases pro bono during the year.

**Support from other organisations** (continued)

***Linklaters LLP*** (continued)

Linklaters is also extremely generous in its financial support, being the largest donor among firms and chambers. This year in addition to the annual donation it kindly funded the additional costs of having two audits due to our constitutional changes in 2022 and enabled us to purchase additional laptops for staff.

***Individuals***

As always, we benefit from the financial support of hundreds of individuals throughout the year. Thanks go to all those who ran, walked or cycled for FRU. We are grateful to Fermin Illana, Javi Gato, Jose Luis Calvo de Miguel and Rad Kohanzad for completing the London Marathon in 2023 to raise funds for FRU. Jose Almeida also completed the Ride London 100-mile cycle event for a second time.

A special mention must be made of incredible FRU fundraiser Holly Stout who has completed three huge events to raise over £8,000 to support our service. Holly has completed Swim the Serpentine (twice!), the London Marathon and Ride London to achieve what is known as the London Classics. Over a number of years this has involved Holly swimming, running and cycling 130 miles to support our service. Completing these events for FRU makes Holly the individual fundraiser who has raised the highest amount of money for FRU in our history.



***Super fundraiser Holly Stout with her London Classics medals.***

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

It is striking that 60% of our individual donors are Kings Counsel, 10% are Court of Appeal or High Court judges and 3% are Circuit Judges. This demonstrates the impact that gaining a firm foundation in practice has on a legal career and also the generosity of those who are successful in 'paying it back' to those who are now starting out.

**Support from other organisations** (continued)

***City University***

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

***Other support***

Our friends at the leading legal website The Lawyer again invited us to be the charity partner for the prestigious The Lawyer Awards in 2023, raising over £19,000. We are hugely grateful for the support for our service demonstrated by The Lawyer since 2020.

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

This year we received invaluable pro bono support from Stand Communications, a professional communications consultancy. Stand provided marketing support for our 50<sup>th</sup> anniversary celebration event, helping to build a high profile for the event. Our thanks go in particular to Founder Laura Olifant, Director Grace French and Digital Strategist Marco Savo. We look forward to working again with Stand.

Thanks go to our auditors, Buzzacott LLP for their professional and helpful advice. Thanks also go to YESS Law for their assistance with training volunteers.

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

They include:

Joshua Yetman - 7 Bedford Row  
Toby Brown - South Square  
Tom de la Mare KC - Blackstone  
Georgina Churchouse - Littleton  
Georgie Rea - Garden Court  
Jack Castle - Henderson  
Matthew Jackson - Cloisters  
Lameesa Iqbal - Doughty Street  
Chris Buttler KC - Matrix

Karon Monaghan KC –  
Matrix Jeffrey Jupp KC - 7BR  
Andrew Edge - 11KBW  
Josephine Fathers - Garden Court  
Robin Pickard - 3PB  
Helen Moizer - No18 Chambers  
Paul Skinner – Matrix  
Michael Salter - 42 Bedford Row.

**Support from other organisations** (continued)

***Other support*** (continued)

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 service can't meet the needs of all the people who need free legal representation. Our legal team do all that they can to maximise the number of clients who are represented and to give amazing support to our volunteers. Our support team also work hard to provide the infrastructure for the legal work to be successfully delivered. Staff often work beyond their paid hours, and I am very grateful for their passion and dedication to our mission.

It was pleasing to see that Daniel Hallstrom one of our Assistant Legal Officers secured an offer of pupillage at Old Square Chambers from 2024 and Helen Moizer, one of our Assistant Legal Officers until 2022, secured tenancy at No. 18 Chambers in Southampton in 2023.

We have been fortunate to retain 6-month placements of trainee solicitors from Linklaters LLP, and during this period Eloise Lloyd made a significant contribution to our work in her relatively short time with us before she qualified as a solicitor.

Our staff members during 2023 were:

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

Finally, I would like to thank FRU's trustees during 2023 Sean Jones KC, Michael Fealy KC, Alison Padfield KC and Fenella Morris KC for their support and guidance over the year.

Signed:



David Abbott

Chief Executive

Date: 9 July 2024

The trustees present their report together with the financial statements of The Free Representation Unit ("FRU" or "the Unit") for the year to 31 December 2023. This report has been prepared in accordance with Part 8 of the Charities Act 2011 and serves as the report of the Directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 27 of the attached financial statements and comply with the Unit's constitution, the law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015.

## **OBJECTIVES AND ACTIVITIES**

### **What we do**

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

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

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

### **Applicants to the Tribunal**

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

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

### **FRU Volunteers**

FRU was founded in 1972 by Bar Students who wanted to provide aspiring lawyers with real experience of advocacy and who wanted vulnerable claimants to have free representation. 50 years on, FRU provides up to 700 training places annually for potential volunteers who are law students and graduates and junior lawyers from both branches of the profession, who gain valuable experience of client handling, case management and advocacy in a real court.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Public benefit**

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

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

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

## **ACHIEVEMENTS AND PERFORMANCE**

FRU's core activity is the provision of free representation in tribunal hearings, and training aspiring lawyers. We note the sums secured for our clients outlined above in the Chief Executive's report. Our organisation is very cost effective, and it is possible that each year we obtain up to four times our running costs in tribunal awards and negotiated settlements. Our clients clearly benefit from having that income and securing their rights, so do our volunteers who develop their legal skills, the justice system benefits from reducing the number of litigants in person and so does wider society through support for the rule of law. The trustees would like to thank the staff for their hard-work, dedication and adaptability in delivering these excellent results.

It was pleasing to see a wonderful turnout on 8 November for our 50th anniversary celebration. Particular thanks must go to Lady Ingrid Simler, Sir Nicholas Underhill, Professor Emeritus Roger Burridge, Lord John Hendy KC, David Guy, Naomi Cunningham and the Secret Barrister for speaking at the event. As trustees we were proud to hear about the impact of FRU's work over 50 years on both our volunteer's and our client's lives. It was uplifting to hear so many accounts of the esteem with which FRU as an organisation is viewed from the highest levels of the justice system.

## **FINANCIAL REVIEW**

### **Results for the period**

Care should be taken when comparing results for the year to 31 December 2023 with the year to 31 December 2022. We made our governance changes in 2022 and the transfer of activity from the FRU unincorporated association to the FRU incorporated company took place as of 1 August 2022. The reported results in the 2022 annual report and accounts were only for a five month period from 1 August to 31 December.

Income for the period was £496,710 (2022: £206,428). Expenditure totalled £505,139 (2022: £204,855). This results in a deficit position of £8,429 (2022: £1,573 in surplus). There was also a transfer from the unincorporated entity of £nil (2022: £169,743).

We are finding it harder to raise the funds required to maintain our service post pandemic. Applications for grants from trusts are frequently oversubscribed and we receive the message that we met the criteria but there were insufficient funds available to meet all eligible bids. We will continue to explore new funding sources, maximise income from existing sources and minimise all discretionary expenditure.

In this environment it is all the more important that we celebrate and value those who support us so generously. We particularly thank Dr Catrin Griffiths, editor of The Lawyer magazine for appointing FRU as the charity partner for The Lawyer awards again in 2023.

### **Reserves policy and financial position**

It is the policy of the trustees to ensure that the organisation maintains adequate free reserves to meet its charitable obligations while maintaining adequate reserves to allow operations to continue if there is a short term downturn in income or increase in expenditure. The trustees consider that it would take three to six months to identify a material change of this nature and to find the necessary funds or adjust expenditure, and that therefore reserves of at least three months expenditure are necessary. This equates to approximately £120,000.

The balance sheet shows £162,887 (2022: £171,316) total reserves. Of this balance £11,000 (2022: £nil) is restricted and a further £7,208 (2022: £7,064) is designated. Free reserves at 31 December 2023 totalled £144,679 (2022: £164,252) and are therefore in line with the reserves policy.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Organisation**

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

The assets of the FRU unincorporated association were transferred to this entity from 01 August 2022, i.e. before the period covered by this report.

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

### **Organisation** (continued)

Trustees will be appointed following an open competition. The existing trustees and CEO will identify the skills, experience and knowledge required to drive success for the future and meet the obligations of an effective trustee. These criteria will include experience of the areas of law covered by FRU, understanding needs of minority communities and/or people with additional needs and qualification and/or experience of financial or human resource management. Applications will be objectively assessed against these criteria and the most suitable applicants appointed.

There will be a structured induction process, based on a modular approach. Modules will cover key information and background about FRU's role and model, our finances, staff profile, stakeholders and client profile. It will also cover trustee responsibilities and regulatory requirements, drawing on material produced for trustees by the Charity Commission. This approach to induction was successfully piloted for the induction of Sarah Bergstrom.

### **Key management personnel**

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

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

### **Risk management**

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

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

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



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

### **Risk management** (continued)

To mitigate these risks the charity undertakes a range of actions including regularly reviewing trends in the number, type and source of referrals, reviewing other areas of law and legal representation which could be taken on, reviewing channels for referrals, gathering information about stakeholder satisfaction, ensuring that all expenditure provides value for money and identifying ways of working that meet need and provide assurance to funders that FRU is efficient and effective. An example of this risk mitigation is the identification of changes to the number of social security tribunal cases referred to FRU for representation. The understandable reduction during the height of the COVID-19 pandemic has been followed by a slow increase that has not seen a return to previous levels. Because the reasons for this are unclear we have secured funding for a research project. This will identify the underlying causes but also enable us to identify whether there are any barriers to referrals we can remove and even whether we may need to identify other priority legal areas to develop into to meet our charitable objectives.

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

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

### **Future plans**

During the forthcoming year we will:

- ◆ Induct our new trustees and begin work on a three-to-five-year strategy to secure and develop our work during that period.
- ◆ Continue our plans to widen the funding base for our work. We will work with existing funders to make the case for additional resources and identify new organisations to support us.
- ◆ Focus in particular on delivering the project funded by Trust for London. This project includes upgrading the FRU website to provide a better experience for stakeholders, conducting research into client needs for social security tribunal representation so that we can improve our service and continuing the important work of an assistant legal officer to train volunteer advocates and take on additional cases.
- ◆ Submit evidence and views about the experience of our clients to judicial and government policy consultations to prevent future issues.
- ◆ Manage our resources effectively and meet all governance and regulatory requirements.

### **Trustees**

The following trustees (who are the directors of the company for the purposes of company law) were in office at the date of approval (except where shown) of the financial statements and served throughout the year ended 31 December 2023.

<b>Trustee</b>	<b>Appointed / resigned</b>
Michael Fealy KC	
Sean Jones KC	
Fenella Morris KC	
Alison Padfield KC	Resigned 31 December 2023

The Chair of the General Council of the Bar (Bar Council) appointed Alison Padfield KC as a trustee under the terms of clause 26.3 of the Articles of Association. Alison stepped down at the end of this reporting period and the remaining trustees are grateful to Alison for her hard work and advocacy on behalf of the organisation since she joined in 2017. We look forward to working with her successor, Sarah Bergstrom in the future.

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

### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Company law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement of trustees' responsibilities** (continued)

Each of the trustees confirms that:

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

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

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

Signed on behalf of the trustees:

  
S Bergstrom (Sep 27, 2024 13:00 GMT+1)

S Bergstrom

Date: 27/09/2024

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

### **Opinion**

We have audited the financial statements of Free Representation Unit (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

**Other information** (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibilities of trustees** (continued)

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

***How the audit was considered capable of detecting irregularities including fraud***

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

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

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

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

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

***How the audit was considered capable of detecting irregularities including fraud***  
(continued)

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Alison Pyle (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
Date: 30 September 2024

**Statement of Financial Activities** Year ended 31 December 2023  
(incorporating an income and expenditure account)

		Un- restricted funds £	Restricted funds £	Year ended 31 December 2023 Total funds £	Un- restricted funds £	Restricted funds £	Period from 1 August 2022 to 31 December 2022 Total funds £
Notes							
<b>Income from:</b>							
Donations	1	389,206	54,500	443,706	168,115	6,513	174,628
Charitable activities							
. Legal representation of those in need	2	52,990	—	52,990	31,800	—	31,800
Investment income		14	—	14	—	—	—
<b>Total income</b>		<b>442,210</b>	<b>54,500</b>	<b>496,710</b>	<b>199,915</b>	<b>6,513</b>	<b>206,428</b>
<b>Expenditure on:</b>							
Raising funds							
. Raising donations	3	21,643	—	21,643	7,763	—	7,763
Charitable activities							
. Legal representation of those in need	3	439,996	43,500	483,496	189,120	7,972	197,092
<b>Total expenditure</b>		<b>461,639</b>	<b>43,500</b>	<b>505,139</b>	<b>196,883</b>	<b>7,972</b>	<b>204,855</b>
<b>Net (expenditure) income before transfers</b>		<b>(19,429)</b>	<b>11,000</b>	<b>(8,429)</b>	<b>3,032</b>	<b>(1,459)</b>	<b>1,573</b>
<b>Transfer from Unincorporated entity</b>	16	—	—	—	168,284	1,459	169,743
<b>Net movement in funds</b>		<b>(19,429)</b>	<b>11,000</b>	<b>(8,429)</b>	<b>171,316</b>	<b>—</b>	<b>171,316</b>
<b>Reconciliation of funds:</b>							
<b>Fund balances brought forward</b>		<b>171,316</b>	<b>—</b>	<b>171,316</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances carried forward</b>		<b>151,887</b>	<b>11,000</b>	<b>162,887</b>	<b>171,316</b>	<b>—</b>	<b>171,316</b>

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

All of the above results are derived from continuing activities.



# **Balance Sheet** Year ended 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	7		<b>7,208</b>		7,064
<b>Current assets</b>					
Debtors	8	<b>47,989</b>		10,399	
Cash at bank and in hand		<b>160,036</b>		200,515	
		<b>208,025</b>		210,914	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	9	<b>(52,346)</b>		(46,662)	
			<b>155,679</b>		164,252
<b>Net current assets</b>					
<b>Total net assets</b>			<b>162,887</b>		<b>171,316</b>
<b>The funds of the charity:</b>					
Restricted funds	10		<b>11,000</b>		—
Unrestricted funds					
. Designated funds	11	<b>7,208</b>		7,064	
. General funds		<b>144,679</b>		164,252	
			<b>151,887</b>		171,316
			<b>162,887</b>		<b>171,316</b>

Approved by the trustees  
and signed on their behalf by:

  
[S Bergstrom \(Sep 27, 2024 13:00 GMT+1\)](#)

Sarah Bergstrom  
Trustee

Date: 27/09/2024

Company registration number: 11732557 (England and Wales)

## **Principal accounting policies** Year ended 31 December 2023

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

### **Basis of preparation**

These financial statements have been prepared for the year ended 31 December 2023. The comparatives are for the period from 1 August 2022 to 31 December 2022.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

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

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

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ the basis on which the support costs are allocated across the various categories of charitable expenditure; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

### **Assessment of going concern**

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

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**

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

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

- ◆ Expenditure on raising funds includes staff costs associated with fundraising, and an allocation of support costs.

**Expenditure recognition** (continued)

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

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

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

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

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

**Cash flow**

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

**Tangible fixed assets**

All assets costing more than £100 are capitalised.

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

- |                                   |   |
|-----------------------------------|---|
| ◆ Leasehold improvements          | On a straight line basis over the life of the lease |
| ◆ Office equipment                | 25% on a reducing balance basis                     |
| ◆ Computer equipment and software | 33% on a reducing balance 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 financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

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

**Fund accounting**

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

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

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

**Leased assets**

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

**Pension costs**

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

**1 Donations and other financial support**

	Un-restricted funds £	Restricted funds £	2023 Total funds £
Donations received:			
. Bar Council <sup>1</sup>	67,400	—	<b>67,400</b>
. Inns of Court	80,000	—	<b>80,000</b>
. Linklaters LLP	25,000	25,000	<b>50,000</b>
. Individuals	40,636	—	<b>40,636</b>
. City Bridge Trust	19,750	—	<b>19,750</b>
. Essex Community	—	5,000	<b>5,000</b>
. Access to Justice	12,196	—	<b>12,196</b>
. Trust for London	—	24,500	<b>24,500</b>
Employment Lawyers Association	20,000	—	<b>20,000</b>
London Legal Support Trust	29,615	—	<b>29,615</b>
Individuals' sponsored activities	19,274	—	<b>19,274</b>
Income received under standing order from individuals and sets of chambers	48,134	—	<b>48,134</b>
Inns of Court and the Bar Educational Trust	20,000	—	<b>20,000</b>
Others	4,565	—	<b>4,565</b>
Total donations	386,570	54,500	<b>441,070</b>
Gifts in Kind	2,636	—	<b>2,636</b>
<b>2023 Total funds</b>	<b>389,206</b>	<b>54,500</b>	<b>443,706</b>

	Un-restricted funds £	Restricted funds £	Period from 1 August 2022 to 31 December 2022 Total funds £
Donations received:			
. Bar Council <sup>1</sup>	32,400	—	32,400
. Inns of Court	40,000	—	40,000
. Linklaters LLP	25,000	—	25,000
. Individuals	9,517	—	9,517
. City Bridge Trust	1,167	—	1,167
. Essex Community	—	6,513	6,513
Employment Lawyers Association	20,000	—	20,000
London Legal Support Trust	25,339	—	25,339
Individuals' sponsored activities	6,815	—	6,815
Income received under standing order from individuals and sets of chambers	6,091	—	6,091
Others	193	—	193
Total donations	166,522	6,513	173,035
Gifts in Kind	1,593	—	1,593
<b>2022 Total funds</b>	<b>168,115</b>	<b>6,513</b>	<b>174,628</b>

<sup>1</sup>The Chair of the General Council of the Bar (Bar Council) appoints at least one of the Trustees of FRU.

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2023 £
Training of potential volunteers	29,390	—	29,390
Subscriptions from referral agencies	6,350	—	6,350
Payments by Law Schools ('FRU option')	17,250	—	17,250
<b>2023 Total funds</b>	<b>52,990</b>	<b>—</b>	<b>52,990</b>

	Unrestricted funds £	Restricted funds £	Period from 1 August 2022 to 31 December 2022 £
Training of potential volunteers	16,250	—	16,250
Subscriptions from referral agencies	550	—	550
Payments by Law Schools ('FRU option')	15,000	—	15,000
<b>2022 Total funds</b>	<b>31,800</b>	<b>—</b>	<b>31,800</b>

**Notes to the financial statements** Year ended 31 December 2023

**3 Expenditure**

	Cost of raising funds				Legal representation		Governance		Total Un- restricted £	Total Restricted £	2023 Total £	Period from 1 August 2022 to 31 December 2022 Total £
	Un- restricted £	Restricted £	Un- restricted £	Restricted £	Un- restricted £	Restricted £	Un- restricted £	Restricted £				
Fundraising costs	2,808	—	—	—	—	—	—	—	2,808	—	2,808	767
Staff costs												
. Wages and salaries	11,835	—	268,668	12,947	4,736	—	—	—	285,239	12,947	298,186	111,332
. Social security costs	1,335	—	23,800	4,837	540	—	—	—	25,675	4,837	30,512	11,314
. Pension costs	2,247	—	15,895	716	2,460	—	—	—	20,602	716	21,318	7,964
	15,417	—	308,363	18,500	7,736	—	—	—	331,516	18,500	350,016	130,610
General expenditure												
. Depreciation	236	—	843	1,552	—	—	—	—	1,079	1,552	2,631	960
. Premises	629	—	77,011	—	—	—	—	—	77,640	—	77,640	28,270
. Office running	1,757	—	42,694	—	—	—	—	—	44,451	—	44,451	18,868
. Library	—	—	744	—	—	—	—	—	744	—	744	1,992
. Other	796	—	2,605	—	—	—	—	—	3,401	—	3,401	701
	3,418	—	123,897	1,552	—	—	—	—	127,315	1,552	128,867	50,791
Auditor's remuneration												
. Current year audit fee	—	—	—	—	—	15,600	—	15,600	—	15,600	15,600	15,000
. Prior year audit fee	—	—	—	—	—	7,848	—	7,848	—	7,848	7,848	7,687
	—	—	—	—	—	23,448	—	23,448	—	23,448	23,448	22,687
Total												
Allocation of governance costs	—	—	7,736	23,448	(7,736)	(23,448)	—	—	—	—	—	—
<b>2023 Total funds</b>	21,643	—	439,996	43,500	—	—	—	—	461,639	43,500	505,139	204,855



**Notes to the financial statements** Year ended 31 December 2023

**3 Expenditure (continued)**

	Cost of raising funds		Legal representation		Governance		Period from 1 August 2022 to 31 December 2022 Total £
	Un-restricted £	Restricted £	Un-restricted £	Restricted £	Un-restricted £	Restricted £	
<i>Fundraising costs</i>	767	—	—	—	—	—	767
<i>Staff costs</i>							
. Wages and salaries	4,430	—	100,571	4,558	1,773	—	111,332
. Social security costs	500	—	8,909	1,703	202	—	11,314
. Pension costs	841	—	5,950	252	921	—	7,964
	5,771	—	115,430	6,513	2,896	—	130,610
<i>General expenditure</i>							
. Depreciation	86	—	874	—	—	—	960
. Premises	229	—	28,041	—	—	—	28,270
. Office running	746	—	18,122	—	—	—	18,868
. Library	—	—	533	1,459	—	—	1,992
. Legal	—	—	—	—	—	—	—
. Other	164	—	537	—	—	—	701
	1,225	—	48,107	1,459	—	—	50,791
<i>Auditor's remuneration</i>							
. Current year audit fee	—	—	—	—	15,000	—	15,000
. Prior year audit fee	—	—	—	—	7,687	—	7,687
	—	—	—	—	22,687	—	22,687
<i>Total</i>							
Allocation of governance costs	—	—	25,583	—	(25,583)	—	—
2022 Total funds	7,763	—	189,120	7,972	—	7,972	204,855

#### 4 Staff costs and remuneration of trustees and key management personnel

One employee earned £60,000 or more (including benefits) during the year (2022 – no employees), this included pension contributions of £1,802 (2022 – £nil). The average number of employees was 9 (2022 – 9). No trustee received any remuneration or expenses in respect of their services as a trustee during the period. No trustee had any beneficial interest in any contract with the charity during the period.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Chief Executive. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the period was £63,273 (2022: £24,448).

#### 5 Net (expenditure) income

This is stated after charging:

	2023 £	2022 £
Staff costs	350,016	130,610
Operating lease rentals	45,660	21,415
Auditor's remuneration (including VAT)		
. Current year audit fee	15,600	15,000
. Prior year audit fee	—	7,687
Depreciation	2,631	960

#### 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 £
<b>Cost</b>				
At 1 January 2023	4,583	2,430	1,011	8,024
Additions	—	2,775	—	2,775
At 31 December 2023	4,583	5,205	1,011	10,799
<b>Depreciation</b>				
At 1 January 2023	521	334	105	960
Charge for period	1,250	1,154	227	2,631
At 31 December 2023	1,771	1,488	332	3,591
<b>Net book values</b>				
At 31 December 2023	2,812	3,717	679	7,208
At 31 December 2022	4,062	2,096	906	7,064

## 8 Debtors

	2023 Total funds £	2022 Total funds £
Accrued income	40,329	4,786
Prepayments	7,660	5,613
	<b>47,989</b>	<b>10,399</b>

## 9 Creditors, accruals and deferred income

	2023 Total funds £	2022 Total funds £
Other creditors	994	108
Accruals	41,727	33,992
Deferred income	9,625	12,562
	<b>52,346</b>	<b>46,663</b>

## 10 Restricted funds

	At 1 January 2023 £	Income £	Expenditure £	At 31 December 2023 £
Staff fund	—	29,500	(18,500)	<b>11,000</b>
Linklater fund	—	25,000	(25,000)	—
	—	54,500	(43,500)	<b>11,000</b>

	At 1 August 2022 £	Transfer from FRU Association £	Income £	Expenditure £	At 31 December 2022 £
Staff fund	—	—	6,513	(6,513)	—
Matrix Chambers	—	1,459	—	(1,459)	—
	—	1,459	6,513	(7,972)	—

## 11 Designated funds

	At 1 January 2023 £	Designated £	Utilised £	At 31 December 2023 £
Fixed asset fund	7,064	2,775	(2,631)	<b>7,208</b>

	At 1 August 2022 £	Transfer from FRU Association £	Designated £	Utilised £	At 31 December 2022 £
Fixed asset fund	—	8,024	—	(960)	7,064

# 11 Designated funds (continued)

The fixed asset fund represent the net book value of the charity's unrestricted fixed assets as at 31 December 2023 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

# 12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
<b>Fund balances at 31 December 2023 are represented by:</b>			
Fixed assets	7,208	—	<b>7,208</b>
Debtors and cash at bank	197,025	11,000	<b>208,025</b>
Creditors, accruals and deferred income	(52,346)	—	<b>(52,346)</b>
<b>Total funds</b>	<b>151,887</b>	<b>11,000</b>	<b>162,887</b>
	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>Fund balances at 31 December 2022 are represented by:</i>			
<i>Fixed assets</i>	<i>7,064</i>	<i>—</i>	<i>7,064</i>
<i>Debtors and cash at bank</i>	<i>210,914</i>	<i>—</i>	<i>210,914</i>
<i>Creditors, accruals and deferred income</i>	<i>(46,662)</i>	<i>—</i>	<i>(46,662)</i>
<i>Total funds</i>	<i>171,316</i>	<i>—</i>	<i>171,316</i>

# 13 Commitments

## Lease commitments – operating leases

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

	2023 £	2022 £
<i>Leasehold premises</i>		
Payments which fall due:		
. Within one year	<b>73,355</b>	73,355
. After one year but within five years	<b>271,226</b>	278,921
. Greater than five years	<b>131,320</b>	196,980
	<b>475,901</b>	549,256

# 14 Related party transactions

During the year the charity received £nil donations from trustees (2022: £nil). The transfer of assets and liabilities in the prior year from the FRU Association to the FRU incorporated entity is a related party transaction due to the trustees of both entities being in common. £67,400 of total donations were received from the Bar Council in the year, (2022 – £32,400) The chair of the Bar Council is responsible for appointing at least one of the Charity's Trustees.

## 15 Post balance sheet events

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

## 16 Transfer from unincorporated entity

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

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

## List of donors and financial supporters Year ended 31 December 2023

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

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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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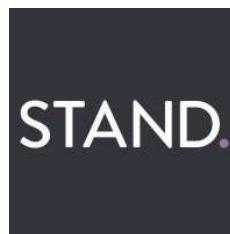
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