ROYAL FREE CHARITY



Royal Free Charity: Trustees' annual report and accounts 2025-26

Royal Free Charity, Registered charity number 1165672

Administrative details

Charity number

1165672 in England and Wales

Company number

09987907 in England and Wales

Governing document

The Royal Free Charity is governed by its articles of association dated 4 February 2016, reviewed and updated in January 2023.

Registered office

Registered address: Royal Free Charity, Pears Building, Pond Street, London NW3 2PP

Trustees

Judy Dewinter chair of trustees

Simon Lyons vice-chair of trustees

Russell Brooks

Stephen Craig (appointed 10 June 2025)

Julie Hamilton

Valerie Jolliffe

Peter Landstrom

Katie Morrison (retired 11 June 2026)

Alison Munday (appointed 1 April 2025)

Melanie Sherwood

Gillian Smith

Senior Leadership Team

Jon Spiers chief executive

Robin Meltzer deputy chief executive, director of engagement and communications (resigned 28th August 2026)

Russell Delew director of fundraising and campaigns

Sharron Grant director of people and culture

Alex Jarvis director of finance, property and operations and company secretary

Laura James director of services and innovation

Alison Kira director of grants and impact

Professional services and advisers

Bankers

Lloyds Bank PLC 140 Camden High Street London NW1 0NG

Handelsbanken 2nd Floor 6a Hampstead High Street London NW3 1PR

Investment managers

Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

Auditors

Crowe UK LLP R+ Building 2 Blagrave Street Reading RG1 1AZ

Solicitors and legacy advisers

Withers LLP 20 Old Bailey London EC4M 7AN

Charles Russell Speechlys 5 Fleet Place London EC4M 7RD

Structure, governance and management

Constitution of the charity

The charity is a company limited by guarantee. Its members are the trustees of the charity, who are also the directors of the charitable company, of whom there may be a maximum of 14. Each member guarantees to contribute up to one pound sterling (£1) to

the charity's debts, liabilities and costs in the event of the charity being wound up and for one year after ceasing to be a member.

Recruitment and appointment of trustees

Trustees are appointed by the board after open competition, with the exception of one trustee whom the Royal Free London NHS Foundation Trust (RFL) has the right to appoint and remove. During the year, Dr Gillian Smith, group chief medical officer at the RFL, fulfilled this role.

Induction and training of trustees

The chair of trustees aims for new and existing trustees to be fully briefed on the key issues facing the charity, including Charity Commission information on trustee responsibilities, aspects of charity law pertinent to the charity and timely copies of reports, accounts and other key documents. The director of people and culture supports the chair of trustees in the induction and training of trustees.

Organisation structure and delegation

The trustee board presently comprises 10 trustees.

The board of trustees retains overall responsibility for the governance, strategy and control of the charity, including approval of the annual budget, major financial commitments, key policies, significant grants and the appointment and remuneration of the chief executive.

The board delegates responsibilities to four committees and one subcommittee per its Schedule of Delegated Authority, which comprise both trustees and co-opted members:

- Fundraising, Communications and Campaigns committee
- Grants, Research and Services committee
- People and Governance committee
- Finance, Property and Investments committee
- Investments subcommittee (a subcommittee of the Finance, Property and Investments committee)

The four committees meet at least quarterly, whereas the Investments subcommittee meets annually.

Day-to-day management of the charity is delegated to the chief executive, supported by the senior leadership team, with specific responsibilities further delegated to designated senior staff in accordance with the charity's Schedule of Delegated Authority.

The board directly approves the remuneration of the Chief Executive and any material changes to the remuneration of Senior Leadership Team members proposed by the chief executive. Staff pay arrangements, including annual cost-of-living increases, are reviewed by the People and Governance Committee and approved through the charity's governance processes, with remuneration decisions made in accordance with the charity's pay policy, which requires that remuneration is set with reference to comparisons with similar positions in the charity sector.

Subsidiary undertakings

During the financial year, the charity operated five trading subsidiaries:

RFC Enterprises Ltd

RFC Overage Ltd

RFC Recreation Club Ltd

RFC Developments Ltd (closed during the financial year)

RFC Properties Ltd (closed during the financial year).

With respect to RFC Enterprises Ltd and RFC Overage Ltd, the directors of the subsidiaries are the chair and CEO of the parent charity. With respect to RFC Recreation Club Ltd, the board comprises charity staff, charity trustees and members of the local community.

In all cases, the charity is the sole shareholder for each trading subsidiary and maintains ultimate control.

Management and operation of these subsidiaries is carried out by employees of the parent charity on their behalf, with costs recharged to the subsidiaries as appropriate.

Public benefit disclosure

The Royal Free Charity's purpose is to support the RFL's four hospitals – Barnet Hospital, Chase Farm Hospital, the Royal Free Hospital and North Middlesex University Hospital (which joined the group in 2025) - as well as many satellite sites across north London. The trustees, in making decisions about our mission, have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

We focus our support on three groups aligned to our impact framework, in order to determine the difference we make to each group:

Our primary beneficiaries:

Patients and their families, whether local or from further away, needing to use the RFL's specialist services, as well as the patients of the future. We enhance the experience of patients throughout their hospital journey through the patient support we provide directly, through projects and equipment we fund on the wards and through research we fund that has the potential to transform health outcomes for patients of the future.

Our secondary beneficiaries:

The staff of the hospitals and satellite sites, so they can deliver the best possible healthcare, and researchers including partner collaborations, so we can have both local impact and the potential to improve healthcare nationally and globally.

The wider population in the footprint served by the RFL's four hospitals, so they can lead healthier lifestyles and reduce their risk of preventable long-term health conditions.

The public benefits that flow from our support for these three groups are as follows:

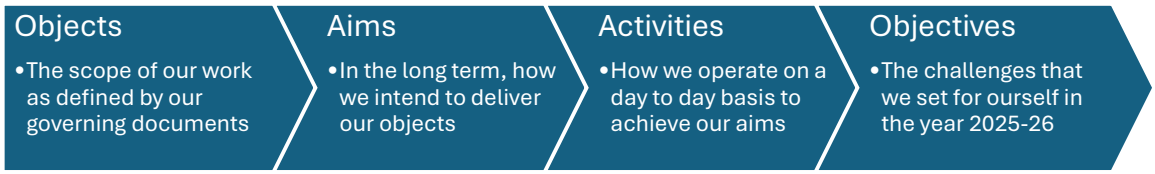
Patients: Evidence shows that improving the experience of patients leads to better patient safety and clinical outcomes and a better quality of life, particularly for patients facing a poor prognosis; improves patient involvement in, and understanding of, their care; leads to fewer demands for unnecessary treatment; and can expose important system challenges, leading to improvement of care for all.

NHS staff: Evidence shows that improving the experience of NHS staff leads to better retention of staff, crucial at a time of chronic staff shortages in the NHS; relieves long-term anxiety caused by work stresses; makes staff feel better prepared for the future; and improves patient outcomes and satisfaction. In addition, improvements to the working environment and the specialist equipment staff use encourage a more holistic approach to treatment, health and wellbeing and improve morale.

Population health: There is strong evidence that improving population health through healthier lifestyle choices can reduce pressure on the NHS by reducing outpatient appointments and hospital bed days for preventable long-term health conditions. By promoting earlier diagnosis, increasing uptake of screening programmes and supporting healthier lifestyles, these measures in turn lower the incidence and severity of preventable conditions such as type 2 diabetes, cardiovascular disease and obesity-linked cancers.

No harm arose from our work. Our beneficiaries were patients, NHS staff, the general public and locally-based community and voluntary organisations. No private benefit arose from these purposes.

Objects, aims, activities and objectives



Objects

The objects of the charity, as set out in our governing document, are as follows:

To further any charitable purpose or purposes relating to the general or any specific purposes of the foundation trust or the purposes of the health service;

To promote, protect, preserve and advance all or any aspects of the health and welfare of the public, particularly within the catchment area of the foundation trust;

To advance and promote knowledge and education in medicine, including by engaging in and supporting medical research.

Aims

In fulfilment of these objects, we aim to:

Improve the experience for patients of today, both clinically, by funding the acquisition of clinical and diagnostic equipment, supporting best practices in treatment and care, and supporting discharge and preventing readmission, and also non-clinically, by improving the hospital environment, reducing anxiety and stress for patients, reducing waiting times and improving communication with patients

Improve the experience for patients of tomorrow, by funding medical research and innovation, supporting clinicians to participate in research and increasing patient access to clinical trials

Improve the health and wellbeing of staff of the RFL, through the provision of recognition, training, facilities, and resources

Improve the health of the local population, through motivating and enabling healthy lifestyle choices, reducing health inequalities and increasing take-up of screening and early diagnosis

These aims align directly to our charitable objects and also to the strategic objectives of the RFL.

Activities

In general, the charity undertakes the following activities in relation to the aims above:

- Grant-making, principally to the RFL and its academic partner University College London (see below).
- Ad hoc purchases from special purpose funds to support the operation of specific areas within the hospital.
- Operation of our volunteer programme, which improves patient experience and wellbeing by providing companionship, practical assistance and targeted support to patients, while complementing the care and support provided by NHS staff.
- Provision of complementary therapies, including clinical massage, to help reduce pain, stress and anxiety, support recovery and rehabilitation, and improve patients' physical and emotional wellbeing.
- Provision of specialist welfare rights, benefits, housing and financial advice to help reduce financial stress, address practical barriers to recovery and support patients to maintain their independence and wellbeing.
- Operation of the Royal Free Charity Recreation Club to support patient prehabilitation and rehabilitation, improve the physical and mental health of the local population, prevent hospital admission, and support the wellbeing of RFL staff.
- Operation of our social investment properties (see below).

In order to support these activities, we undertake the following activities to raise funds:

- Fundraising and sponsorship activities (see below)
- Operation of investment properties (Graseby House ground floor office and the Armoury Building), which are rented out on a commercial basis
- Management of a diversified investment portfolio and treasury deposits (see below)

Objectives and achievements

For the financial year 2025-26, the charity set out six key objectives. These objectives, and our performance against them, are set out below.

Objective	Key 2025-26 priorities	Performance and achievements
Cancer services	Launch cancer centre campaign, complete surgical robot fundraising, support oncology innovation.	We successfully introduced innovative oncology patient support and embedded our scar tissue massage treatments in order to support cancer patients at RFL. Fundraising for the surgical robot took us longer than expected, due to our increasing focus on the Join the Future cancer campaign; the campaign was successfully launched in June 2026 to allow sufficient time for the design and governance processes.

Fundraising growth	Grow community fundraising, implement grateful patients strategy, increase unrestricted income and legacy giving.	We have started to grow our community fundraising and successfully implemented our grateful patients strategy. Our legacy income has increased and we expect this to increase further. Our unrestricted fundraising income has increased from the previous financial year, primarily due to receipt of the Covid Memorial Statue which was valued at £450,000.
Partnerships	Integrate North Middlesex, expand services and fundraising opportunities.	The charity has taken over and transformed volunteering provision at North Middlesex University Hospital and launched complementary therapy services at the hospital for the first time. We have made some initial steps towards growing our fundraising presence at North Middlesex University Hospital.
Grants	Improve impact reporting, refine grants processes, deliver grants programmes, complete SPF review.	Alongside delivering our grants programmes, we have developed our new impact reporting framework which will enable us to better target our activity more effectively. We have also improved our grants administration processes for greater efficiency and reviewed the governance around our Special Purpose Funds.
Finance	Improve management reporting, audit delivery, finance systems, VAT and cash management.	We have accelerated our audit delivery, embedded a new implementation of our new finance system, restructured our approach to VAT management and recovery and made progress on our cash flow forecasting. We have changed our management reporting processes to increase speed and accuracy, with a focus for the future to ensure that our reporting is more strategic.
People & culture	Address skills gaps, define high-performance culture, introduce culture dashboard and improve staff benefits.	We have invested in learning and development for our staff in order to address our skills gaps. We have introduced a culture dashboard and begun the process of reviewing staff benefits and developing a definition of ‘high performance culture’ in conjunction with staff across the organisation.

Grant-making

The charity makes grants to support projects, research, equipment and service improvements that further its charitable purposes and align with the strategic priorities of the RFL. All grant applications are subject to a formal assessment and approval process, with awards approved in accordance with the charity's delegated authority framework and proportionate levels of trustee oversight.

This assessment and approval process takes into account alignment with RFL and charity strategic priorities, the identified need and expected impact, permissibility, sustainability and value for money in order to ensure that the charity funds the most impactful work.

Grants may be funded from unrestricted, designated or restricted funds, as appropriate, and are only awarded where they are expected to deliver a clear benefit to patients, staff, research or healthcare services.

Through its grant-making activities, the charity directs charitable resources to initiatives that advance its objectives of improving healthcare, supporting innovation and enhancing patient and staff experience.

Following the conclusion of grant funded activities, grant recipients are required to conduct an evaluation in order to determine the impact of the grant funding. For projects over one year, grant recipients are required to provide six-monthly progress reports.

For more details of the breakdown of our expenditure on grants, please see note 3 in the accounts below.

Volunteers

Our volunteers are central to our ability to provide direct support to patients across the Royal Free London hospitals and associated community locations. At the end of 2025-26, we had approximately 756 volunteers delivering 71,481 hours of volunteering over the year. In February 2026, North Middlesex University Hospital's volunteering service transferred to the charity.

Volunteers undertake a wide range of roles according to the needs of patients and NHS teams. These include providing companionship and emotional support, supporting patients at mealtimes and those living with dementia, helping people navigate hospital sites and attend appointments, and undertaking targeted roles developed alongside clinical teams to improve patient experience.

Our volunteering programme is managed in line with the Investing in Volunteers standard, ensuring volunteers are appropriately recruited, trained, supported and recognised.

Social investment

In order to further our charitable objectives, the charity owns a number of social investment properties. These support us in furthering our charitable purposes as follows:

Graseby House (upper floors): The upper floors of this property are operated as subsidised accommodation for NHS staff, particularly NHS staff who are starting out in their career or who are new to the UK. Our provision of this facility reduces barriers to recruitment into the NHS and supports the wellbeing of RFL staff.

Pears Building (patient hotel on floors 5 and 6): This facility is operated as a patient accommodation facility. Patients who travel from some distance to attend outpatient appointments or who attend multiple outpatient appointments over several days can stay at this facility. By providing comfortable, safe and dignified hotel-style accommodation on the hospital site, we support the wellbeing of patients, reduce patient anxiety and fatigue, and prevent unnecessary admission to inpatient beds.

Pears Building (Institute of Infection, Immunity and Transplantation (IIT)): This facility is provided at cost by the charity to UCL. The IIT is a cutting edge laboratory researching novel treatments for a range of conditions connected to the immune system. By providing dedicated space for academic research within the hospital campus, this facility enables close collaboration between clinical and academic research, increasing patient access to innovative treatments and clinical trials and ultimately improving patient outcomes in both the short and long term.

Pears Building (car park): This facility is provided at cost by the charity to the RFL for the benefit of patients. Providing car parking on site enhances the patient experience and reduces patient anxiety and fatigue.

Fundraising

The charity undertakes a wide range of fundraising activities to support its charitable activities. These include major donor fundraising, trusts and foundations fundraising, corporate fundraising, individual giving (including mid value), community fundraising, challenge events, lottery and Gift Aid claims.

The charity contracted with professional community fundraisers Britevox to carry out fundraising activities on our behalf. These professional fundraisers were monitored by the charity's fundraising management team through regular reporting and a complaint

escalation process. Britevox captures complaints and then escalates these to the Head of Public Fundraising for review and resolution.

The charity is subscribed to and complies with the Fundraising Code of Practice, Charity Commission regulations and the ICO. The professional fundraisers who act on our behalf are also subscribed to and compliant with the same codes of practice.

This includes the measures within the Fundraising Code of Practice which serve to protect the public, and in particular vulnerable people, from unreasonable intrusions of privacy, unreasonable persistence or undue pressure. The charity is committed to ethical, sustainable and relationship-based fundraising.

We are not aware of any failures by the charity or any person acting on behalf of the charity to comply with fundraising standards or regulations, and we have not received any complaints regarding our fundraising activities or those carried out by professional fundraisers acting on our behalf. (2024-25: nil.)

The charity made significant investment in fundraising activities relating to our £50m 'Join the Future' campaign to construct a new cancer centre. This included hiring campaign staff and developing campaign materials. As expected, these activities have not yet delivered income, and as a result this expenditure has impaired our overall return on fundraising activities (although it has not affected our overall return on unrestricted fundraising). With £7m already secured, this investment will enable us to raise the remaining £43m to complete construction.

Investment properties

The charity operates two investment properties. These are rented on a commercial basis to generate funds to support our charitable activities.

- Graseby House (ground floor offices)
- Armoury Building (gym and leisure facilities)

Investments and treasury management

The charity has substantial investment holdings which are managed in accordance with our investment policy.

The investment policy targets a total return of CPI + 4% and incorporates environmental, social and governance (ESG) considerations, supports responsible investment and stewardship, and specifically excludes investment in tobacco companies in recognition of the charity's health-related mission.

The charity's investments are wholly held within a Sustainable Multi-Asset Fund, which targets a return of CPI + 4% net of costs in line with our policy and reflects the charity's

ESG priorities. During the financial year, our investments delivered a total return of CPI + 6%, which exceeds the target stated in the policy.

The charity does not hold permanent endowment investments subject to the total return reporting regime as set out in the Charities Act and SORP.

Financial review

Overall, the charity performed well this year. Our core unrestricted funds, which are the focus of our financial strategy, delivered a substantial surplus primarily due to excellent returns in the stock market, despite a downturn in February and March 2026.

Our charitable expenditure was broadly in line with budgets. Our patient support teams identified efficiency savings which reflect the team's ongoing commitment to maximising our impact. Meanwhile, we continued to reduce the balances of our restricted and designated funds as we deployed these against a wide variety of projects across our beneficiaries.

Our unrestricted voluntary income has grown since the previous financial year, principally due to the generous gift of the Covid Memorial Statue, which was installed on the Royal Free Hospital campus and which was valued at £450,000. In line with our strategy, we have also grown our fundraising income relating specifically to our patient support work, including through the merger with the Chase Farm League of Hospital Friends, which brought in £142,000 to the charity to support patient support activities at Chase Farm Hospital. We continue to invest in growing our fundraising activity across these areas to ensure that we have sustainable future voluntary income which enables us to deliver our charitable work. We have also invested restricted funds in our Join the Future campaign to build a new cancer centre on the Royal Free Hospital site; we are currently slightly below budget on this project, which is welcome.

Our properties continue to operate in line with expectations. During the year, as part of our review of historic property operations we developed a better understanding of costs and income relating to service charging in the Pears Building in 2021-22. Unfortunately, recalculation of the service charge for that year in light of this improved information meant that we had to make provision to repay our tenants for overcharging, reducing our reported income by £267,000. We also made provision for irrecoverable repair costs of £108,000 relating to a fire at the Rec Club which occurred in the previous financial year. Nevertheless, if these one-off factors are excluded, the properties continue to fulfil their social and financial purposes for the charity in line with budgets and our strategic plans. We are working to reduce costs and improve income relating to our properties to maximise our impact and the contribution of the properties to our other charitable work.

Key risks and uncertainties

The principal risks facing the charity are:

- Falling short of our fundraising targets, including those relating to the cancer campaign, funding our patient support activities and our unrestricted cost base
- Difficulty in recruiting and retaining the skilled people that we need to deliver our plans in a challenging economic environment
- Issues with our properties, which could give rise to unexpected additional costs or could fail to deliver the level of income that we expect

These risks are managed through:

- Regular financial and performance monitoring
- A diversified fundraising portfolio
- Active oversight of major projects and investments
- Workforce and succession planning
- Robust property, health and safety, governance and compliance arrangements.

The strategic risk register is reviewed regularly by senior management, the board of trustees and its committees, with further action taken where controls need to be strengthened.

Plans for the future

Pressure on the NHS is greater than ever. In this context, we aim to be even more impactful, more data driven, and wider-reaching than ever before, while building up our resources to secure our future.

Objective	**How we will achieve this**
Spread our impact	With the expansion of our NHS trust and the charity into a fourth major hospital and rising demand from beneficiaries, we are reshaping our direct patient support including volunteering, complementary therapy and financial advice. Each site's programme of charity support will be focused on local clinical needs within a common delivery framework, able to flex to specific pressures at each location while remaining financially sustainable and compliant with best practice. Our years of running high impact services for patients and our strong relationships with trust colleagues will continue to inform our approach.
Grow our impact	Building on recent work to define a clearer impact framework where all activity can be linked to both outputs and outcomes for those we serve, we will refocus our grant funding to maximise impact for patients, staff and innovation within the

	NHS. This will include a review, supported by external experts and consultation with research collaborators, of where we deploy research funding, to understand whether investing in healthcare innovations nearer to the point of NHS adoption would deliver faster for patients.
Focus on cancer	Cancer remains the highest priority for the charity and one of the trust's three clinical priorities. Having concluded the preparation phase of our capital campaign to build a new cancer centre at the Royal Free Hospital, we will launch the campaign to major donors and institutions to secure principal gifts. Recognising that cancer care is delivered across trust sites, we will also identify and invest in cancer equipment, facilities and research across the RFL footprint in North London, in collaboration with trust experts and patients.
Be more inclusive and sustainable	We have made strong progress in the past year on anti-racism and further reducing our carbon footprint and will maintain our focus on both areas, recognising our responsibilities as a funder, an employer and a direct provider of services. This will help us meet the increasing expectations of regulators, donors, beneficiaries and our own staff.
Grow our income	In common with much of the sector, we face considerable inflationary pressure on our unrestricted cost base, requiring us to grow our unrestricted fundraising and increase our commercial and property income. In fundraising, this will include continuing to invest in our highly successful face-to-face donor acquisition and challenge events programmes. Across our properties, we are driving cost efficiencies through retendering of facilities management contracts and identifying novel ways to increase demand for our staff and patient accommodation.

Reserves

Trustees are required to ensure that we hold sufficient reserves for the charity to meet its financial commitments and respond to unforeseen circumstances. To do this, trustees have established three reserve targets, based on their evaluation of a series of challenge scenarios relating to expenditure and income. All reserves targets and our performance against them are regularly reviewed by trustees.

Reserve	Target at 31 March 2026	Actual at 31 March 2026	Actual at 31 March 2025

Short-term liquidity reserve	£2 million	£6.1 million	£5 million
Medium-term 'free reserves'	£1 million	Negative £1.7 million	Negative £4.6 million
Long-term 'strategic reserve'	£2.8 million	£6.4 million	£6.1 million

Short-term liquidity reserve target

To ensure sufficient ready cash to meet our immediate needs, for 2025-26 trustees set a minimum balance of cash to be held in instant access cash facilities at £2 million.

We are currently exceeding this target. At 31 March 2026, our liquidity reserve stood at £6.1m, as the charity is currently benefiting from favourable interest rate returns on instant access cash. However, we expect a material cash outflow in September 2026 relating to the purchase of medical equipment.

Medium-term 'free reserves' target

To address potential medium-term financial challenges, for 2025-26 the charity has a target level of 'free reserves' at £1 million. In line with regulatory requirements, the current level of the strategic reserve is calculated based on unrestricted funds, adjusted for property holdings (excluding pure investment properties).

Our free reserves remain negative. Although we have significant unrestricted funds, deducting the value of our property portfolio produces a negative figure. However, our free reserves have improved by £2.9m from negative £4.6m to negative £1.7m, primarily due to strong performance in our investments and the clarification of our approach to the ground floor offices at Graseby House.

We do not think that this measure of free reserves fully reflects the financial resilience of the charity, which remains strong as demonstrated by our overperformance on our liquidity and strategic reserves targets. Nevertheless, we are following our robust financial plan and we are on track to achieve compliance with our free reserves target by March 2030.

Long-term strategic reserve target

We recognise that some challenges faced by the charity may be longer-lasting and require a more strategic repositioning of the charity's operations. To address these, trustees have agreed that the charity would deploy a long-term strategic reserve. For 2025-26, the target level of this strategic reserve is £2.8 million. The strategic reserve is underpinned by our mixed-motive investment property, the staff accommodation at

Graseby House, which could be sold if required by the strategic position. This reserve is therefore calculated as our 'free reserves' plus the value of this property.

Our strategic reserve is currently comfortably in excess of the target, at £6.4 million.

Our funds

The charity holds funds of three types:

Restricted funds are made up of gifts, donations and grants with strict spending conditions and covenants attached, as well as funds inherited from other charitable organisations through merger with the charity. Restricted funds at the year-end were £28.7m (2024-25: £28.1m).

Unrestricted, designated funds are donations or legacies which are ring fenced by trustees for a specific purpose, either for strategic reasons or because they come with a non-binding expression of wish from the donor to benefit specific activities of a department in one or more of our four hospitals. Unrestricted, designated funds at the year-end were £8.4m (2024-25: £10.4m).

Unrestricted, general funds carry no stipulation from the donor but must be spent in line with the charity's objects, which is the legal responsibility of the trustees. Unrestricted, general funds at the year-end were £61.8m (2024-25: £62.6m).

Restricted funds in material deficit

At the end of 2025-26, one restricted fund for the purpose of purchasing a second surgical robot for the RFL was in deficit to the amount of £163k. This is because expenditure was recorded when the grant was made to the trust, before the robot had been purchased and before funds had been raised, putting the fund into deficit.

At the start of the year, the fund was £1,031k in deficit, reducing to £163k over the course of the year as our successful fundraising campaign brought in the money to pay for the robot. Since the end of the financial year 2025-26, the deficit has reduced further to £134k and we expect the deficit to be fully closed in the coming months.

Statement of trustees' responsibilities

The trustees (who are also directors of the Royal Free Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure of the company for that period.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a statement of recommended practice applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' annual report was approved by the board of trustees on 28th September 2026.

The strategic report, which forms part of the annual report, is approved by the trustees in their capacity as directors in company law of the charity.

Signed on behalf of the board of trustees:



Judy Dewinter

Chair of the board of trustees



Stephen Craig

Chair of the finance, property and investments committee

28th September 2026

Independent Auditor's Report to the Members of The Royal Free Charity

Opinion

We have audited the financial statements of The Royal Free Charity ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2026 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, consolidated cash flow statement and notes to the financial statements, including significant accounting policies. 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 group's and the charitable company's affairs as at 31 March 2026 and of the group's incoming resources and application of resources, including its income and expenditure for the 31 March 2026 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 group 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 trustee's 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 group's or the charitable company'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 contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 and proper accounting records have not been kept; 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page X, 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.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation together with the Charities SORP (FRS 102) and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

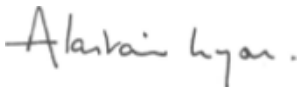
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company'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 charitable company's members and 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

19 October 2026

Accounts

Financial statements

The following audited consolidated financial statements comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 including Update Bulletin 2, the Charities Act 2011 and the Companies Act 2006.

Consolidated statement of financial activities

	Note	Year ended 31 March 2026			Year ended 31 March 2025		
Income from:		**Unrestricted £000**	**Restricted £000**	**Total £000**	**Unrestricted £000**	**Restricted £000**	**Total £000**
Donations and legacies	2	2,860	1,693	4,553	2,511	1,537	4,048
Charitable activities		45	-	45	33	-	33
Property operations		950		950	908		908
Other trading operations		640		640	629		629
Rental income		2,151		2,151	1,633		1,633
Investments	8.4	1,883	94	1,977	1,919	100	2,019
Other		8		8	7	6	13
Events		10	-	10	6	-	6
Other income		-		-	98		98
Total income		**8,547**	**1,787**	**10,333**	**7,745**	**1,644**	**9,389**
Expenditure on:							
Raising funds		2,765	724	3,489	1,935		1,935
Charitable activities	3	9,146	771	9,917	10,024	2,543	12,567
Governance		87	-	87	70		70
Total expenditure		**11,997**	**1,495**	**13,493**	**12,029**	**2,543**	**14,572**
Net gains/(losses) on investments	8.6	736	164	900	(3,480)	(69)	(3,549)
Net income / (expenditure)		**(2,715)**	**456**	**(2,259)**	**(7,764)**	**(968)**	**(8,733)**
Transfers between funds	11	(150)	150	(0)	929	(929)	-
Gains on tangible fixed assets		-	-	-	70	-	70
Net movement in funds		**(2,864)**	**605**	**(2,259)**	**(6,766)**	**(1,897)**	**(8,663)**
Reconciliation of funds:							
Total funds brought forward		73,048	28,143	101,187	79,813	30,040	109,852
Total funds carried forward		**70,183**	**28,749**	**98,929**	**73,048**	**28,143**	**101,187**

Consolidated and charity balance sheet

	Note	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Fixed assets					
Intangible assets		108	96	142	125
Tangible assets	6	30,097	29,973	30,315	30,195
Investments	8	20,516	20,655	21,940	22,080
Social investments	8	37,052	37,052	37,636	37,636
Total fixed assets		**87,665**	**87,680**	**89,890**	**89,910**
Current assets					
Debtors	9	2,067	2,119	2,523	2,347
Cash at bank and in hand		23,345	21,992	23,019	22,738
Total current assets		**25,412**	**24,111**	**25,542**	**25,085**
Creditors falling due within one year	10.1	(14,256)	(11,881)	(14,388)	(13,099)
Net current assets		**11,155**	**12,230**	**11,154**	**11,986**
Creditors falling due after more than one year		-	-	-	-
Total net assets		**98,929**	**100,006**	**101,187**	**102,022**
Reconciliation of funds					
Unrestricted	11.1	70,180	71,257	73,044	73,879
Restricted	11.2	28,749	28,749	28,143	28,143
Total funds		**98,929**	**100,006**	**101,187**	**102,022**

As permitted by section 408 of the Companies Act 2006, the parent charity's gross income and results have not been included in the financial statements.

The financial statements were approved and authorised for issue by the Board on 28th September 2026 and are signed on its behalf by:



Judy Dewinter

Chair of the board of trustees



Stephen Craig

Chair of the finance, property and investments committee

Cash Flow Statement

	2025-26 £000	2024/25 £000
Cash flows from operating activities		
Net cash provided by/(used in) operating activities	**(3,524)**	**(5,510)**

Cash flows from investing activities		
Investment income and interest received	1,977	2,019
Proceeds from disposal of fixed asset investments	3,994	1,832
Acquisition of fixed asset investments	(1,635)	(1,575)
Acquisition of tangible fixed assets by charity	(461)	(93)
Acquisition by subsidiaries: tangible fixed assets	(25)	(20)
Acquisition by subsidiaries: intangible assets	-	(23)
Net cash flow from investing activities	**3,850**	**2,140**

(Decrease)/increase in cash and cash equivalents	**326**	**(3,370)**
Cash and cash equivalents at beginning of period	23,019	26,389
Cash and cash equivalents at end of period	**23,345**	**23,019**

Reconciliation of net income to cash flow from operating activities		
Net (expenditure)/income	**(2,259)**	**(8,733)**
Depreciation and amortisation charges	1,287	1,276
Net (gains)/losses on investments	(900)	3,549
Investment income	(1,977)	(2,019)
(Increase)/decrease in debtors	457	1,050
(Decrease)/increase in creditors	(132)	(633)
Net cash provided by/(used in) operating activities	**(3,524)**	**(5,510)**

Analysis of net cash			
	1 Apr 2025 £000	**Cashflows £000**	**31 Mar 2026 £000**
Short-term deposits	-	-	-
Cash at bank and in hand	23,019	326	23,345
Total net cash	**23,019**	**326**	**23,345**

Notes to the accounts

1 Accounting policies

1.1 Basis of preparation

These financial statements are prepared on a going-concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value via income and expenditure within the statement of financial activities.

They are prepared in accordance with the financial reporting standard applicable in the UK (FRS 102). The charity is a public benefit group for the purposes of FRS 102, therefore it also prepared its financial statements in accordance with the statement of recommended practice (SORP) applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK (FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

They are prepared in GBP sterling, which is the charity's functional currency. Monetary amounts in the financial statements are rounded to the nearest one thousand pounds.

1.2 Going concern

The trustees assessed the suitability of the use of the going-concern basis and considered possible events due to conditions that might significantly affect the charity's ability to continue as a going concern. In making this assessment, for a period of at least a year from the date of approval of the financial statements, they considered the charity's financial plans, forecasts and projections and noted the pressures on donation, legacy and investment income. After making enquiries and considering the available cash balances and funds within the investment portfolio, the trustees believe that the charity has adequate resources to continue to operate and deliver on its objectives for the foreseeable future. It therefore adopts the ‘going-concern basis’ in preparing its financial statements.

1.3 Estimates and judgements

Works of art are valued in the balance sheet at £880,950 (2024-25: £430,950), a figure which the trustees believe fairly reflects their value.

Major works are held at their insurance valuation. Minor works are held at their insurance valuation impaired by 75% to better reflect their operational value to the charity.

The £450,000 increased value is a donation of a bronze sculpture “Breathe” (NHS Covid Memorial) by artist Nicola Ravenscroft 2021 which was valued by Talos Art Foundry.

Investment properties are valued in the balance sheet at £2,475,000 (2024-25: £2,475,000), a figure which the trustees believe fairly reflects their value. Mixed-motive investment represents a property valued in the balance sheet at £10,700,000 (2024-25:

£10,700,000), a figure which the trustees believe fairly reflects its value. See the accounting policy for investment properties, which explains how the valuation has been arrived at.

1.4 Financial instruments

The charity has applied the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all its financial instruments. They are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts, and an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Apart from prepayments, deferred income and balances with HM Revenue & Customs under statute, all other debtor and creditor balances, as shown in notes 9 and 10, are considered to be basic financial instruments under FRS 102.

1.5 Consolidation

These financial statements consolidate on a line-by-line basis the financial statements of the company (the Royal Free Charity) and its subsidiaries RFC Developments Ltd, RFC Enterprises Ltd, RFC Recreation Club Ltd and RFC Overage Ltd.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits at call with banks and other short-term liquid investments with original maturities of three months or less.

1.7 Fund structure

Restricted funds are funds for which a legal restriction exists over their use, as determined by the donor. This could be a restriction to a particular department of the hospital, such as cardiac or renal, or to a particular sphere of activity, for example research or equipment.

General funds may be used at the trustees' discretion for any general purpose of the charity.

1.8 Income

All income is included in full in the statement of financial activities as soon as the following three factors can be met:

a. entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable.
b. probability - when it is probable that the incoming resources will be received.
c. measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

1.9 Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the charity recognises the associated costs for which the grant is intended to compensate.

1.10 Gifts in kind

Gifts in kind are recognised as income and expenditure in the year the gifts are received by the charity. The amount at which gifts in kind are recognised is either value of the cost to the donor or the fair value determined by the charity. The gifts are then directed to the relevant hospital department or ward. Total value of gifts in kind for 2025-26 was £nil (2024-25: £nil).

1.11 Expenditure

Liabilities are recognised as expenditure if the charity has a legal or constructive obligation that commits it to the expenditure, or if there is a constructive obligation to make a transfer of value to a third party.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the particular category.

Governance costs comprise the costs of complying with statutory requirements.

1.12 Allocation of overhead and support costs

Overhead costs have been divided into the categories shown in note 3, and apportioned between those categories (raising funds and charitable expenditure), on the basis of their relevance to each category. In 2025-26, as in 2024-25, a direct charge was made to restricted and designated funds in recognition of the overhead and support costs relating to those funds. The salaries of the charity's staff are apportioned individually across these expense categories, reflecting the time spent by each individual on the relevant activities.

1.13 Grants

Grants are accrued in full when there is a binding commitment by the charity to transfer the amounts involved to a third party.

1.14 VAT and partial exemption

The charity is in a VAT group with its subsidiary RFC Enterprises Ltd. It is entitled to recover part of the net VAT incurred as a cost. The recovered proportion is small and changes from one accounting period to another, subject to the VAT status of income generated. The irrecoverable element of VAT is expensed through the statement of financial activities as a charge. Where the VAT is in relation to an asset, the irrecoverable VAT is capitalised along with the net amount of the asset cost.

1.15 Investments

Investments are shown in the balance sheet at market value.

The investment property was valued in 2024-25 by Nick Sullivan chartered surveyors, and this valuation is reflected in these accounts. The mixed-motive investment property was valued in 2024-25 by Montagu Evans, chartered surveyors. The trustees are satisfied that these valuations reflect the properties' fair value.

1.16 Social investments

Programme-related investments relate to parts of the Pears Building leased to third parties that are used to help to fulfil the charity's charitable objectives. The programme-related investments are held at cost.

Mixed-motive investments (MMI) relate to a property used to help to fulfil the charity's charitable objectives as well as generating investment return.

1.17 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset over its expected useful life, as shown in the table below.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or changes in circumstances indicate that the carrying value may not be recoverable, then the carrying values are reviewed for impairment.

Properties held as pure investment or MMI, or properties including parts MMI, are not to be depreciated. The Armoury, which is a pure investment property, and Graseby House, which is MMI, are not to be depreciated. The Pears Building is amortised over its lease period and the charge to the statement of financial activities is classed as charitable expenditure.

Asset type	**Capitalisation threshold**	**Depreciation**
Building - leasehold	£10,000	Lease period (eg Pears Building 50 years)
Building - freehold	£10,000	100 years (freehold)
Computer equipment	£2,500 individually or exceeding £5,000 in aggregate	3 years
Computer systems development	£25,000 in aggregate	5 years
Software (purchased or developed)	£25,000	5 years or expected life, if shorter

Computer development	£2,500 individually or exceeding £5,000 in aggregate	5 years
Recreation equipment	£1,000 individually or exceeding £1,000 in aggregate	5 years
Shop EPOS system	£5,000	5 years
Shop fit-outs	£5,000	Lease term
Furniture and fittings	£2,500 individually or exceeding £5,000 in aggregate	5 years
Works of art	Collection valued as a whole at insurance value, with minor works impaired by 75%	Not depreciated

1.18 Intangible assets

The Royal Free Charity's intangible asset comprises a website developed to facilitate donor engagement and donations, as well as to support its activities and provide information to stakeholders.

The website is recognised as an intangible asset in accordance with the relevant accounting standards and the charity's accounting policy.

1.19 Intangible assets: recognition and measurement

The website is initially recognised at cost, which includes all directly attributable costs incurred during its development. These costs include design, programming and content creation expenditures but exclude administrative or general maintenance expenses.

1.20 Intangible assets: amortisation

The website is amortised on a straight-line basis over its estimated useful life of 5 years.

Amortisation began when the website was available for use. The amortisation expense is charged to the statement of financial activities within the expenditure category most relevant to its use.

1.21 Intangible assets: impairment

The website is reviewed by management annually for impairment or whenever there is an indication that the carrying value may not be recoverable. Any impairment loss is recognised immediately in the statement of financial activities.

1.22 Intangible assets: revaluation and disposals

The charity does not adopt a revaluation model for its intangible assets. Therefore, the website is carried at cost less accumulated amortisation and impairment losses.

Disposals of the website, or parts of it, are accounted for by derecognising the carrying value and recognising any gain or loss on disposal in the statement of financial activities.

1.23 Leasehold – Pears Building

The Pears Building is classified as social investment for all areas occupied by, and shared with, other entities, which are UCL, the charity, and the RFL.

1.24 Freehold property

Freehold property and part of a freehold property that is in operational use and not a pure investment nor mixed-motive investment is depreciated over 100 years.

1.25 Realised gains and losses

Gains and losses are reported in the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market values, or date of purchase if later. Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value, or date of purchase if later.

1.26 Pooling scheme

A pooling scheme for all funds held under the auspices of the Royal Free Charity is contained within a Charity Commission scheme dated 1 April 2016. It covers all funds formerly held by the Special Trustees for The Royal Free Hospital, the Royal Free Hampstead Charities, the Dresden Assistance Fund for the Royal Free Hospital and the Kitty Cookson Memorial Fund. It does not distinguish between the different types of funds: unrestricted, designated and restricted funds are pooled together.

1.27 Pension costs

Staff who were formerly employed by the Royal Free Hampstead NHS Trust, the predecessor of the Royal Free London NHS Foundation Trust, participate in the NHS Pension Scheme. Some current staff remain in that pension scheme, but new employees participate in personal pension schemes to which the employer's contribution matches that of the employee up to a maximum of 9%. Staff of the charity's trading subsidiary, RFC Recreation Club Ltd, also participate in personal pension schemes. The NHS Pension Scheme is a multi-employer defined benefit scheme but under SORP 28.11, this is accounted for in these financial statements as if it was a defined contribution scheme.

1.28 Operating lease

Rentals paid under operating leases are charged to the statement of financial activities or the profit and loss account, depending on the relevant legal entity, evenly over the period of the lease.

2 Donations and legacies income

	2025-26			2024/25		
	Unrest. £000	**Restr. £000**	**Total £000**	**Unrest. £000**	**Restr. £000**	**Total £000**
Donations	2,361	1,507	3,868	2,143	1,417	3,560
Legacies	499	186	685	368	120	488
Total	**2,860**	**1,693**	**4,553**	**2,511**	**1,537**	**4,048**

2.1 Contingent assets (pipeline legacies income)

The charity has been notified of 13 legacies which have not been included within the financial statements, as some or all the criteria for recognition have not been satisfied.

Of these, 54% are pecuniary legacies, which have an average value of £8.6k. The remaining 46% are residuary and residuary reversionary bequests, which have an average value of £35k.

The charity does not have any indication of when these monies are expected to be received.

3 Charitable expenditure

	2025-26				2024/25			
	Grants £000	**Activities £000**	**Support £000**	**Total £000**	**Grants £000**	**Activities £000**	**Support £000**	**Total £000**
Improved patient experience (patients of today)	73	3,449	964	4,486	1,183	4,107	1,357	6,647
Improved patient experience (patients of tomorrow)	459	2,948	839.4	4,247	598	2,346	788	3,732
Improved population health	135	261	215	611	267	0	110	377
Improved staff health and wellbeing	(76)	535	114	573	560	796	456	1,812
Total	**591**	**7,175**	**2,132**	**9,917**	**2,608**	**7,249**	**2,711**	**12,567**

3.1 Grant funded activities

	2025-26		2024/25	
	£000	**No. awarded**	**£000**	**No. awarded**
Royal Free London NHS Foundation Trust	458	34	2,838	28
University College London	421	11	315	14
London Borough of Barnet	-	-	230	1
Rani Rawji Studentship Committee	-	-	9	1
Total	**879**	**45**	**3,392**	**44**

All grants were made to institutions. There were no grants to individuals.

3.2. Analysis of support costs by activity

	2025-26				2024/25			
	Governance £000	**Raising funds £000**	**Support costs £000**	**Total £000**	**Governance £000**	**Raising funds £000**	**Support costs £000**	**Total £000**
Salaries	6	2,096	1,665	3,767	-	1,242	1,952	3,194
Investment management	-	22	0	22	-	29	4	33
Statutory auditor's remuneration	80		-	80	66	-	-	66
Legal and other professional fees	1	254	95	350	4	205	365	574
Event costs	-	42	0	42	-	12	4	16
Publicity materials	-	281	10	291	-	313	45	358
IT costs	-	135	117	252	-	-	-	-
Property costs	-	387	98	485	-	-	-	-
Others	-	271	147	418	-	133	341	474
Total support costs	**87**	**3,488**	**2,132**	**5,707**	**70**	**1,934**	**2,711**	**4,715**

4 Analysis of staff costs

	2025-26			2024/25		
	Charity £000	**Subsidiary £000**	**Total £000**	**Charity £000**	**Subsidiary £000**	**Total £000**
Salaries and wages	3,827	232	4,059	3,472	244	3,716
Social security costs	495	27	521	369	19	388
Other pension costs	303	5	308	262	6	268
Total	**4,625**	**263**	**4,888**	**4,103**	**269**	**4,372**

No employee of any subsidiary company received emoluments exceeding £60,000.

The number of such employees of the charity were:

Employees with emoluments exceeding £60,000		
	2025-26	**2024/25**
£60,001–£70,000	4	4
£70,001–£80,000	5	2
£80,001–£90,000	2	1
£90,001–£100,000	-	2
£100,001–£110,000	2	-
£110,001–£120,000	-	2
£120,001–£130,000	2	1

Pension contributions for employees with emoluments exceeding £60,000		
	2025-26 £000	**2024/25 £000**
£60,001–£70,000	16	24
£70,001–£80,000	19	3
£80,001–£90,000	6	7
£90,001–£100,000	-	11
£100,001–£110,000	8	-
£110,001–£120,000	-	41
£120,001–£130,000	25	2

There was an average monthly headcount of 89 staff in 2025-26 (2024-25: 75). RFC Recreation Club Ltd had an average number of 10 staff (2024-25: 10), and RFC Developments Ltd did not employ any staff.

The key management personnel during the year were Jon Spiers, chief executive; Robin Meltzer, deputy chief executive and director of engagement and communications; Laura James, director of services and innovation; Alex Jarvis, director of finance, property and operations; Sharron Grant, director of HR and OD; Alison Kira, director of grants and impact; Russell Delew, director of fundraising & campaigns.

The total salary cost of the key management personnel (including social security and employer pension costs) was £873,642 (2024/25: £864,783).

During the year, the charity made total termination payments of £28,973 (2024/25: £109,942).

5 Analysis of net assets between funds

Group						
	2025-26			2024/25		
	Unrest. £000	Restr. £000	Total £000	Unrest. £000	Restr. £000	Total £000
Fixed assets/intangible assets	30,205	-	30,205	30,456	-	30,456
Investments	57,568	-	57,568	55,571	4,005	59,576
Current assets	(8,796)	34,208	25,412	1,409	24,133	25,542
Liabilities	(8,797)	(5,459)	(14,256)	(14,388)	-	(14,388)
Total net assets	**70,183**	**28,749**	**98,929**	**73,049**	**28,138**	**101,187**

Charity						
	2025-26			2024/25		
	Unrest. £000	Restr. £000	Total £000	Unrest. £000	Restr. £000	Total £000
Tangible fixed assets	30,069	-	30,069	30,321	-	30,321
Investments	57,707	-	57,707	55,710	4,005	59,715
Current assets	(10,097)	34,208	24,111	952	24,133	25,085
Short-term liabilities	(6,422)	(5,459)	(11,881)	(13,099)	-	(13,099)
Total net assets	**71,258**	**28,749**	**100,006**	**73,884**	**28,138**	**102,022**

6 Fixed assets

6.1 Tangible fixed assets - group

	Recreational equipment £000	Furniture & fixtures £000	Artworks £000	Computer equipment £000	Properties £000	Total £000
Cost						
Brought forward at 1 April 2025	233	173	431	69	31,581	32,487
Additions	25	-	450	11	-	486
Disposals	(90)	-	-	-	-	(90)
Transfer	-	-	-	-	-	-
Carried forward at 31 March 2026	**168**	**173**	**881**	**79**	**31,581**	**32,883**
Accumulated depreciation						
Brought forward at 1 April 2025	114	52	-	49	1,957	2,171
Charge for the year	20	28	-	12	642	703
Depreciation on disposals	(90)					(90)
Carried forward at 31 March 2026	**44**	**80**	**-**	**61**	**2,599**	**2,784**
Net book value at 1 April 2025	**119**	**121**	**431**	**20**	**29,624**	**30,315**
Net book value at 31 March 2026	**124**	**92**	**881**	**18**	**28,981**	**30,097**

6.2 Tangible fixed assets - charity

	Furniture & fixtures £000	Artworks £000	Computer equipment £000	Properties £000	Total £000
Cost					
Brought forward at 1 April 2025	173	431	69	31,581	32,254
Additions	-	450	11	-	461
Revaluation	-	-	-	-	-
Carried forward at 31 March 2026	**173**	**881**	**79**	**31,581**	**32,714**
Accumulated depreciation					
Brought forward at 1 April 2025	52	-	49	1,957	2,057
Charge for the year	28		12	642	683
Carried forward at 31 March 2026	**80**	**-**	**61**	**2,599**	**2,740**
Net book value at 1 April 2025	**121**	**431**	**20**	**29,624**	**30,196**
Net book value at 31 March 2026	**92**	**881**	**18**	**28,981**	**29,973**

6.3 Intangible fixed assets - group

	RFC Charity £000	RFC Recreation Club £000	Total £000
Cost			
At 1 April 2025	148	21	169
Additions	-	-	-
Carried forward at 31 March 2026	**148**	**21**	**169**
Depreciation and impairment			
At 1 April 2025	22	5	27
Amortisation charge for the year	30	4	34
Carried forward at 31 March 2025	**52**	**9**	**61**
Carrying amount at 31 March 2025	**125**	**16**	**142**
Carrying amount at 31 March 2026	**96**	**12**	**108**

7 Subsidiary companies

Details of the charity's subsidiary undertakings are set out below. All the subsidiary undertakings are incorporated in England and Wales and operate in the United Kingdom.

Subsidiary undertakings			
Company	**Class**	**% held**	**Principal activity**
RFC Recreation Club Ltd	Ordinary	100	Provision of recreational services
RFC Developments Ltd	Ordinary	100	Design, construction and building services; closed during the year
RFC Enterprises Ltd	Ordinary	100	Management of Pears Building
RFC Properties Ltd	Ordinary	100	Company dormant and not yet trading; closed during the year
RFC Overage Ltd (previously called: RFC Properties (CF Holdings) Ltd)	Ordinary	100	Management of intangible assets from disposal of a property

The results of the subsidiaries, and their assets and liabilities, are as follows:

	Year ended 31 March 2026				**Year ended 31 March 2025**			
	RFC Overage Ltd £000	**RFC Enterprises Ltd £000**	**RFC Recreation Club Ltd £000**	**RFC Developments Ltd £000**	**RFC Overage Ltd £000**	**RFC Enterprises Ltd £000**	**RFC Recreation Club Ltd £000**	**RFC Developments Ltd £000**
Turnover	-	2,175	640	-	-	1,633	629	-
Expenditure	-	(2,416)	(523)	-	-	(2,321)	(555)	-
Result for the year	**-**	**(242)**	**117**	**-**	**-**	**(687)**	**75**	**-**
Total assets	50	1,582	375	-	50	863	439	6
Total liabilities	(52)	(2,622)	(222)	(0)	(52)	(1,661)	(286)	(6)
Net funds at the end of the year	**(2)**	**(1,039)**	**153**	**-**	**(2)**	**(797)**	**153**	**0**

The charity's other subsidiary companies did not trade during 2025-26.

8 Analysis of investment portfolio

Investment portfolio movement				
	Group 2025-26 £000	**Charity 2025-26 £000**	**Group 2024/25 £000**	**Charity 2024/25 £000**
Market value as at 1 April	59,577	59,715	63,966	64,104
Less: disposals at carrying value	(4,543)	(4,543)	(2,415)	(2,415)
Add: acquisitions at cost	1,635	1,635	1,575	1,575
Transfer from fixed assets (note 6)	-	-	-	-
Realised gain/(loss)	219	219	-	-
Net gain/(loss) on revaluation	682	682	(3,549)	(3,549)
Market value as at 31 March	**57,569**	**57,707**	**59,577**	**59,715**

8.1 Investments - market value at 31 March

	2025-26			2024/25		
	Held in UK £000	**Held overseas £000**	**Total £000**	**Held in UK £000**	**Held overseas £000**	**Total £000**
Investment properties						
Investment properties	2,475	-	2,475	2,475	-	2,475
Investments portfolio						
Investments listed on London Stock Exchange		39	39	-	39	39
Investments in common investment funds	17,937		17,937	19,407	-	19,407
Cash held within the investment portfolio	66		66	19	-	19
Total investments portfolio	**18,001**	**39**	**18,041**	**19,425**	**39**	**19,464**
Social investments						
Mixed-motive investment (see note 8.2)	10,700	-	10,700	10,700	-	10,700
Programme-related investment (see note 8.3)	26,352		26,352	26,936	-	26,936
Total social investments	**37,052**	**-**	**37,052**	**37,636**	**-**	**37,636**
Total investments - group	**57,528**	**39**	**57,568**	**59,536**	**39**	**59,575**
Investments in subsidiary companies	139	-	139	139	-	139
Total investments - charity	**57,668**	**39**	**57,707**	**59,675**	**39**	**59,715**

8.2 Mixed-motive investment

	Group 2025-26 £000	Charity 2025-26 £000	Group 2024/25 £000	Charity 2024/25 £000
Market value as at 1 April	10,700	10,700	13,783	13,783
Add: acquisitions at cost	-	-	-	-
Less: loss on revaluation		-	(3,083)	(3,083)
Market value as at 31 March	**10,700**	**10,700**	**10,700**	**10,700**

8.3 Programme-related investments

	Group 2025-26 £000	Charity 2025-26 £000	Group 2024/25 £000	Charity 2024/25 £000
Market value as at 1 April	26,936	26,936	27,519	27,519
Amortisation for the year	(584)	(584)	(584)	(584)
Market value as at 31 March	**26,352**	**26,352**	**26,936**	**26,936**

Programme-related investments relate to the Pears Building, leased to third parties that are used to help to fulfil the charity's charitable objectives.

8.4 Analysis of investment income

	2025-26			2024/25		
	Held in UK £000	Held overseas £000	Total £000	Held in UK £000	Held overseas £000	Total £000
Investment properties	281	-	281	(11)	-	(11)
Mixed-motive investment	10	-	10	10	-	10
Investments in common investment funds	760	-	760	871	-	871
Bank deposit interest	925	-	925	1,148	-	1,148
Total investment income	**1,977**	**-**	**1,977**	**2,019**	**-**	**2,019**

8.5 Details of material investment holdings

At the end of the financial year, the charity has one investment manager, Cazenove. Investments exceeding 5% of the respective manager's portfolio are:

Manager	Holding	2026 £000	2025 £000
Cazenove	Sustainable Multi-Asset Fund	13,796	15,402
	J P Morgan	4,140	4,005
Total		**17,937**	**19,407**

8.6 Gains/losses on investments

The 2025-26 net gain of £682k (2024-25 net loss of £397k) relates to the realised/unrealised loss on investment in common investment funds.

9 Analysis of debtors

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Prepayments	107	64	133	97
Due from subsidiary undertakings:				
RFC Developments Ltd	-	0	-	-
RFC Recreation Club Ltd	-	155	-	174
RFC Enterprises Ltd	-	224	-	397
RFC Overage Ltd	-	52	-	52
Other debtors	1,959	1,624	2,391	1,628
Total debtors	**2,067**	**2,119**	**2,523**	**2,347**

10. Analysis of creditors

10.1 Creditors falling due within one year

	Group 2026 £000	Charity 2026 £000	Group 2025 £000	Charity 2025 £000
Grant and other accruals	10,512	9,383	12,196	11,134
Trade creditors	3,049	1,762	1,466	1,222
Due to subsidiary undertaking - RFC Rec Club	-	41	-	51
Other creditors	696	695	726	692
Total creditors falling due within one year	**14,256**	**11,881**	**14,388**	**13,099**

11 Analysis of material funds

11.1 Unrestricted funds

Designated funds (2025-26)						
	Opening balance £000	**Income £000**	**Expenditure £000**	**Unrestricted transfers £000**	**Gains (loss) £000**	**Closing balance £000**
Friends' Fund - transferred from the formerly separate charity, Friends of the Royal Free Hospital	-	2	-	-	-	2
Designated Research Fund	-	323	-	-	-	323
Clinical biochemistry	256	12	(99)	(58)	-	111
HIV/AIDS	1,258	-	(83)	(43)	-	1,131
Inflammation services: amyloidosis	1,166	172	(90)	(52)	-	1,196
Haematology: training, research and patient welfare	483	48	(24)	(18)	-	489
Simulation centre	264	23	-	(10)	-	278
Nuclear medicine	391	51	(29)	(14)	-	399
RFC medical equipment fund	320	-	-	(320)	-	0
HPB fund	264	6	(32)	(110)	-	128
Meena Raja Kidney Cancer Foundation	298	13	(81)	(12)	-	218
North Middlesex University Hospital	92	-	(33)	(32)	(1)	26
Others	5,612	835	(2,205)	(121)	-	4,120
Total designated funds	**10,404**					**8,421**
Other general funds (undesignated)	62,644	7,063	(9,321)	640	736	61,762
Total unrestricted funds	**73,048**	**8,547**	**(11,997)**	**(150)**	**736**	**70,183**

Designated funds derive from donations and legacies made by grateful patients and their relatives over many years and are under the day-to-day control of fundholders in specific areas of the RFL (cardiac, renal, etc) for use on appropriate projects as they arise.

11.2 Restricted funds

Restricted funds 2025-26						
	Opening balance £000	Income £000	Expenditure £000	Restricted transfers £000	Gains (loss) £000	Closing balance £000
Trust infrastructure fund	11,880	-	-	-	-	11,880
RFL Foundation Trust fund	8,498	-	(791)	(281)	-	7,426
Patient experience funds	-	-	-	-	-	-
Staff experience funds	1	-	-	(1)	-	-
Restricted grants	(110)	37	161	(20)	-	68
NAC capital fund	5,996	-	(146)	(206)	-	5,644
Peter Costin Memorial	533	-	(12)	-	-	521
St Peter's Trust	(22)	-	27	-	-	5
Kitty Cookson Memorial	107	-	(109)	2	-	-
J F Moorhead	2,277	94	(395)	(19)	164	2,121
Dr Janet Owens Fellowship	241	-	(74)	(8)	-	160
North Middlesex Hospital	318	14	(24)	(10)	-	298
Surgical Robot	(1,614)	1,031	-	420	-	(163)
Other	40	611	(133)	273		791
Total restricted funds	**28,143**	**1,787**	**(1,495)**	**150**	**164**	**28,749**

Restricted grants consist of individual funds, which are kept under one fund. The funds are distributed as per the contractual terms and conditions.

Details of restricted funds	
Fund	**Purpose**
Trust infrastructure fund	To fund clinical infrastructure improvements
RFL Foundation Trust fund	To fund various projects and contribute to development of Cancer Centre
Patient experience funds	To fund enhancement of experience of NHS patients
Staff experience funds	To fund enhancement of experience of NHS staff
Restricted grants	To fund individual projects as described in the contracts
NAC capital fund	To support amyloidosis research
Peter Costin Memorial	To provide bursaries to medical students
St Peter's Trust	To support kidney, bladder and prostate research
Kitty Cookson Memorial	To support an oncology fellowship
J F Moorhead	To support renal research
Dr Janet Owens Fellowship	To support research into Parkinson's disease
North Middlesex Hospital	To fulfil a variety of patient and staff needs at North Middlesex Hospital
Surgical Robot	To purchase an additional surgical robot at the Royal Free Hospital

12 Contingent liabilities

There were no contingent liabilities at either 31 March 2026 or 31 March 2025.

13 Trustees and connected persons transactions

No trustee or member of the key management staff, or person related to them, undertook any material transactions with the charity in either 2025-26 or 2024-25.

Judy Dewinter (trustee) was reimbursed expenses for £319 (£717 in 2024-25).

Trustees of the charity (and their families) made donations to the charity totalling £124,062 (£7,519.69 in 2024-25).

Indemnity cover is provided for the trustees by the charity.

The charity provides the majority of its grants by number and value to the RFL (see Note 3).

14 Related party interests

RFL employees who are also trustees of the charity: Julie Hamilton, group chief nurse; Peter Landstrom, group chief executive; Dr Gillian Smith, group chief medical officer.

The charity has five subsidiary companies, in all of which it is sole shareholder, as follows:

RFC Recreation Club Ltd (company no 7686541)

Company directors and employees of the charity: Laura James, director of services and innovation; Alison Kira, director of grants and impact; David Bulbeck, finance business partner, are employed by the charity and are also company directors. Company director and charity trustee: Melanie Sherwood.

In 2025-26, RFC Recreation Club Ltd was recharged by the charity £262,277 in respect of staff salaries (2024-25: £268,071).

The company made a gift aid distribution to the charity of £117,339.04 (2024-25: £74,504.60).

The company owed £22,370 in invoices to the charity (2024-25: £99,374).

The intercompany balance at year end owed by the charity was £41,126.37 (2024-25: £51,003.69).

RFC Developments Ltd (company no 8729267)

Company director and employee of the charity: Jon Spiers, chief executive. Company director and trustee: Judy Dewinter.

Provision of administrative services by the charity to RFC Developments Ltd - RFC Developments Ltd was charged £nil (2024-25: £nil).

During the year RFC Developments Ltd made a gift aid distribution of £nil to the charity (2024-25: £78.46).

During the year RFC Developments Ltd applied for it to be closed for business on 26 Feb 2026 and was dissolved dated 26 May 2026.

RFC Enterprises Ltd (company no 8729268)

Company director and charity trustee: Judy Dewinter. Company director and employee of the charity: Jonathan Spiers, chief executive.

In 2025-26, the transactions between RFC Enterprises Ltd and the charity were:

The charity recharged to RFC Enterprises Ltd total costs, net of VAT, of £560,054 (2024-25: £1,058,525) in respect of Pears Building expenditure paid on the company's behalf. At the year-end £223,990 (2024-25: £397,335) was owed to the charity by RFC Enterprises Ltd.

RFC Enterprises Ltd charged the charity £23,385 (2024-25: £88,950) in respect of services provided at the Pears Building.

At the year-end, RFC Enterprises Ltd aged debtor balance included a credit owed to the charity for £54,073.63.

During the year RFC Enterprises Ltd made a gift aid distribution of £nil to the charity (2024-25: £nil).

ROYAL FREE CHARITY



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