

**Free
Representation
Unit**

**Annual Report and Financial
Statements**

Year to 30 September 2020

Charity Registration Number
295952

This year we were delighted to receive recognition for the work of our volunteers from Baroness Hale, President of the Supreme Court. At the Bar Council conference in 2019 Baroness Hale was invited to sign a copy of "First 100 years of women in law" for FRU. Baroness Hale dedicated the book with the words "Well done the FRU! All good wishes Brenda Hale"



FRU volunteer Natalie Goodwin received the signed book, after entering a draw open to all FRU volunteers. Natalie said: "Lady Hale is a great source of inspiration to me and this book will soon become one of my most precious possessions".

Contents

Reports

| | |
|--------------------------------------|----|
| Legal and administrative information | 1 |
| Chair's report | 2 |
| Trustees' report | 10 |
| Independent auditor's report | 17 |

Financial statements

| | |
|-----------------------------------|----|
| Statement of financial activities | 20 |
| Balance sheet | 21 |
| Principal accounting policies | 22 |
| Notes to the financial statements | 26 |

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

| | |
|----------------|----|
| List of donors | 35 |
|----------------|----|

Legal and administrative information

| | |
|------------------------------------|--|
| Patrons | The Rt Hon Lady Arden of Heswall The Rt Hon Lady Black of Derwent The Rt Hon Lord Clarke of Stone-cum-Ebony The Rt Hon Baroness Hallett The Rt Hon Lord Judge The Rt Hon Lord Phillips of Worth Matravers The Secret Barrister |
| Trustees | Sean Jones QC (Joint senior trustee) Michael Fealy QC (Joint senior trustee) Fenella Morris QC Alison Padfield QC |
| Chief Executive | David Abbott |
| Registered address | 10/11 Gray's Inn Square, Gray's Inn, London, WC1R 5JD |
| Telephone | 020 7611 9555 |
| Website | www.thefru.org.uk |
| Charity registration number | 295952 |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | Unity Trust Bank plc 9 Brindleyplace Birmingham B1 2HB |

Background to this annual report

Trustee

Although it does not fall strictly within the timescale covered by this report, it is appropriate to record that Sir Jeremy Johnson resigned as a trustee as of 24 November 2020. This was approximately 12 months after he had been appointed as a Justice of the High Court. Everyone associated with FRU would like to record their thanks to Sir Jeremy for his hard work and support as a trustee.

FRU's work

Covid-19

The period covered by this report became dominated by the emerging impact of Covid-19. The FRU service moved to remote working on 11 March 2020, slightly ahead of the national lockdown. We benefited from our investment in IT and communications over the previous 18 months, which meant that all office systems were accessible remotely.

Lockdown had an impact on our working practices, the tribunals that we represent clients in, and the many agencies that refer cases to us. Our usual methods of reflecting our work are not meaningful in this context. This report will be shorter than our usual annual report, and we will look for other opportunities to talk about our ongoing work as we emerge from lockdown.

Between March – September 2020 the tribunals that we represent in, and our referral agencies operated on a restricted basis. As a consequence, far fewer cases were referred to us than in a standard year. Our experience was that remote supervision of volunteers worked successfully but took longer, therefore reducing our capacity. Nevertheless, we had a large existing caseload of employment cases that we continued to prepare for tribunal or negotiate to settlement, and new employment and social security cases were referred throughout the period. Our service was maintained throughout the first lockdown period, and we successfully represented many clients in telephone and video hearings. Credit must go to our volunteers for adapting to these new circumstances.

We also took the opportunity to transform our training for new volunteers from being wholly face to face to remote. This was piloted for a small number of volunteers during June and then delivered to a larger number of trainees in July and October. This meant that we had sufficient volunteer advocates to match the level of demand for representation. We will decide post pandemic what is the best method for training delivery in the longer term.

We continued our longstanding partnership with City University Law School. City students on the LLM and Bar course undertake FRU cases which are then assessed as part of their course work. This arrangement works well for City and FRU, and we were delighted to begin discussions on how we might extend the partnership in the future.

Nottingham

FRU Nottingham is the only FRU branch outside of London and represents clients in both employment and social security claims. FRU Nottingham is part of the Nottingham Law School Legal Advice Centre, a teaching law firm, which is fully authorised and regulated by the Solicitors Regulation Authority. Nottingham Law School Legal Advice Centre provide practical legal work experience to Nottingham Law School students, whilst offering pro bono and low-cost legal services to the community.

FRU Nottingham represented 35 clients in social security hearings and 5 clients in employment tribunal proceedings during the period 1 October 2019 to 30 September 2020. Across the same period FRU Nottingham secured over £618,000 in compensation and benefit entitlement for their clients.

FRU Nottingham saw a reduction in cases of over 30% from the previous year, starkly highlighting the impact of Covid on access to justice. The pandemic brought its challenges, but we are really proud of how our student volunteers and clients adapted during a difficult time. We note that the pandemic has been particularly difficult for those unable to access technology and we look forward to being able to reach more of the community again in the coming months.

Supporters

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

The Bar Council

Our thanks go to Richard Atkins QC Chair of the Bar Council in 2019, Amanda Pinto QC, Chair in 2020 and Malcolm Cree CBE, Chief Executive, for the Bar Council's continued support. The grant provided by the Bar Council is the bedrock of FRU's funding and makes a major contribution to our financial stability. David Abbott was pleased to provide an oral and written annual report on our work to the Bar Council at its meetings in May 2019 and November 2020.

The Inns of Court

All four Inns of Court support our work by providing grants and by promoting our activities with their student members.

The Inns of Court and the Bar Educational Trust (ICBET)

Our position as a charity with educational objectives complements those of the Inns of Court and the Bar Educational Trust and we recognise the enormous benefits of working closely together. The trustees of ICBET have supported FRU for many years and in early 2019 the trustees agreed to consider a supplementary request for further support to enable us to re-appoint someone to the social security Assistant Legal Officer (ALO) post. The additional one-off donation of £20,000 was key to re-establishing this post and we sincerely thank the trustees for this generosity.

Supporters (continued)

Support from other organisations

The London Legal Walk is usually a significant source of funds for FRU. Due to the Covid-19 pandemic the event was run differently, and we are greatly indebted to the team at the London Legal Support Trust for the work they put in to making the revised events such a success. We are also grateful to all the walkers and the barristers' chambers who raised money for FRU.

We enjoy a fruitful relationship with the Employment Lawyers Association (ELA) and have continued to work with them on facilitating the 100 Days and Employment Tribunal Litigant in Person Support (ELIPS) schemes in London, which go from strength to strength. Our thanks go to the ELA Pro Bono Committee, and all ELA members for this crucial support to our employment service.

This year we were honoured to be selected as the charity partner for The Lawyer Awards 2020. The Lawyer magazine is a prestigious legal publication which runs annual awards to recognise high achievement by law firms, barristers' chambers and individual lawyers. All those entering for awards were invited to make a donation to FRU. We had been looking forward to attending a gala award ceremony at a Park Lane hotel. Due to the pandemic the ceremony became an online event. The award ceremony managed to maintain its glittery feel by being hosted by well know comedian Dara Ó Briain. All attendees viewed a presentation about our work and Mr Ó Briain later applauded our work to his 2.5m Twitter followers.

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, for example 5 Raymond Buildings has a popular annual quiz night in support of FRU and Advocate. The full list of chambers that made a financial donation is on pages 35 - 39 We are increasingly also receiving useful help in kind, such as the use of meeting rooms. We were grateful to No.5 Chambers for their kind agreement to photocopy training day materials, which saved us a great deal of effort.

Grants from Charitable trusts

Trust for London continued to fund the employment Self-Referral Scheme, by covering the cost of the Employment Assistant Legal Officer and Self-Referral Scheme Co-ordinator. This grant of £40,000 for three years was a significant contribution to our service and we are extremely grateful for Trust for London's continued confidence in FRU. The self-referral scheme has a 43% representation rate, which is significantly higher than the general representation rate for employment cases of 30%. The three-year grant came to an end in November 2020 and whilst we continue to run the self-referral scheme we will review its continuation post-pandemic.

Supporters (continued)

Grants from Charitable trusts (continued)

We were also fortunate to receive the support of other charitable trusts. A 5-year grant from 2019 was awarded by the City Bridge Trust for support with our core costs. This is a major boost as it brings a degree of certainty to our financial planning for an extended period. We are grateful to the trustees of the Trust for this mark of confidence in our work and organisation. We also received support from the Persula Foundation and the London Legal Support Trust who provided grants that enabled us to re-appoint a social security ALO. We were also grateful to receive a donation from the City of London Solicitors' Company Charitable Fund. It is important that we have a wide basket of supporters, and donations from charitable trusts are becoming a crucial element of our income. We plan to seek support from other relevant trusts 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, Madeline Chan, who represented clients and assisted with the wider work of the Unit. Madeline undertook her entire secondment during lockdown, and it is testament to her skills and resilience that she made a success of her time with us. We are very grateful to Ben Carroll who sits with our board of trustees and provides us valuable advice and support. Linklaters is also extremely generous in its financial support, being the largest donor among firms and chambers.

Individuals

We are very grateful for the efforts of individual fundraisers who raise money for us. In 2020 long-standing FRU supporter barrister Daniel Barnett organised a series of employment law webinars. 28 eminent employment lawyers gave their time to present the webinars, viewable by subscription. This raised £15,000 for FRU. We are very grateful to everyone who presented, but particularly to Daniel for organising and hosting the webinars and underwriting the donation before it had been raised.

We are also grateful to the authors of legal books who kindly donate their royalties to FRU, including Naomi Cunningham and Michael Reed for *Employment Tribunal Claims: Tactics and Precedents* and Jonathan Kirk QC, Thomas Samuels and Lee Finch for *Mis-Selling Financial Services*.

Office accommodation

The lease on our office in Kingsbourne House expired in March 2021. During lockdown we therefore had the task of identifying new office accommodation. We were extremely grateful for the assistance of Nigel Fox, Elliot Davies and colleagues from Capital Real Estate Partners LLP who researched the market and identified a shortlist of suitable options for consideration. This assistance was kindly offered pro bono and was invaluable.

Other support

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

They include:

Tim Buley, Landmark Chambers

Anne Fairpo, Temple Tax Chambers

Dominic Howells, Blackstone Chambers

Katherine Barnes, 39 Essex Street

Christopher Brown, Matrix

Leon Glenister, Landmark Chambers

Charles Bagot QC, Harwicke

Eleanor Mitchell, Matrix

Sally Robertson, Cloisters

Celia Rooney, Blackstone Chambers

Josh Yetman, 7 Bedford Row

We could not run our volunteers' training days without the help of speakers who have given up their time to contribute:

Sally Robertson, Cloisters

Celia Rooney, Blackstone Chambers

Gemma Daly, Doughty Street

Desmond Rutledge, Garden Court Chambers

Ella Davis, 1 Chancery Lane

Rachel Sullivan, 39 Essex Street

Matthew Jackson, 10 KBW

Andrew Watson, 12 KBW

Alexandra Sidossis, 4-5 Gray's Inn Square

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. Special recognition must go to the staff who were with us during the first lockdown in 2020 between March – September. All staff members rapidly adapted to the unprecedented new circumstances and ensured that our clients and volunteers continued to receive the same high standard of service. We are grateful to their dedication and resilience.

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

We continued to benefit from the extended pupillage offered by Outer Temple Chambers. Maria Aisha again made a significant contribution to our work and we were pleased that she subsequently obtained tenancy at Cornwall Street chambers. We thank Patrick Reeves' family, through Outer Temple Chambers, for this support.

Our staff members during 2019/2020 were:

| | |
|--------------------------|---|
| CEO | David Abbott |
| Principal Legal Officers | Michael Reed Emma Baldwin |
| Assistant Legal Officers | Heloise Ramage Hayes Nathan Toms Laura Regueiro Romero Abou Kamara |
| Office Manager | Sharon Sneddon |
| Administrator | Nneoma Atumonyogo |
| Bookkeeper (part-time) | Bosedede Babalola |



Pictured: Olympic, World and Commonwealth 400m champion Christine Ohuruogu MBE, who called in to the office in January 2020, meeting Nneoma Atumonyogo our administrator.

Chair's report Year ended 30 September 2020

Governance

Our plans to move to a new governance structure were paused as a result of the pandemic. We will conclude the transition to a new FRU charity over the coming months.

Signed:

A handwritten signature in black ink, appearing to read 'David Abbott', with a stylized flourish at the end.

Chief Executive

Date: 08 October 2021

The trustees present their report together with the financial statements of The Free Representation Unit ("FRU" or "the Unit") for the year to 30 September 2020. 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 22 to 25 of the attached financial statements and comply with the Unit's constitution, the law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015.

OBJECTIVES AND ACTIVITIES

What we do

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

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

FRU is based in London and the majority of our cases are from the Greater London area. We also have a small branch in Nottingham through a partnership with Nottingham Law School Legal Advice Centre. We are one of the largest single providers of free advocacy in the United Kingdom.

Applicants to the Tribunal

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

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

OBJECTIVES AND ACTIVITIES (continued)

FRU Volunteers

FRU was founded in 1972 by Bar Students who wanted to provide aspiring lawyers with real experience of advocacy and who wanted vulnerable claimants to have free representation. 49 years on, FRU provides up to 1,000 training places annually for potential volunteers who are law students and graduates and junior lawyers from both branches of the profession, who gain valuable experience of client handling, case management and advocacy in a real court.

Public benefit

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

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

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

ACHIEVEMENTS AND PERFORMANCE

FRU's core activity is the provision of free representation in tribunal hearings. The organisation has again been tested during these 12 months, we have managed to maintain our service under very difficult circumstances. The trustees would like to thank the staff for their hard-work, dedication and adaptability.

FRU was able to continue representing clients and training aspiring lawyers throughout the year. We have adapted our model to support our volunteers and to represent clients remotely. It is testament to the resilience of our model that we could adapt so quickly. Before the pandemic struck we also continued to make the voices of our clients heard to policy makers, submitting evidence to the Justice Select Committee on HMCTS reform and to the government on reform of employee rights. This activity accords with our charitable objectives and we will continue to look for opportunities to represent the interests of our clients.

FINANCIAL REVIEW

Results for the period

Income for the year was £612,958 (2019 – £726,237). Expenditure totalled £484,610 (2019: £716,700). This results in net income and net movement in funds for the year of £128,348 (2019: £9,537).

The pandemic did limit some fundraising possibilities, but fortunately we benefited from the generosity of some existing funders including the City Bridge Trust and Linklaters LLP, which offered additional support unprompted. This was highly appreciated. We also benefited from access to the Community Justice Fund which was created to enable small charities in our sector to get through the pandemic to protect services. We acknowledge the contribution to that fund from the Ministry of Justice, amongst a number of other funders. We also drew on the furlough scheme

Our financial position was considerably improved by the support of individuals and organisations who recognise the value of our work. Particular thanks must go to Daniel Barnett for organising the employment webinars and to Dr Catrin Griffiths, editor of The Lawyer magazine for appointing FRU as the charity partners for The Lawyer awards 2020. Each of these initiatives raised significant income.

In terms of increasing income, we repeated our successful Crowdfunding campaign, not to fund a specific case, but to fund of the range of cases being taken on by FRU. We also made applications to a wide range of bodies.

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 total reserves of £276,072 (2019: £147,724) of which £14,530 as at 30 September 2020 were restricted (2019: £30,919).

Unrestricted reserves are therefore £261,452 (2019: £116,805). 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, the charity's free reserves were £246,032 as at 30 September 2020 (2019: £78,642). This is significantly above the charity's target level of free reserves. We are not complacent about this and will continue to monitor income and expenditure in real time to enable timely financial decisions to be taken.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

The trustees have taken careful steps to manage the finances of the charity and to forecast our income and expenditure over the forthcoming 12 months accurately. We set out in this report the actions taken to manage the risks from the COVID-19 crisis, which is an important feature of the current financial and operational situation. In reaching their conclusion that the charity is a going concern, the Trustees have considered the ability of the charity to absorb a fall in voluntary income of up to 10% whilst continuing to carry out its activities.

We are satisfied that through a combination of successful applications for additional funding, generous additional donations from existing supporters and careful management of expenditure we are in a strong position to operate for the next 12 months, indeed our financial situation is currently stronger than was forecast prior to COVID-19 occurring. We also have plans for additional funding applications which, if successful, would further strengthen our financial position.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Organisation

The Free Representation Unit is an unincorporated body, registered with the Charity Commission. It is governed by a constitution dated 31 March 2005 and revised on 25 March 2010. Until 29 April 2019 the Unit was run by a Management Committee, consisting of representatives who were 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 Chair of the Bar Council. The appointment of a trustee by the Chair of the Bar Council occurs after consultation 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.

Following the adoption of a resolution at an Extraordinary General Meeting on 29 April 2019 the functions and powers of the management committee were transferred to the trustees. As previously reported a new incorporated FRU charity with the same charitable objectives has been registered with Companies House, the Charity Commission and HMRC. We are in the process of transferring the assets and liabilities to the new charity but have not set a final date when this will take effect. We would like to express our thanks to Sir Jeremy Johnson for his hard work in supporting this transition, and to our pro bono legal advisers from Dechert LLP and Baker & MacKenzie LLP.

Key management personnel

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

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

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

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

To mitigate these risks the charity undertakes a range of actions including regularly reviewing trends in the number, type and source of referrals, reviewing other areas of law and legal representation which could be taken on, reviewing channels for referrals, gathering information about stakeholder satisfaction, ensuring that all expenditure provides value for money and identifying ways of working that meet need and provide assurance to funders that FRU is efficient and effective. An example of the effectiveness of this risk mitigation was the development of the digital strategy to meet the needs of all stakeholders over the next five to ten years. This document was written during the second year of the COVID-19 crisis. The crisis posed risks to FRU in the following terms: The pandemic risked reducing case referrals due to referral agencies not operating and reducing the availability of volunteers and legal staff. This could lead to insufficient resources being available to represent the cases that we had already committed to representing and/or the inability to accept new cases leading to a loss of confidence in the service. To manage these risks when the impact of the virus was completely unknown, FRU suspended the receipt of new cases and a pause on signing out cases to volunteers for a 4 week period. In March 2020 we moved to fully remote working to protect the health and safety of staff and stakeholders. Our office systems are accessible remotely thanks to our investment in IT over the last 2 years. This enabled FRU to take stock of the situation and to plan for how to match resources to commitments.

During the remainder of 2020 we accepted new cases but restricted how many of those cases were signed out to ensure that we could always meet our commitments. We only signed out cases to those volunteers who had recent experience of representation so that they had the skills to take part in remote tribunal hearings. We purchased additional digital legal reference books so that our access to information was maintained. We posted updates to stakeholders so that they retained confidence in how FRU was managing the situation. We developed a new remote training package for new volunteers, piloting this in June and offering it to over 200 volunteers in July and then to further volunteers in the autumn of 2020 and spring 2021. This will ensure that when we move to more normal operating conditions we have sufficient volunteers to meet new demand.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

The other risks to the charity were from restrictions on fundraising opportunities caused by the lockdown. To reduce our expenditure in 2020 we placed one member of staff on furlough, enabling access to government financial support. We also delayed the decision as to whether to appoint 2 new assistant legal officers. To increase income we applied for emergency financial support that had been made available by a coalition of grant-making trusts and were awarded £75,000, which represents approximately 15% of our annual income. In addition, due to strong relations with stakeholders we received 2 additional payments totalling nearly £20,000 from existing funders and an individual supporter raised £15,000. We believe that this income more than replaced funding that was limited by COVID-19. For 2021 onwards we have benefited for a second year from being the charity partner for The Lawyer awards, we continue to apply for additional funding to grant making trusts with some success and we have negotiated an extension to our partnership with City University law school which will cover most of the costs of an ALO post.

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

Trustees

The following trustees were in office at the date of approval of the financial statements and served throughout the year ended 30 September 2020.

Trustee

Michael Fealy QC (Joint senior trustee)
Sean Jones QC (Joint senior trustee)
Fenella Morris QC
Alison Padfield QC

Sir Jeremy Johnson was in office throughout the year ended 30 September 2020. He resigned on 24 November 2020 and was not in office at the date of approval of the financial statements.

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

It is our policy, on the appointment of a new trustee, 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.

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).

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

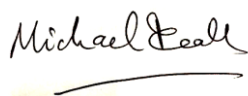
The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are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

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

The trustees are responsible for keeping proper accounting records that 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, applicable Charity (Accounts and Reports) Regulations 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 the charity and 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:

A handwritten signature in black ink, reading "Michael Fealy". Below the signature is a horizontal line, with the left portion of the line highlighted in yellow.

Michael Fealy QC

Date: 20 December 2021

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

Opinion

We have audited the accounts of Free Representation Unit (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 30 September 2020 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 Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

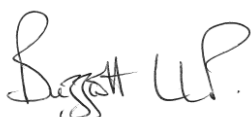
Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 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 charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 20 December 2021

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

Statement of Financial Activities Year ended 30 September 2020

| | | | | Year to 30 September 2020 | | | 18 month period to 30 September 2019 |
|--|-------|----------------------------|--------------------------|---------------------------------|----------------------------|--------------------------|---|
| | Notes | Unrestricted funds £ | Restricted funds £ | Total funds £ | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Income from: | | | | | | | |
| Donations | 1 | 489,621 | 68,950 | 558,571 | 514,336 | 118,000 | 632,336 |
| Investments | | 2 | — | 2 | 62 | — | 62 |
| Charitable activities | | | | | | | |
| . Legal representation of those in need | 2 | 54,385 | — | 54,385 | 93,839 | — | 93,839 |
| Total income | | 544,008 | 68,950 | 612,958 | 608,237 | 118,000 | 726,237 |
| Expenditure on: | | | | | | | |
| Raising funds | | | | | | | |
| . Raising donations | 3 | 19,467 | — | 19,467 | 29,577 | — | 29,577 |
| Charitable activities | | | | | | | |
| . Legal representation of those in need | 3 | 379,804 | 85,339 | 465,143 | 580,042 | 107,081 | 687,123 |
| Total expenditure | | 399,271 | 85,339 | 484,610 | 609,619 | 107,081 | 716,700 |
| Net income (expenditure) and net movement in funds for the period | | 144,737 | (16,389) | 128,348 | (1,382) | 10,919 | 9,537 |
| Reconciliation of funds: | | | | | | | |
| Fund balances brought forward | | | | | | | |
| at 1 April 2019 | | 116,805 | 30,919 | 147,724 | 118,187 | 20,000 | 138,187 |
| Fund balances carried forward | | | | | | | |
| at 30 September 2020 | | 261,542 | 14,530 | 276,072 | 116,805 | 30,919 | 147,724 |

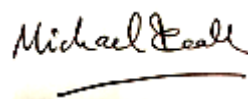
All of the charity's activities derived from continuing operations during the above two financial periods.

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

Balance Sheet Year ended 30 September 2020

| | Notes | 30 September 2020 £ | 30 September 2020 £ | 30 September 2019 £ | 30 September 2019 £ |
|--|-------|------------------------------|------------------------------|------------------------------|------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 15,510 | | 38,163 |
| Debtors (amounts falling due after more than one year) | 8 | 19,163 | | 19,163 | |
| Current assets | | | | | |
| Prepayments and accrued income | 8 | 72,123 | | 62,420 | |
| Cash at bank and in hand | | 221,924 | | 96,733 | |
| | | 313,210 | | 178,316 | |
| Current liabilities | | | | | |
| Creditors, accruals and deferred income | 9 | (52,648) | | (68,755) | |
| Net current assets | | | 260,562 | | 109,561 |
| Total net assets | | | 276,072 | | 147,724 |
| The funds of the charity: | | | | | |
| Restricted funds | 10 | | 14,530 | | 30,919 |
| Unrestricted funds | | | | | |
| . Designated funds | 11 | 15,510 | | 38,163 | |
| . General funds | | 246,032 | | 78,642 | |
| | | | 261,542 | | 116,805 |
| | | | 276,072 | | 147,724 |

Approved by the trustees
and signed on their behalf by:



Michael Fealy QC

Date:

20 December 2021

Principal accounting policies Year ended 30 September 2020

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

Basis of preparation

These accounts have been prepared for the year ended 30 September 2020.

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

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

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

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

Critical accounting estimates and areas of judgement

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

One area where a judgement and estimate have been made is in respect of estimating the useful economic life of tangible fixed assets.

In addition to the above, the full impact of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. The charity has therefore made judgements when estimating the impact of COVID-19 on the charity's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern.

Assessment of going concern

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

The charity's free reserves as at 30 September 2020 were £246,032 (2019: £78,642). This is significantly above the charity's target level of free reserves of £120,000 (see reserves policy on page 12).

Assessment of going concern (continued)

As explained more fully in the Trustees' Report, the trustees have considered the effect of the COVID-19 pandemic on the charity and have concluded that they believe it is still a going concern. In reaching this conclusion, the Trustees have considered the ability of the charity to absorb a fall in voluntary income of up to 10% whilst continuing to carry out its activities. In particular, the trustees have taken careful steps to manage the finances of the charity and to forecast the charity's income and expenditure over the forthcoming 12 months accurately and are satisfied that through a combination of successful applications for additional funding, generous additional donations from existing supporters and careful management of expenditure the charity is in a strong position to operate for the next 12 months.

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Cash flow

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

Tangible fixed assets

All assets costing more than £100 are capitalised.

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

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

Tangible fixed assets (continued)

- ♦ Computer equipment 33% on a reducing balance basis
- ♦ Computer software 33% on a straight line basis

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

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

Leased assets

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

Pension costs

Contributions in respect 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

| | Unrestricted funds £ | Restricted funds £ | Year ended 30 September 2020 Total Funds £ |
|---|----------------------------|--------------------------|---|
| Donations received: | | | |
| . Bar Council ¹ | 64,800 | — | 64,800 |
| . Inns of Court | 80,000 | — | 80,000 |
| . Linklaters LLP | 35,000 | — | 35,000 |
| . Individuals | 102,544 | — | 102,544 |
| . City Bridge Trust | 45,625 | — | 45,625 |
| . Community Justice | 75,000 | — | 75,000 |
| . Legal Education Foundation | — | 20,950 | 20,950 |
| . Therium Access Limited | — | 25,000 | 25,000 |
| . The Law Society Charity | 4,000 | — | 4,000 |
| Employment Lawyers Association | 20,000 | — | 20,000 |
| London Legal Support Trust | 17,550 | — | 17,550 |
| Trust for London | — | 20,000 | 20,000 |
| Individuals' sponsored activities | 9,319 | — | 9,319 |
| Inns of Court & Bar Educational Trust | 10,000 | — | 10,000 |
| Income received under standing order from individuals and sets of chambers | 16,089 | 3,000 | 19,089 |
| Others | 5,820 | — | 5,820 |
| Total donations | 485,747 | 68,950 | 554,697 |
| Tax repayment under Gift Aid | 3,874 | — | 3,874 |
| 2020 Total funds | 489,621 | 68,950 | 558,571 |

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

1 Donations and other financial support (continued)

| | | | 18 month period ended 30 September 2019 |
|---|----------------------------|--------------------------|--|
| | Unrestricted funds £ | Restricted funds £ | Total Funds £ |
| <i>Donations received:</i> | | | |
| . Bar Council ¹ | 97,200 | — | 97,200 |
| . Inns of Court | 105,000 | — | 105,000 |
| . Linklaters LLP | 51,288 | — | 51,288 |
| . Individuals | 101,465 | — | 101,465 |
| . City Bridge Trust | 19,250 | — | 19,250 |
| . Persula Foundation | — | 5,000 | 5,000 |
| . Legal Education Foundation | — | 25,000 | 25,000 |
| Employment Lawyers Association | 30,000 | — | 30,000 |
| London Legal Support Trust | 50,475 | 5,000 | 55,475 |
| Trust for London | — | 60,000 | 60,000 |
| Individuals' sponsored activities | 20,792 | — | 20,792 |
| Inns of Court & Bar Educational Trust | 10,000 | 20,000 | 30,000 |
| Income received under standing order from individuals and sets of chambers | 21,397 | 3,000 | 24,397 |
| Total donations | 506,867 | 118,000 | 624,867 |
| Tax repayment under Gift Aid | 7,469 | — | 7,469 |
| 2019 Total funds | 514,336 | 118,000 | 632,336 |

2 Income from charitable activities

| | | | Year to 30 September 2020 |
|--|----------------------------|--------------------------|---------------------------------|
| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Training of potential volunteers | 34,520 | — | 34,520 |
| Subscriptions from referral agencies | 6,425 | — | 6,425 |
| Payments by Law Schools ('FRU option') | 13,440 | — | 13,440 |
| 2020 Total funds | 54,385 | — | 54,385 |

| | | | 18 month period ended 30 September 2019 |
|--|----------------------------|--------------------------|--|
| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Training of potential volunteers | 65,284 | — | 65,284 |
| Subscriptions from referral agencies | 17,755 | — | 17,755 |
| Payments by Law Schools ('FRU option') | 10,800 | — | 10,800 |
| 2019 Total funds | 93,839 | — | 93,839 |

Notes to the financial statements Period ended 30 September 2020

3 Expenditure

| | Cost of raising funds | | Legal representation | | Governance | | Total | Total | Year to 30 September 2020 Total |
|--------------------------------|-----------------------|-----------------|----------------------|-----------------|-------------------|-----------------|-------------------|-----------------|--|
| | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | £ |
| Fundraising costs | 2,238 | — | — | — | — | — | 2,238 | — | 2,238 |
| Staff costs | | | | | | | | | |
| . Wages and salaries | 10,520 | — | 191,132 | 58,897 | 4,208 | — | 205,860 | 58,897 | 264,757 |
| . Social security costs | 1,043 | — | 18,202 | 4,083 | 420 | — | 19,665 | 4,083 | 23,748 |
| . Pension costs | 1,638 | — | 10,820 | 591 | 1,795 | — | 14,253 | 591 | 14,844 |
| . Recruitment costs | — | — | — | — | — | — | — | — | — |
| | 13,201 | — | 220,154 | 63,571 | 6,423 | — | 239,778 | 63,571 | 303,349 |
| General expenditure | | | | | | | | | |
| . Depreciation | 1,203 | — | 21,080 | 1,192 | — | — | 22,283 | 1,192 | 23,475 |
| . Premises | 475 | — | 79,849 | — | — | — | 80,324 | — | 80,324 |
| . Office running | 1,216 | — | 30,280 | 16,426 | — | — | 31,496 | 16,426 | 47,922 |
| . Library | 528 | — | 7,083 | 3,000 | — | — | 7,611 | 3,000 | 10,611 |
| . Other | 606 | — | 1,975 | 1,150 | — | — | 2,581 | 1,150 | 3,731 |
| | 4,028 | — | 140,267 | 21,768 | — | — | 144,295 | 21,768 | 166,063 |
| Auditor's remuneration | | | | | | | | | |
| . Current year audit fee | — | — | — | — | 8,400 | — | 8,400 | — | 8,400 |
| . Prior year audit fee | — | — | — | — | 4,560 | — | 4,560 | — | 4,560 |
| | — | — | — | — | 12,960 | — | 12,960 | — | 12,960 |
| Total | | | | | | | | | |
| Allocation of governance costs | | | 19,383 | | (19,383) | | | | |
| 2020 Total funds | 19,467 | — | 379,804 | 85,339 | — | — | 399,271 | 85,339 | 484,610 |

Notes to the financial statements Period ended 30 September 2020

3 Expenditure

| | <i>Cost of raising funds</i> | | <i>Legal representation</i> | | <i>Governance</i> | | | | 18 month period ended 30 September 2019 Total |
|--------------------------------|------------------------------|-------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|-----------------------------------|---|
| | <i>Unrestricted £</i> | <i>Restricted £</i> | <i>Unrestricted £</i> | <i>Restricted £</i> | <i>Unrestricted £</i> | <i>Restricted £</i> | <i>Total Unrestricted £</i> | <i>Total Restricted £</i> | <i>£</i> |
| <i>Fundraising costs</i> | 3,503 | — | — | — | — | — | 3,503 | — | 3,503 |
| <i>Staff costs</i> | | | | | | | | | |
| . Wages and salaries | 15,690 | — | 285,077 | 68,949 | 6,276 | — | 307,043 | 68,949 | 375,992 |
| . Social security costs | 1,535 | — | 26,793 | 4,780 | 618 | — | 28,946 | 4,780 | 33,726 |
| . Pension costs | 2,638 | — | 17,427 | 700 | 2,939 | — | 23,004 | 700 | 23,704 |
| . Recruitment costs | 57 | — | 1,069 | — | 24 | — | 1,150 | — | 1,150 |
| | 19,920 | — | 330,366 | 74,429 | 9,857 | — | 360,143 | 74,429 | 434,572 |
| <i>General expenditure</i> | | | | | | | | | |
| . Depreciation | 1,225 | — | 21,472 | 1,788 | — | — | 22,697 | 1,788 | 24,485 |
| . Premises | 772 | — | 133,436 | — | — | — | 134,208 | — | 134,208 |
| . Office running | 2,348 | — | 58,483 | 20,876 | — | — | 60,831 | 20,876 | 81,707 |
| . Library | 735 | — | 9,858 | 3,000 | — | — | 10,593 | 3,000 | 13,593 |
| . Other | 1,074 | — | 3,500 | 6,988 | — | — | 4,574 | 6,988 | 11,562 |
| | 6,154 | — | 226,749 | 32,652 | — | — | 232,903 | 32,652 | 265,555 |
| <i>Auditor's remuneration</i> | | | | | | | | | |
| . Current year audit fee | — | — | — | — | 10,500 | — | 10,500 | — | 10,500 |
| . Prior year audit fee | — | — | — | — | 2,570 | — | 2,570 | — | 2,570 |
| | — | — | — | — | 13,070 | — | 13,070 | — | 13,070 |
| <i>Total</i> | | | | | | | | | |
| Allocation of governance costs | — | — | 22,927 | — | (22,927) | — | — | — | — |
| 2019 Total funds | 29,577 | — | 580,042 | 107,081 | — | — | 609,619 | 107,081 | 716,700 |

4 Staff costs and remuneration of trustees and key management personnel

No employee earned £60,000 or more (including benefits) during the current accounting period (of 12 months), and no employee earned over £90,000 in the prior accounting period (18 months). The average number of employees was 9 (2019 – 9). No trustee received any remuneration or expenses in respect of their services as a trustee during the period (2019 - £nil). 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 year was £61,326 (2019 (18 months) – £88,130).

5 Net income (expenditure)

This is stated after charging:

| | Year ended 30 September 2020 | 18 month period ended 30 September 2019 £ |
|--------------------------|---|--|
| Staff costs | 303,349 | 434,572 |
| Operating lease rentals | 65,078 | 133,632 |
| Auditor's remuneration | | |
| . Current year audit fee | 8,400 | 10,500 |
| . Prior year audit fee | 4,560 | 2,570 |
| Depreciation | 23,475 | 24,485 |

6 Taxation

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

7 Tangible fixed assets

| | Leasehold improve- ments £ | Computer equipment and software £ | Office equipment £ | Total £ |
|------------------------|-------------------------------------|---|--------------------------|------------|
| Cost | | | | |
| At 1 October 2019 | 55,968 | 58,065 | 38,379 | 152,412 |
| Additions | — | 822 | — | 822 |
| At 30 September 2020 | 55,968 | 58,887 | 38,379 | 153,234 |
| Depreciation | | | | |
| At 1 October 2019 | 34,104 | 46,743 | 33,402 | 114,249 |
| Charge for period | 14,056 | 6,428 | 2,991 | 23,475 |
| At 30 September 2020 | 48,160 | 53,171 | 36,393 | 137,724 |
| Net book values | | | | |
| At 30 September 2020 | 7,808 | 5,716 | 1,986 | 15,510 |
| At 30 September 2019 | 21,864 | 11,322 | 4,977 | 38,163 |

| | Leasehold improve- ments £ | Computer equipment and software £ | Office equipment £ | Total £ |
|------------------------|-------------------------------------|---|--------------------------|------------|
| Cost | | | | |
| At 1 April 2018 | 55,968 | 47,607 | 38,021 | 141,596 |
| Additions | — | 10,458 | 358 | 10,816 |
| At 30 September 2019 | 55,968 | 58,065 | 38,379 | 152,412 |
| Depreciation | | | | |
| At 1 April 2018 | 15,364 | 43,810 | 30,590 | 89,764 |
| Charge for period | 18,740 | 2,933 | 2,812 | 24,485 |
| At 30 September 2019 | 34,104 | 46,743 | 33,402 | 114,249 |
| Net book values | | | | |
| At 30 September 2019 | 21,864 | 11,322 | 4,977 | 38,163 |
| At 31 March 2018 | 40,604 | 3,797 | 7,431 | 51,832 |

8 Debtors

The debtor due in greater than one year represents the deposit paid on the rent of the charity's Kingsbourne House offices.

| | 2020 Total funds £ | 2019 Total funds £ |
|-------------------------------------|-----------------------------|-----------------------------|
| Debtor due in greater than one year | 19,163 | 19,163 |
| Debtor due in less than one year | 64,600 | 54,203 |
| Prepayment and accrued income | 7,524 | 8,218 |
| | 91,287 | 81,584 |

9 Creditors, accruals and deferred income

| | 2020 Total funds £ | 2019 Total funds £ |
|-----------------|-----------------------------|-----------------------------|
| Other creditors | 4,609 | 22,219 |
| Accruals | 36,440 | 25,586 |
| Deferred income | 11,599 | 20,950 |
| | 52,648 | 68,755 |

10 Restricted funds

| | At 1 October 2019 £ | Income £ | Expenditure £ | At 30 September 2020 £ |
|------------------|------------------------------|---------------|------------------|---------------------------------|
| Staff fund | 18,571 | 45,000 | (60,571) | 3,000 |
| Digital strategy | 12,348 | 20,950 | (21,768) | 11,530 |
| Matrix Chambers | — | 3,000 | (3,000) | — |
| | 30,919 | 68,950 | (85,339) | 14,530 |

The Staff Fund comprises of monies granted to support specific posts, namely the Assistant Legal Officer and Self-referral Scheme Coordinator and the Assistant Legal Officer – Social Security.

The Digital Strategy fund comprises of monies received from donors specifically to further the charity's digital strategy.

The Matrix Chambers fund consists of a grant made to cover the purchase of legal reference materials and staff training.

| | At 1 April 2018 £ | Income £ | Expenditure £ | At 30 September 2019 £ |
|------------------|----------------------------|----------------|------------------|---------------------------------|
| Staff fund | — | 90,000 | (71,429) | 18,571 |
| Digital strategy | 20,000 | 25,000 | (32,652) | 12,348 |
| Matrix Chambers | — | 3,000 | (3,000) | — |
| | 20,000 | 118,000 | (107,081) | 30,919 |

The Digital Strategy fund comprises of monies received from donors specifically to further the charity's digital strategy.

The Matrix Chambers fund consists of a grant made to cover the purchase of legal reference materials and staff training.

11 Designated funds

| | At 1 October 2019 £ | Income £ | Expenditure and transfers £ | At 30 September 2020 £ |
|------------------|------------------------------|-------------|--------------------------------------|---------------------------------|
| Fixed asset fund | 38,163 | 822 | (23,475) | 15,510 |

The fixed asset fund represent the net book value of the charity's unrestricted fixed assets as at 30 September 2020 and has been created to reflect the trustees' belief that these assets are not readily expendable by the charity.

| | At 1 April 2018 £ | Income £ | Expenditure and transfers £ | At 30 September 2019 £ |
|------------------|----------------------------|-------------|--------------------------------------|---------------------------------|
| Fixed asset fund | 51,832 | 10,816 | (24,485) | 38,163 |

12 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ |
|---|----------------------------|--------------------------|-----------------------------|
| Fund balances at 30 September 2020 are represented by: | | | |
| Fixed assets | 15,510 | — | 15,510 |
| Debtors and cash at bank | 312,680 | 14,530 | 327,210 |
| Creditors, accruals and deferred income | (66,648) | — | (66,648) |
| 2020 Total funds | 261,542 | 14,530 | 276,072 |

| | Unrestricted funds £ | Restricted funds £ | 2019 Total funds £ |
|---|----------------------------|--------------------------|-----------------------------|
| <i>Fund balances at 30 September 2019 are represented by:</i> | | | |
| Fixed assets | 38,163 | — | 38,163 |
| Debtors and cash at bank | 147,397 | 30,919 | 178,316 |
| Creditors, accruals and deferred income | (68,755) | — | (68,755) |
| 2019 Total funds | 116,805 | 30,919 | 147,724 |

13 Commitments

Lease commitments – operating leases

At 30 September 2020, the charity had the following future minimum commitments under non-cancellable operating leases as follows.

| | | |
|--|------------------|-----------|
| <i>Leasehold premises</i> | 2020 £ | 2019 £ |
| Payments which fall due: | | |
| . Within one year | 40,230 | 80,460 |
| . After one year but within five years | — | 40,230 |
| | | |
| | | |
| <i>Other</i> | 2020 £ | 2020 £ |
| Payments which fall due: | | |
| . Within one year | — | 4,464 |
| . After one year but within five years | — | 15,516 |

14 Related party transactions

During the period the charity received £nil donations from trustees (2019: £nil). Other than those disclosed elsewhere in the notes to the financial statements, there were no further related party transactions during the period (2019: none) which required disclosure.

15 Post balance sheet events

FRU continues to adapt our service to the changing circumstances caused by the Covid-19 pandemic. We have continued to train and supervise our volunteers remotely. We have trained fewer new volunteers to match our reduced capacity to take on legal cases, and we have offered free refresher training to those volunteers who were not able to take a case during the first year of the pandemic.

In February 2021 the lease on our office in Holborn expired. We have taken on a new 10-year lease in Gray's Inn on a smaller office suite on more favourable terms. This fits with our objectives to focus expenditure on the front-line service and to adapt to the new realities of remote working.

Our financial reserves remain healthy. Our 50th anniversary year in 2022 will offer a good opportunity to raise our profile further to raise funds and attract new supporters.

We still intend to update our governance model by operationalising the incorporated entity created in 2019 and winding up the activity of this unincorporated body. The switch over to the new model will take place in 2022.

List of donors and financial supporters Year ended 30 September 2020

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

Individual Donors

Note that some of our records are incomplete or not up to date. Would any donor whose name is incorrectly shown or omitted, or who wishes to be anonymous in future years, please accept our apologies and correct our records by contacting our office manager, Sharon Sneddon; office.manager@thefru.org.uk.

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