



Beautiful Community Brilliant Care

Annual Report
2024 - 2025



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Brilliant care and beautiful community are what matter most to people in L'Arche.

In community we get to know each other by spending time together. Friendship and trust are really important in L'Arche.

We want to be able to make choices in our lives and in our Communities, and create more opportunities to try new things, learn together, and help each one of us grow.

We know sometimes people don't know about their rights or how to say what they want. Sometimes it can be hard to speak up.

We want to be brave in speaking up when people with disabilities are treated unfairly by society in access to health services, employment opportunities and relationships.

We want to keep having courageous conversations about the things that are good, but also about the things that are hard and how we can make things better together.

In the pages that follow, there are plenty of examples of what has given us life over the past year and what is challenging us. You'll also discover what we are doing to get better organised, in order to have more beautiful community and brilliant care in L'Arche today.



Laura Harper
National
Leader



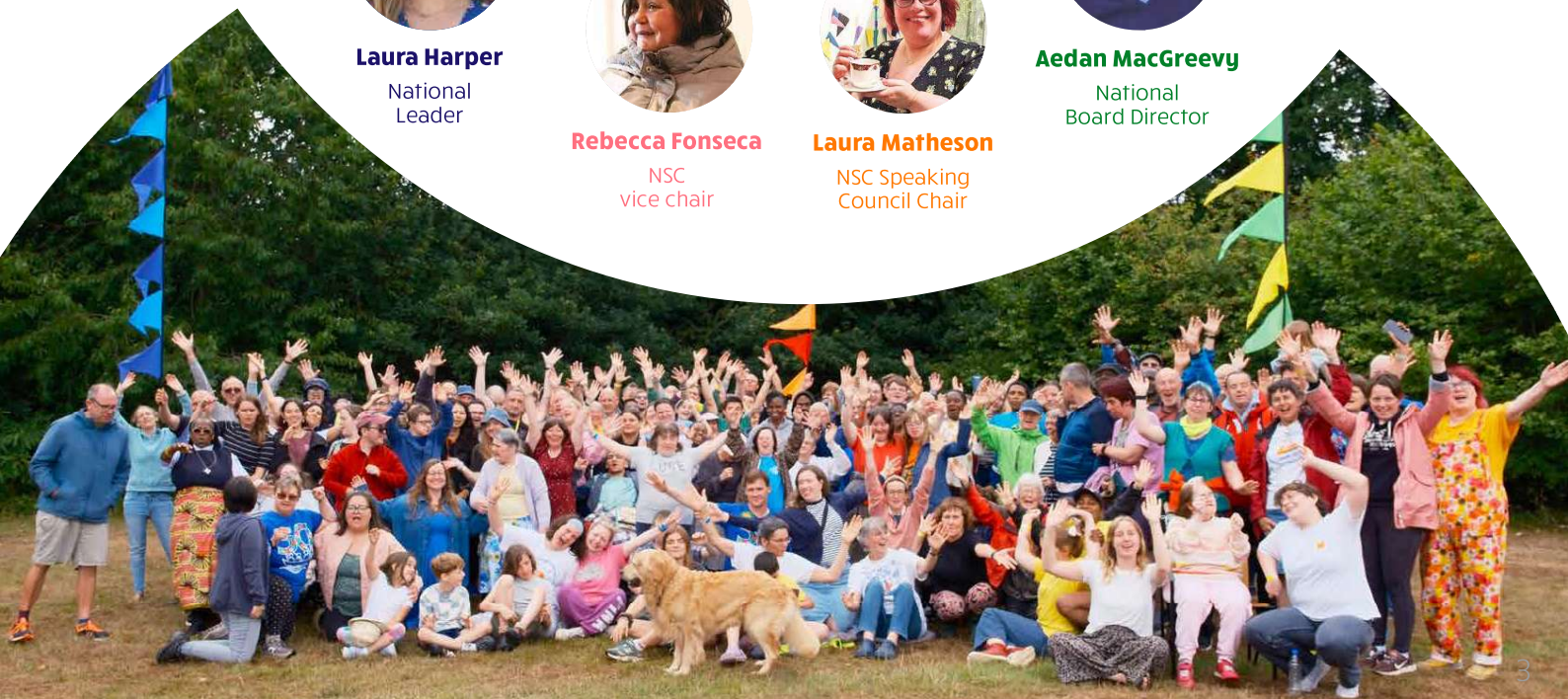
Rebecca Fonseca
NSC
vice chair



Laura Matheson
NSC Speaking
Council Chair



Aedan MacGreevy
National
Board Director



OUR YEAR

AUG 2024



We welcome our first Soulful Interns in Edinburgh, Manchester and Kent Communities. The talented London Drama crew and cast perform "**The Story of Babka**" as others visit Lady Blair in her home for a **Power Cuppa** and a discussion about work exclusion for people with learning disabilities.



SEPT 2024



L'Arche supporters do all sorts of crazy things for the 50x50x50 challenge – **Jarek runs 50km**, Ben swims 50 lengths, Sam makes 50 origami objects, John makes 50 pots of jam, Chris plays 50 tunes and Jonathan is on a hunt for 50 people who turn 50 this year! We also launch a "**50 Moments of Joy**" campaign online.



OCT 2024



We start the month by connecting with wider L'Arche for the International Light Festival. Richard and Chris give a **talk at Eton College**. Folk at **L'Arche Highland** reap the fruits of no mow summer by foraging mushrooms in their garden and transforming tart apples into sweet juice.



NOV 2024



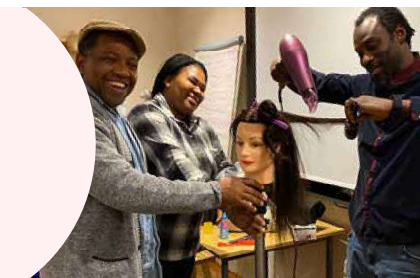
Nick exhibits and sells his artwork in a local gallery in Ipswich. **Rebound Books** make new Christmas decorations from old books saving them from the tip! The Inverness Courier publishes an article about our fantastic volunteers.



DEC 2024



We celebrate Christmas and do it in style – from **wreath making competitions** in Highland, candle-making workshops in London, a crocheted Mary and Joseph travel around Manchester, to in-house hairdressing lessons in the Braerannoch House.



JAN 2025



Richard invites **The Duchess of Edinburgh** to visit L'Arche London and she says... YES! Our Scottish Communities have performative haggis addressing ceremonies with kilts and bagpipes for **Burns Supper**.



OUR YEAR... CONTINUES

FEB 2025



L'Arche Brecon receive high praise in their inspection report! We have **conversations about inclusion** and what it means to be labelled. Manchester folk continue with the monthly **Bible and Butties** accessible service for everyone.



MAR 2025



The Highland Community celebrates their **50th Jubilee Anniversary** with guests arriving from Poland, France and Germany! Sian travels to Vienna to represent L'Arche at the world's largest disability inclusion **Zero Project Conference**. We have a celebratory nationwide Joyful Rebellion Awards Ceremony!



APR 2025



Rebecca, Kathy and Tony, members of the National Speaking Council, take part in deciding who the next National Leader should be. Seven dedicated athletes run the **London Marathon** in orange L'Arche vests. L'Arche Preston take part in a research project called "Access Denied".



MAY 2025



People with and without learning disabilities run and raise funds at the **Great Manchester Run!** Richard interviews **Mel Giedroyc** at his podcast "Cuppa Tea with Richard".



JUNE 2025



It's Learning Disability Week and we take part in a "Do you see me?" campaign. The week is crowned by our annual **Moving Together** event in the local Communities. **The Hive workshops are thriving** with a summer fair on the horizon and an actual potato harvest!



JULY 2025



We live and breathe **HopeFest** this month. We get ready for a long weekend of camping, crafting, hire wire adventure, dancing and catching up with friends we've not seen in a while!



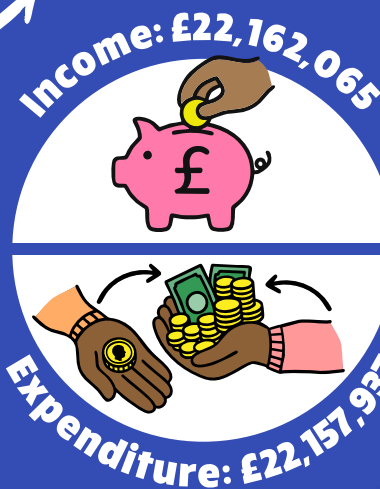
Our Numbers



... with 50%
staying on
in L'Arche



...that's
according
to our latest
satisfaction
survey



Can you believe that
at least 63,510 meals
have been shared in
our Communities
this year!



Yes, there are 19,683
different combinations
of ideas for holding
spiritual spaces in our
spirituality Flipbook.



bit.ly/larcheflipbook

Who we are:

We are people with and without learning disabilities, here to show that everyone belongs.

So together:

- We create Communities where people with and without learning disabilities live, share and grow together.
- We build relationships with people in our neighbourhoods.
- We work towards a world where people with learning disabilities are included and valued.



What we do:

L'Arche supports 300 adults with learning disabilities in England, Scotland and Wales, through a mix of residential and home support and activity programmes.

In our Communities, people with and without learning disabilities live and work alongside each other. Together and as individuals, we actively participate in our neighbourhoods, in faith and campaign groups, in places of work, learning and fun, and in our towns, cities and nations. We seek opportunities for people with learning disabilities to be visible and valued as changemakers, neighbours, and citizens.

People with learning disabilities are the core members of L'Arche. Each one has a personal support plan, which is developed by listening to their aspirations, choices and goals, and tailored to their individual needs and level of independence.

Where we are:

L'Arche Communities are each made up of people with and without disabilities sharing life in a local neighbourhood within a specific town or city.



We are local:

with Communities in 11 towns and cities across Britain.

We are national:

supporting each other in one national charity with a shared vision and culture.

We are international:

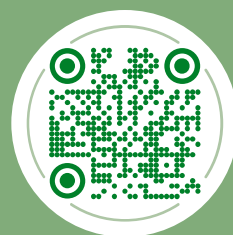
members of a federation with over 150 L'Arche Communities in 37 countries on 6 continents.



In 2025, Zero Project invited L'Arche UK, L'Arche Canada and L'Arche International to lead inclusive communications at their annual Vienna Conference.



Siân Walker from L'Arche Manchester was one of two people with learning disabilities fronting up communications, producing a series of video interviews with award- holders and changemakers in inclusive employment and communications technology, from across the world.



Watch: bit.ly/zeproject2025

Institutions then and now

New L'Arche assistants are taught about the social history of learning disability, including the institutions where many members of L'Arche lived before joining our Communities.

The training includes this video, with powerful testimonies from a previous generation of L'Arche assistants, warning how the institutional mindset remains a present danger today. The video contains archive footage from inside a long-stay hospital, which some viewers may find distressing.

Watch: bit.ly/larche_then_and_now



Ann Morgan: L'Arche UK Co-founder

ON OUR WAY...

...see page 11-12
Beautiful Community

1



2

Better Organised
...see page 15-16

3

Brilliant Care
...see page 13-14

...TO L'ARCHE 2030

We are here to show that everyone **belongs.**

That means it's not enough for us in L'Arche to fulfil our basic care contracts. We want to provide great care and support by building vibrant, outward-looking Communities where people with learning disabilities have friends, a full life and a foothold in society.

And it's not enough for us to be a great service provider for people who need support. We want to create places where everyone in L'Arche, people with and without disabilities, finds their place, and life and nourishment for their soul.

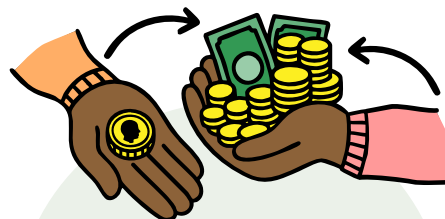
Effective organisation

But after fifteen years of funding cuts and social care neglect, it is harder than ever to create beautiful community and provide outstanding care. Today, we are putting in the pipework that will make the poetry of L'Arche possible now and in the future. That means becoming a single, effective organisation, maximising our resources in four priority areas: people, care and support, money and houses. These priorities are at the heart of our plans for the next five years.



PEOPLE:

Ensuring assistants and volunteers come, stay, and thrive to fulfil our mission.



MONEY:

Generating the financial surpluses to rebuild our reserves, invest in our mission and grow.



CARE & SUPPORT:

Maintaining our ambition to offer outstanding relational support and care.



HOUSES:

Running and maintaining our houses and community places efficiently.

1 Beautiful community

Finding your place, feeding your soul.

As the crisis in social care deepens, service providers have become increasingly dependent on international recruitment. In recent years, overseas workers made up one in five new care recruits. Since 2024, however, rising visa costs and tighter sponsorship rules have led to an 85% drop in overseas care worker visas.

L'Arche in the UK welcomes people from more than 50 different countries. Building Communities that are culturally and religiously diverse, where everyone truly finds their place and we all learn how to be interculturally competent, can be challenging. But we embrace the challenge and celebrate being different and diverse.

At the same time, in September 2024 we launched a brand new programme, Soulful Internships, targeted specifically at people who are British or already based in the UK. Offering weekly formation in personal and spiritual growth, the programme is designed for those who might not otherwise consider a career in social care, but who have a sense of vocation to share life alongside people who are marginalised.



Nikita - one of our Soulful Interns in L'Arche Manchester

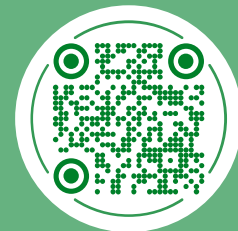


The beauty of L'Arche to me means everyone is welcomed to be a part of our community. We uphold what it means to be human.



2024 Inclusion Survey Respondent

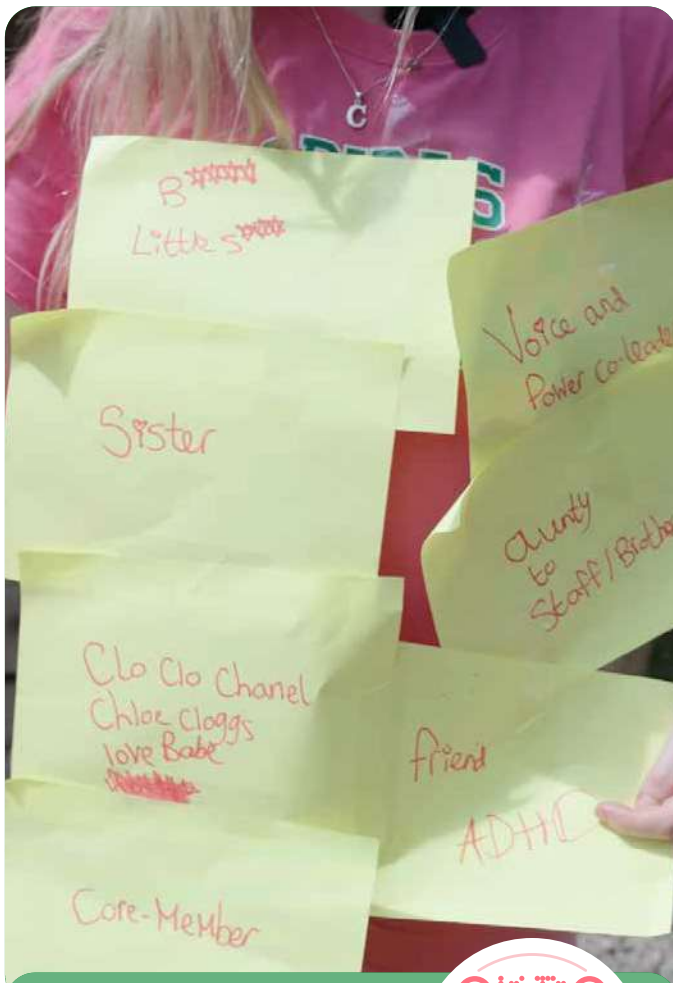
A year of growth



Our Interns spend four days a week supporting members with learning disabilities to live full and vibrant lives and one day a week being guided through a reflective practice course, alongside other interns and mentors. They explore topics such as mindfulness, community, embodiment, and activism, as well as guided individual reflection activities. Following the success of our year one pilot, we have doubled the size of the programme in 2025-26.

bit.ly/soulfulinternship



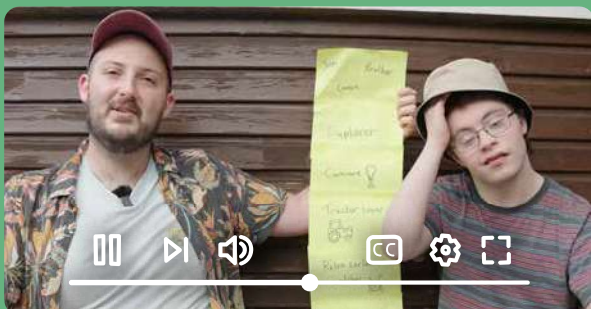


The labels we all carry

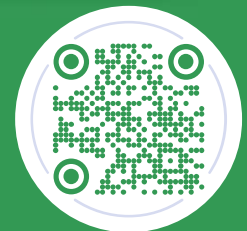


According to our 2024 Inclusion survey, very high numbers of people in L'Arche feel they belong and are clear what our mission is. At Hopefest 2024, we got creative, inviting everyone to think about some of the labels we each carry. Many people covered themselves in post-it notes! You can see it all happen in our short video,

bit.ly/yourlabelsyourstory



To be human is to be spiritual



For us in L'Arche, spirituality is how we **belong**, how we **become** ourselves, how we connect to something **beyond** us. We ended our big conversation on spirituality in 2025, with a video inviting everyone in L'Arche to spiritual encounter and a flipbook containing 81 different ideas for creating inclusive spiritual spaces. You can watch the video and buy a digital version of the flipbook at:

bit.ly/bigconversations



2 Brilliant care

Friendship, full life and a foothold in society

We are proud of the care people with learning disabilities receive in L'Arche. Our Highland Community led the way this year, with a glowing report from the Care Inspectorate, following an unannounced inspection of its housing support service in May 2025.

But for us, outstanding care means making sure people with learning disabilities lead vibrant and connected lives beyond care. People like Nick in L'Arche Ipswich – who, besides looking after his beloved guinea pigs, volunteers at the local Cats Protection charity shop, exhibits his brilliant paintings on Instagram and enjoys going out for a beer with his friends.

Above all, brilliant care in L'Arche means relationships – not just with those paid to support you, but with a wider community of neighbours, friends and volunteers. Take a look at these three short video stories, featuring some of the life-giving relationships people enjoy in L'Arche.

“People were leading active, enjoyable and fulfilling lives*.”

*Care Inspectorate Scotland Report 2025



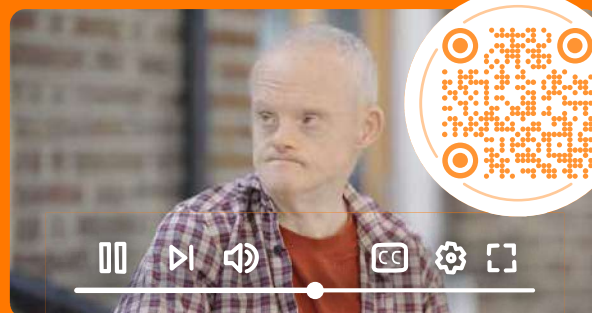
Laurence joined L'Arche as a young man. Several decades on, a small circle of friends and volunteers help him to stay active and connected.



A life beyond care:

Laurence has been in the care system all his life. While he was still just a teenager, he met a young social worker called Linda and her husband Doug. Decades later, and still Laurence's friends, they have seen how a volunteer called Tony helps Laurence stay creative and active as he gets older.

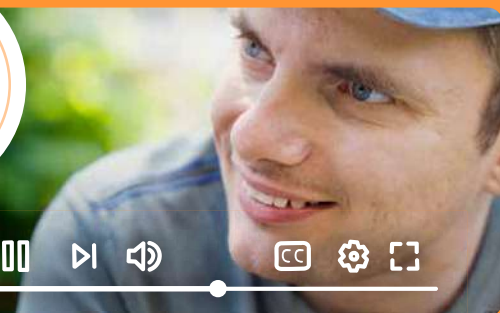
bit.ly/alifebeyondcare



A different kind of friendship:

After retiring, Ben offered his time as a volunteer in L'Arche Manchester. He was introduced to Crispin (below), who shared his love of walking. It was the start of a new and different kind of friendship for them both.

bit.ly/benandcrispin



"Crispin's my friend.
He means a lot to me.
I think he means more to
me than either of us know."
Ben, volunteer.



What a volunteer can offer:

Haroun and Laura are working together to understand what core members want from local volunteers. In Gina's case, it was just someone to have a coffee with when she was going through a rough patch. But after a while, a deeper friendship grew.

bit.ly/volunteeroffer

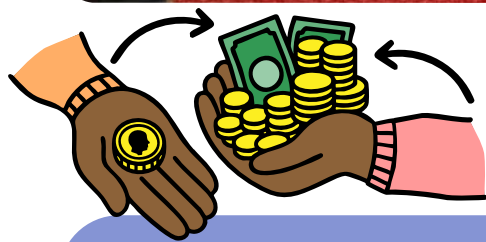


3 Better organised

Building firmer foundations for flourishing

Our 2030 action plan sets out how we can get the most out of resources in four key areas – people, money, care and support, housing – in order for L'Arche to survive and thrive in the years to come.

When the Government's 2024 budget imposed a 42% increase in our National Insurance contributions, adding over £1m to our annual pay bill, the immediate priority became our Stronger Finances Plan, which would enable us to weather the storm.



Money

Over six months, we reconciled our 12 finance databases into a single software system, and updated our budget templates, resulting in more accurate accounting, better use of resources and speedier reporting of accounts.

We introduced monthly management account meetings with all Communities, empowering Community Leaders to have more ownership over their budgets and take swift corrective action where necessary.

We recruited credit control specialists to reduce debts owed to L'Arche by local authorities. Between February and August 2025, we reduced outstanding debts from £2.8m to £1.9m.

People



In 2024, we consulted across L'Arche to agree a new Vision and Values statement, setting out what we aim for in L'Arche in the UK, and how we want to be together. This statement has become the foundation for a new L'Arche Quality Framework and a Behaviours and Skills Framework.

In 2024-25, we piloted a new Soulful Internship programme in L'Arche Kent, Edinburgh and Manchester, combining a year of living and working in a L'Arche Community while developing spiritual and reflective practice. Three of the six interns from year one chose to stay on in L'Arche. After the success of year one, we are doubling the cohort of interns in year two.

Responding to financial pressures, we implemented a small pay increase of between 1% and 2.6% for 80% of our employees, and temporarily froze pay for higher salary bands. In May 2025, we also led an organisation-wide consultation resulting in new employee terms and conditions. These measures helped us report a small budget surplus over the year.

Care and support



Thanks to generous funding grants, we invested in new digital care (Nourish) and digital rostering (Sona) systems. These have already improved record-keeping, enabled more efficient rostering of assistants, and helped us become more responsive to the changing needs of those we support.

We improved the professionalism in responding to behaviour that can be challenging, by building and training a group of ten practice leaders to upskills our teams in Positive Behaviour Support (PBS), and we provided training in a trauma-informed approach to care for our support teams and members of our National Speaking Council.

We invested in a system (Carecubed) to audit our care contracts against national benchmarking data, including market rates and salaries, to ensure our contracts reflect the real cost of the care we provide. Using this data, we have successfully renegotiated care packages – in some cases, resulting in an additional £1k income per week.

Tony, Chloe and Kathy, supported by John, facilitate a conversation at the National Speaking Council about L'Arche's 2030 plans for care, community and organisation (November 2024)



Housing

We recruited a new Heading of Housing and Health & Safety, to ensure best practice is standardised across L'Arche around tenancy management, cost modelling and compliance.

We created a service improvement plan and began undertaking stock condition surveys of all properties we own, in order to be able to plan maintenance and development over the next five years.

We have audited the usage of the properties we own and manage. As a result, we are selling one property that is no longer an essential asset, in order to replenish our reserves.



Laura Harper

National Leader

Finding faith and encountering others in L'Arche

When I was 18, I spent a life-changing year with L'Arche in the Dominican Republic.

I discovered what it was like to live simply and closer to nature. I discovered the amazing joy of being alongside people with learning disabilities for the first time, and met people I will never forget. I also found faith in God.

When I set off, I was a bit nervous as I'd never been a church-goer or really been around Christians before. I wasn't sure what to expect from them and what they would expect from me.

It turns out I didn't have anything to worry about. I was made to feel very welcome and it was clear that I was open to be myself and that I would be accepted for who I was. I didn't have to pretend to believe something I didn't believe, but it was really important to me to join in as much as I could to help people live their faith. I remember that one time we were praying in a little chapel in the garden of the house I lived in, and I realised I didn't know the Our Father in English, my mother tongue, though I'd become used to saying it in Spanish.

I was soon singing along with songs before meals and at prayer times, and accompanying people to church so they could go as it meant so much to them. I was really inspired by the people I lived with, both core members and assistants, by how they were motivated to help one another. There was something different about the deeply respectful way they were together, which they put down to seeing God in one another.

I can't pinpoint exactly when it started to mean something for me too, but these times of connection and trust in a higher power began to change how I felt about the world.

I too started to see God in the people around me. I started noticing the beauty in creation, and finding more joy in moments of daily life.

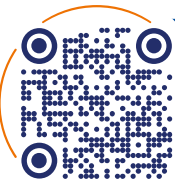
When I came back to the UK I was really blessed to find the University Chaplaincy where I was baptised and received into the church. I've continued on this discovery of my inner life ever since.

These times of connection and trust in a higher power began to change how I felt about the world.

As Christians, or people of all faiths or none, in L'Arche, we don't just want to lead parallel lives. We want to create places of real encounter, so that by sharing, reflecting and learning together, our spiritual life becomes both deeper and more open to the gift of each another. I am so blessed to have friends across L'Arche who have walked with me on my own journey.

I hope that whatever path of discovery and exploration you are on you will find L'Arche to be a place of welcome and openness.

Laura Harper



Watch Laura as she shares her story of becoming our national leader:
bit.ly/laura_harper



Help our Communities to thrive

In a social care crisis, our ambition is for L'Arche to be a beacon of what care provision can be

– and what life with learning disabilities can be – as we imagine the next 5 and 50 years. That means excellence as a state-funded social care provider, but also clarity about our extra impact, funded by those who share our values.

Help us grow

L'Arche aims to be a place where life lived to the full with learning disabilities is possible.

To do this we are committed to both brilliant care and joyful community life, as people with and without disabilities share friendships, homes and spirituality.



Help us reach more people

To disrupt exclusion and crisis, and bring joy and build community, we need people like you to join us with a single gift, regular support, or maybe a little time. We want to draw out the gifts of people with learning disabilities in our Communities as well as sharing these within our society

Regular donations www.larche.org.uk/donate

Would you consider making a regular donation or increasing your existing regular donation this year?

Your regular donation will help us to plan long-term. It will help to bring security to the people in our Communities. It would give us the tools we need to maintain, build and create space in our Communities. Ultimately, your gift could help to make known the gifts of people with learning disabilities.

Legacy Giving

bit.ly/larche_legacy

Would you consider leaving L'Arche a gift in your will or setting up a new will using L'Arche's free will writing service?

“To know that our legacy gift to L'Arche will go on to give someone else the life and opportunities that my boys have had, gives me great comfort.”

Rosemary Bull (left) with her sons Philip and Richard.

A free will or codicil service is available and you can access this via our website or by calling **0161 438 2832**



Thank You!

Thank you for your donations, legacies and fundraising challenges.

We want a radically inclusive world where people with and without learning disabilities thrive together in body, mind and spirit.

We want to change the world:

- When it is unfair and unkind to people with learning disabilities.
- When it does things to people with disabilities, not with them.
- When it disconnects us from others and from our full selves.

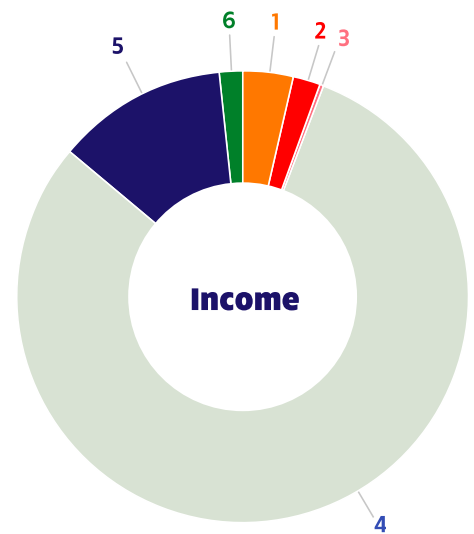
Your support over the past year has helped us to progress our vision, support our people and improve our systems.

Please continue to support us where you can to help L'Arche survive and thrive for a new generation.

A special thank you to all our funding partners for your generous support.

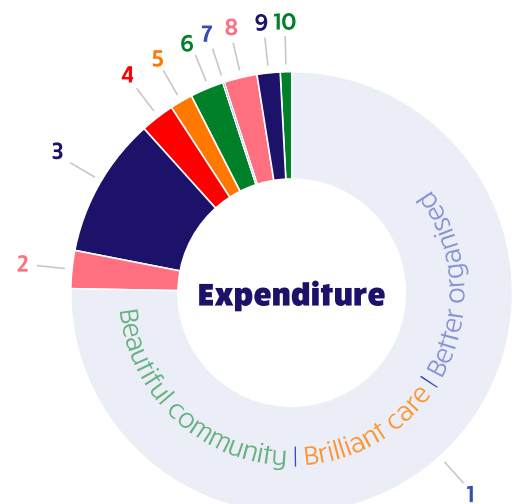
2024 - 2025 Income

1	General Donations	£860,314
2	Donations for UK projects	£421,698
3	Donations for L'Arche International	£48,481
4	Support Income	£17,799,780
5	Housing Income	£2,696,263
6	Other Income	£335,529
Total		£22,162,065



2024 - 2025 Expenditure

1	Employment costs	£16,727,745
2	Living costs	£607,270
3	Housing costs	£2,287,232
4	Admin and travel	£522,017
5	Legal costs	£357,037
6	Support costs	£562,267
7	Other costs	£8,207
8	Depreciation	£531,607
9	Fundraising and Communications	£420,508
10	Donations to L'Arche International and other charities	£134,047
Total		£22,157,937



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 2025



(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2025

Trustees

Aedan MacGreevy
Nigel Mapp
Joanna McCall (resigned 24 June 2025)
Anne Winter
Martin Weale
Jane Brown
Peter Oakes
Roland Clark (resigned 16 October 2024)
Isobel Gray
Susan Williams
Jonathan Carter (appointed 17 October 2024)

Registered office

L'Arche National Office
Romero House
Westminster Bridge Road
London
SE1 7JB

Independent Auditor

Sumer Auditco Limited
New Chartford House
Centurion Way
Cleckheaton
West Yorkshire
BD19 3QB

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2025

The trustees are pleased to present their Strategic and Trustee Report for the year ending 31st July 2025, including the preceding pages, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102).

National Board	National Leadership Team	Community Leaders	
Aedan MacGreevy National Chair	John Casson National Leader (until August 2025)	Liis Revell Kent	
Sue Williams National Vice Chair	Laura Harper Director of Care and Community (until August 2025) National Leader (from August 2025)	Chris Gehrke Highland	
Jane Brown Manchester and whistleblowing Lead	Dawn Dacosta Director of Care and Communities (from September 2025)	Stacey Owen Liverpool	
Jon Carter National Treasurer	Alexina Mwense Director of Finance and IT	Lucy Winter London (until October 2024)	Nicky Martin London (from January 2025)
Peter Oakes Safeguarding Lead	James Cuming Regional Leader South and Wales (until August 2025)	Sarah Shallis Bognor Regis (until June 2025)	
Martin Wheale Brecon	Des Kennedy Regional Leader North and Scotland	Jill Farmer Brecon	
Nigel Mapp	Sam Davies Director of Fundraising and Comms	David Knowles Preston (until June 2025)	Ray Jones Preston (from June 2025)
Isobel Gray Edinburgh	Louise Carter Mission and Formation (until May 2025)	David Hockley Ipswich	
Anne Winter (from September 2023)	Lucy Winter Director of People and Culture (on maternity leave from May 2025)	Kirsty MacCrimmon Edinburgh (on sick leave from July 2024 to April 2025)	
	Laura Mayes Interim Director of People and Culture from May 2025	David McCue Covering CL role in Edinburgh (Jan - Apr 2025)	
		Nem Tomlinson Manchester	

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

OBJECTIVES AND ACTIVITIES

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Main achievements of the Charitable Company

Resilience and Quality:

L'Arche Communities showed resilience in delivering high quality relational care and fostering community life in the face of severe ongoing pressures on our sector, and changes in both the National Leadership Team and Community Leader Group. We received several positive reports from our respective care regulators and introduced a new Quality Assurance approach to encourage reflection and learning to support Brilliant Care and Beautiful Community.

Savings, efficiencies and increases in income:

Additional financial pressures were created by increases in Employers' National Insurance Contributions and above-inflation increases in the National Living Wage which the Government required but did not fund. Savings, efficiencies and increases in income of £1.1million from across the organisation were identified in the 'Stronger Finances Plan' to meet the funding gap.

Vision and ambition:

We launched workstreams to operationalise the key ambitions of the 2030 Strategy. We also developed 2030 plans for each Community to identify key opportunities and Actions to meet the ambitions set out in the L'Arche 2030 Strategy. We launched the Impact Survey and the Spirituality Big Invitation, and we expanded the Voice and Power project.

Systems and digitisation:

L'Arche continued to embed the Digital Care Management System and piloted an Electronic MAR System. L'Arche also made improvements to Business Central by moving to a single database for financial management and reporting.

Community, Celebration and Outreach:

L'Arche Communities continue to be places where people with and without learning disabilities live, share and grow together. In 2025 we celebrated birthdays and anniversaries. We performed pantomimes, we hosted fairs, we had parties and Hopefest. We also mourned together and celebrated the lives of people who have died in our Communities.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

b. Key performance indicators

Care, Support and Housing:

We track individual care and support outcomes through quality assurance systems, peer audit, and our accountability to the care inspectorates. The accessibility and timeliness of compliance and Quality Assurance has been strengthened by the ongoing roll-out of our Care Management System and L'Arche Quality meetings. We have introduced the L'Arche Impact Survey and refreshed our Best Practice Forums for Care and Support and for Housing and Health and Safety. We continue to make progress auditing and tracking Health and Safety and Housing compliance with new central systems.

People and Culture:

Employee engagement, performance and well-being has been tracked through the Diversity Survey and the new L'Arche Impact Survey. Both show extremely high levels of felt belonging and alignment with organisational mission, but more work to do on work-life balance, and opportunities and support for people with certain protected characteristics. We have introduced a new Supervision and Line Management Policy and Behaviours Framework, and enhanced training for leaders and line managers.

Financial performance:

Is tracked through regular monthly managements accounts prepared using our newly consolidated accounting system and monthly meetings. We have established a dedicated Credit Control and Contracts team within the Finance function, which has reported recovery of a large portion of our old debts. Furthermore, our cash flow forecasting is much more robust, helping the trustees to make more informed investment decisions.

c. Factors relevant to achieving objectives

L'Arche has been through a process to set a strategic vision and plan to survive and thrive in 2030. This broad process includes data analysis, sector benchmarking and best practice, and broad consultation and co-production.

In terms of vision, the 2030 Strategy builds on the work of the last 2 years to clarify and build ownership of a strong ambition for L'Arche to remain distinctive in its commitment to mutuality, spirituality, and locality. It sets out our ambition to achieve a stronger reputation for innovation and excellence in power, voice, and opportunities for people with learning disabilities – especially in the areas of sex and relationships, employment and opportunity, and loss and distress.

In terms of implementation, the 2030 approach confronts the challenge of achieving these ambitions in the face of severe financial and recruitment shortages and de-humanising systems in our sector and society. The approach focuses on an organisational improvement agenda in terms of the disciplines needed to get the most from the four key resources on which L'Arche depends: people, money, houses, and care and support practice. Across each of these four areas, the focus is on clarity of responsibility and accountability, on relevant and timely data, on simplicity and consistency of processes, on maximising income, and on more efficient and specialised support functions.

d. Investment policy and performance

In accordance with the investment powers contained in the Articles of Association, monies not immediately required for the day-to-day operation of the Company may be held in investments, securities or property. During the financial year concerned, the Company has sought to minimise risk by holding its reserves in instant access cash deposits.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW

a. Going concern

The trustees have reviewed the financial performance and the general reserves position in 2025. L'Arche continues to operate in a challenging financial environment, competing for funding from Local Authorities who are under long-term financial pressure. Inflationary increases, the rise in the cost of NI and increases to the National Living Wage increase our cost-base while there is no coherent long-term clear strategy for funding care and support to adults with learning disabilities.

Apart from Local Authority funding, L'Arche also funds some of its operations through fundraising income. The fundraising environment remains challenging after the COVID pandemic and cost of living pressures. L'Arche continues to benefit from individual giving, regular donor and trust fundraising, including multi-year funding for specific projects.

To address these challenges, we instituted the 'Stronger Finances Plan' which included ensuring robust reforecasting of the expected outturn was implemented to ensure quick corrective action was taken. In 2024/25, we released one of our non-core fixed assets as part of our strategy to strengthen our cash reserves.

Additionally, we continue to review our contracts and our costs to ensure that our income is maximised and that our resources are stewarded wisely, taking action to ensure that underfunded services are addressed. We have invested in key digital infrastructure and systems in recent years and are seeking to invest in recruiting and retaining assistants, leaders and specialists we need to continue to deliver our future strategic plans.

Trustees have prepared a cash flow forecast to March 2029, and are confident that the charity has adequate reserves to continue its operations for this period. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b. Reserves policy

Like other organisations that support people with learning disabilities, and in accordance with Charity Commission guidance on prudent financial management and operational planning, L'Arche maintains a General Fund alongside its Development and Fixed Asset Funds. (see Note 17 of the Financial Statements). On 31st July 2025, L'Arche held total reserves of £12,046,355 (2024: £12,047,058). Free reserves held in the General Fund totaled £2,152,295 (2024: £1,831,113), reflecting an 18% increase.

The Unrestricted Development Fund comprises donations and grants received without specific restrictions. Trustees allocate these unrestricted funds within the relevant Community. The General Fund is held primarily to protect against interruptions to our main income flow and to sustain working cash balances to cover fluctuations in operating costs.

The current level of unrestricted General Funds of £2,152,295 (2024: £1,831,113) represents 5 weeks (2024: 4.8 weeks) of Community operating expenditure. This shows a slight increase in weeks covered, apart from that, our services are mostly of statutory nature, therefore, we have some protection from income fluctuations, despite that, the trustees aim, over the medium term, to hold reserves covering at least 2 months (9 weeks) of operations.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

FINANCIAL REVIEW (CONTINUED)

c. Financial review

In 2024/25 there was an organisational focus on strengthening L'Arche's financial position which has resulted in a breakeven position, following a few years of deficits. This focus helped to reduce the gap created by the increase in NI in the October 2024 budget and cost-of-living-linked pay increases above-inflation in 2025, which were not fully funded by Local Authorities.

The financial improvement seen in 2024/25 is the result of greater understanding, ownership and collaboration of financial matters across the organisation and the implementation of the 'Stronger Finances Plan' to make savings, efficiencies and increase income.

We have also strengthened the use of financial management information through monthly management accounts meetings, improved and timely financial information; investment in systems; reviewing our contracts and renegotiating with the Local Authorities; stabilising our reserves; and improved financial controls.

We consolidated our accounting system into a single database, therefore enhancing accuracy, completeness, and timeliness of our management accounts. A Credit Control and Contracts team was established within Finance. This has led to a recovery of over a third of our old debt. We continue to see progress in 2025/26. Additionally, in July 2025, the trustees approved a surplus budget for 2025/26, because of extensive review of income and expenditure at Communities level.

Furthermore, in 2025 we finalised the transfer of Core Member records to the Nourish digital platform, replacing paperbased care plans. This has meant more accurate, detailed, and easily accessible digital records, supported improved care quality and enabled faster identification of trends and gaps.

d. Financial results

The Statement of Financial Activities shows a near breakeven position of deficit of £703 (2024: Deficit £907,475). The trustees consider that the Charity has one operating activity: the care and support of people with learning disabilities, including residential care at selected sites across the UK.

e. Donations and grants

Income from fundraising has reduced to £1,330,493 (2024: £1,551,372). This meant that Unrestricted donations and legacies decreased as follows: £860,314 (2024: £1,135,426). However, included in the Unrestricted donations are legacies of £330,515 (2024: £352,500) maintaining a steady stream of income over the last 2 years. The overall reduction is primarily due to a reduction in our individual giving from a small group of people who have remained dedicated over the years. UK restricted donations increased to £421,698 (2024: £289,073) this is made up mainly of grants from Trusts and Foundations, whom the Fundraising team have been working to build and maintain relationships.

We continued to strengthen our seasoned and disciplined Fundraising and Communications team, reflected by our continued investment into the function. In 2025 our expenditure for the year was £420,508 (2024: £387,690).

Review: Overall this remains a good result in very challenging times, and we continue to be grateful for the support offered by both long term and new supporters.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

FINANCIAL REVIEW (CONTINUED)

f. Income from charitable activities

Our income from Charitable Activities rose by £2,713,605 to £20,820,179 (2024: £18,106,574).

Included in the above is our support income which increased to £17,799,780 (2024: £15,685,847) and housing income to £2,696,263 (2024: £2,287,439). In 2025, we invested in a benchmarking system to support the review of support packages to respond adequately to changing needs and historical underfunding. Additionally, we are reviewing our referral process and policy in 2026 to ensure it is robust and fit for purpose.

Review: Securing annual fee increases from some local authorities remains challenging, especially in London and the South-East. In Scotland, Government policy was to fund us to pay assistants Real Living Wage as defined by the Living Wage Foundation and annual uplifts reflect this. In England, Local Authority awards were mixed. The average uplift in the UK in 2024 was 6.3% against a 9.8% increase in the National Living Wage, which drives our pay scales (which in 2024 started from an entry level hourly rate between NLW and RLW).

g. Direct charitable expenditure

Expenditure on our services increased by £1,703,869 to £21,603,382 (2024: £19,899,513). The main factors contributing to this increase are staffing and occupancy costs. Salary costs rose from £15,336,880 to £16,774,356 whilst occupancy costs rose from £1,441,769 to £1,867,448 in 2025.

Review: Recruitment and retention remains challenging for L'Arche, as it does for other social care organisations. In previous years we have benefited from the Health Care Worker visa route. However, increased earning thresholds and wider changes in immigration rules have made this more limited and are likely to further impact L'Arche in future years. The NLW has continued to increase above the rate of inflationary increases from local authority funders. In April 2025 there was also a significant increase to staffing costs as a result of changes to Employer NI contributions.

We have continued to focus on financial sustainability through regular financial management meetings, embedding consistent processes and identifying opportunities to reduce expenditure.

h. Charitable donations

Over the years L'Arche has supported L'Arche Benevolent Trust with a donation of £3,000 annually. However, in 2025 no donation was made (2024: £425). L'Arche Benevolent Trust is a registered charity with the objectives of assisting employees and ex-employees of L'Arche who may require financial support because of personal hardship. On the other hand, donations to L'Arche International totaled £133,986 (2024: £281,300).

i. Balance sheet

Balance sheet net assets have largely remained the same at £12,046,355 (2024: £12,047,058). Cash balances at £1,459,425 (2024: £874,183) reflect a significant improvement in our cash, increasing by £585,242, a 67% rise. This is mainly due to improved credit control processes and the sale of a non-core asset. Debtors as at July 2025 were £3,435,510 (2024: £3,632,474).

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

j. Risk register

The L'Arche Board and national executive team track risks across 5 risk areas (financial sustainability; mission and identity; care, support and housing; people and culture; and general). We have reorganised the team of national Directors around similar broad areas, which also map onto the priorities of the 2030 strategy, and to a new sub-committee structure for the Board.

The last year saw the implementation of the Stronger Finances Plan which reduced the likelihood of the risk around financial sustainability. New risks around Information Management have been identified, whilst other risks around care and support, and recruitment and retention remain stable.

The most serious risks we now face are listed below.

Financial Sustainability:

We are unable to generate sufficient headroom to pay NI and NLW increases without depleting reserves and closing services.

Remuneration and rewards:

L'Arche is unable to offer the salaries, terms and conditions to recruit and retain the employees we need.

Finance systems and staffing:

Recruitment and turnover problems, change management challenges, and workloads, leave Finance Team unable to provide the information and support needed.

Crisis pressure on culture:

Urgent financial measures erode the morale and culture of Communities; the wellbeing of core members and assistants; and the time, space and resources for mutuality and spirituality.

Information Management:

Policies and processes are not robust and consistently implemented, which mean that we are not compliant with GDPR and Charity law.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Organisational structure

L'Arche is a company limited by guarantee and a charity registered in England and Wales and in Scotland. The organisation was incorporated on 18th May 1972 and is currently governed by Articles adopted on 24th February 2018. Its principal objects can be summarised as providing support and training for people with learning disabilities by opening and running Community networks, homes and work opportunities, thereby fostering personal development and citizenship.

There are currently ten L'Arche Communities in the UK, with one project under development. A typical Community comprises a number of houses, supported living settings and, where appropriate and commissioned, day activities, spread out within an urban setting and run as a unified service. In this way, Community members are more easily able to integrate with the wider neighbourhood and thereby develop and maintain important links with individuals and groups beyond L'Arche.

b. Management

The National Leader/CEO is appointed by the National Board and reports to the trustees through the National Chair. As leader of the executive management structure, the National Leader/CEO is responsible for supervising a team of four Directors of: Care and Communities, People and Culture, Finance and IT, Fundraising and Communications.

All members of this Leadership Team are permanent employees. The National Leader/CEO is also a member of the L'Arche International Leadership Team and reports to the International Federation of L'Arche through the acting International Leader.

Communities are supervised and supported by line management through either the National Leader, the Director of Care and Communities, or the Regional Leader covering Scotland and the North of England. These line managers are responsible for supporting the Communities, supervising Community Leaders and ensuring the Communities discern their local mission priorities and objectives, while living faithfully L'Arche's Identity & Mission and being compliant with commissioning and statutory requirements.

Day-to-day responsibility for each Community is delegated to the Community Leader/Director who is supported by a coordinating team, typically responsible for care and support services, housing, HR, day activities, and administration. Members with learning disabilities are encouraged and enabled to play an active part in decisions regarding their own support, their house or support service, and their Community.

L'Arche members with learning disabilities contribute to UK-wide governance and management decisions through a representative National Speaking Council, which meets twice a year, and once a year with the Board.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

c. Trustees

L'Arche is governed by a National Board, the members of which are Directors of the Company with trustee responsibilities. The full board has 11 positions (of which 9 were filled at year end) and normally meets four times a year in addition to the AGM.

Board members serve a maximum of 12 years. Recruitment of new National Board members results from a regular review of the necessary mix of skills and experience required for governance. Vacancies are advertised in national and local publications as well as through professional agencies and other networks. Potential candidates are appointed after a process of interviews, references and other checks.

New members' induction and training is achieved through a combination of written material, meetings and training days, in addition to local Community visits, to ensure they are not only aware of their responsibilities as trustees but understand the ethos and practice of L'Arche in supporting people with learning disabilities.

d. Equal opportunities

We use an Applicant Tracking System that monitors our equal opportunities data and anonymises applicant information, enabling a robust short-listing process. Through this platform provider we receive national training in inclusive recruitment and are developing our approach to improve our practices in this area. Our biennial Equality, Diversity, and Inclusion (EDI) survey has achieved high levels of staff engagement. We continue to welcome new support workers on Health Care Worker visas, significantly increasing our workforce diversity nationwide. The Senior Care Worker visa route has also allowed us to retain talented individuals in more senior roles.

We analyse the results of our annual employee survey, focusing on protected characteristics, including disability, to identify areas for improvement. This ensures our commitment to diversity, equality, and inclusion is translated into actionable practices.

Our national Equity, Diversity, and Inclusion (EDI) group works with the Director of People and Culture, helping to develop and enhance our EDI practices.

e. Disabled employees policy

Our mission includes celebrating the unique value of every person and recognising our need for one another. Key elements of this mission include our commitment to giving full and fair consideration to applicants with disabilities, taking into account their aptitudes and abilities. We support the continued employment and training of individuals who become disabled, including offering reasonable adjustments and flexible working arrangements wherever possible. We provide reasonable adjustments to training opportunities to ensure accessibility for disabled employees, and we carefully consider and respond to Access to Work requests.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

f. Engagement with employees

We have maintained channels for engaging with employees. The Belong newsletter remains a key medium for communicating news, updates, and information to everyone across L'Arche. The results of the Inclusion survey are shared widely across all areas of L'Arche, along with updates on our progress with Equity, Diversity, and Inclusion (EDI). We also run peer networks, such as live-in community worker networks, providing a safe space for individuals to share their experiences and challenges in their roles.

Most employee consultations occur locally, including regular gatherings of all Community members, listening groups, Community Councils, and assistant assemblies. Groups of employees and service users collaborate to develop local plans and recruit senior leaders. Employees from all locations and roles participate in listening groups and steering groups for key national initiatives.

During this financial year, we held a collective consultation process, with elected representatives from across all of our Communities. This consultation took place to consider proposed changes to sick pay and life insurance benefits. We experienced strong participation in the process, with feedback received from employees at all Communities.

National and Regional Leaders regularly visit Communities to hear directly from employees at all levels. As a not-for-profit charity, we do not share profits with employees, but we widely share performance news, including care inspection reports, internally and via social media. The Directors remain acutely aware of the challenges our employees face in the social care sector, where remuneration is low. All decisions are made by balancing the effects on our financial viability, our workforce, and the people with disabilities we support.

g. Remuneration policy

As part of our commitment to recruiting, retaining, and recognizing our talented team, we have in place a clear remuneration policy. We use both sector-based and other relevant benchmarks, as well as considering internal pay relativities, to ensure our salaries are fair and competitive. Our system of salary bands reflects different levels of responsibility and offers opportunities for pay progression. We have clarified our Employer Value Proposition, clearly outlining the tangible and intangible benefits of working for L'Arche, and ensured that all current Terms and Conditions of employment are accurately reflected in the remuneration policy. These Terms and Conditions were revised in 2025 in line with new legislation and to achieve a fairer rewards package targeted to maximise recruitment and retention.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

h. Fundraising

At L'Arche, our small team of in-house staff run fundraising campaigns and activities in line with the Chartered Institute of Fundraising's Code of Fundraising Practice, and a L'Arche Ethical Fundraising Policy. We communicate fundraising messages by post and email, responding to our donors and supporters' wishes.

As a Charity regulated by the Fundraising Regulator, we work to achieve the highest standards in how we communicate and fundraise with our donors and supporters. Our approach to developing long-term, and mutual relationships with our supporters underpins our approach to our fundraising and communications activities.

We use the services of a few carefully selected external companies to support us with occasional specialist skills to help us deliver specific activities, including external appeal mailings and development of new fundraising initiatives. We manage and monitor all fundraising work undertaken by others by providing clear guidelines and work briefs, spot checking, and including fundraising staff on appeal mailing lists.

Over the past year, we have not received any fundraising complaints. Fundraising complaints can be made through our fundraising@larche.org.uk email channel.

We protect vulnerable people by contacting known donors and supporters, curating the stories we tell carefully to avoid breaches of data protection for participants, by embracing ethical content creation, and reducing shock and distress for those we communicate with. We provide our staff with a variety of safeguarding and other relevant training, including Oliver McGowan training.

i. Company, Charity and tax status

The Company is limited by guarantee, with no shareholders. The liability of the 50 members (2024: 50) is limited to £1 each. The Company is registered as a charity in England and Wales and in Scotland with the Office of Scottish Charity Regulator.

The Company is not liable to income tax, corporation tax or capital gains tax. It is not registered for VAT, since taxable supplies are below the level requiring registration.

j. Public benefit disclosure

L'Arche has referred to the Charity Commission's guidance on public benefit when reviewing our aims, objectives and activities and can confirm that the Charity's trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

INVESTMENT POLICY

In accordance with the investment powers contained in the Articles of Association, monies not immediately required for the day-to-day operation of the Company may be held in investments, securities or property. During the financial year concerned, the Company has sought to minimise risk by holding its reserves in instant access cash deposits.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

Sumer Auditco Limited were appointed as auditor to the company following BHP LLP becoming part of the Sumer Group on 31 December 2025, which required a change in audit firm to comply with applicable regulatory requirements. In accordance with section 487(2) of the Companies Act 2006, Sumer Auditco Limited are deemed to be reappointed annually.

Approved by order of the members of the board of trustees and signed on their behalf by:



Aedan MacGreevy

Chair of Trustees
Date: 19.2.2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L'ARCHE

We have audited the financial statements of L'Arche (the 'charitable company') for the year ended 31 July 2025, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 charitable company's affairs as at 31 July 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L'ARCHE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 and the Charities Accounts (Scotland) Regulations 2006, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L'ARCHE (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent charitable company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment, and health and safety legislation (including CQC documentation);
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

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

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L'ARCHE (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Neil Baldwin (Senior statutory auditor)

for and on behalf of
Sumer Auditco Limited
New Chartford House
Centurion Way
Cleckheaton
West Yorkshire
BD19 3QB

Date: 20.2.2026

L'ARCHE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2025

	Note	Endowment Funds 2025 £	Restricted Funds 2025 £	Unrestricted Funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations and grants	2	-	470,179	860,314	1,330,493	1,551,372
Charitable activities	3	-	-	20,820,179	20,820,179	18,106,574
Investments	4	-	-	11,393	11,393	16,562
Total income and endowments		-	470,179	21,691,886	22,162,065	19,674,508
Expenditure on:						
Raising funds	5	-	-	420,508	420,508	387,690
Charitable activities	6	-	334,757	21,268,625	21,603,382	19,899,513
Other expenditure	7	-	133,986	61	134,047	281,725
Total expenditure		-	468,743	21,689,194	22,157,937	20,568,928
Net income/(expenditure) before net (losses)/gains on investments		-	1,436	2,692	4,128	(894,420)
Net (losses)/gains on investments		(10,815)	-	5,984	(4,831)	(13,055)
Net (expenditure)/income		(10,815)	1,436	8,676	(703)	(907,475)
Transfers between funds	17	-	8,870	(8,870)	-	-
Net movement of funds		(10,815)	10,306	(194)	(703)	(907,475)
Reconciliation of funds:						
Total funds brought forward		34,965	506,316	11,505,777	12,047,058	12,954,533
Net movement in funds		(10,815)	10,306	(194)	(703)	(907,475)
Total funds carried forward		24,150	516,622	11,505,583	12,046,355	12,047,058

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 42 to 63 form part of these financial statements

L'ARCHE BALANCE SHEET AT 31ST JULY 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	8,567,325	8,892,006
Investments	13	98,347	103,178
		8,665,672	8,995,184
Current assets			
Debtors	14	3,435,510	3,632,474
Cash at bank and in hand		1,459,425	874,183
		4,894,935	4,506,657
Current Liabilities			
Creditors: amounts falling due within one year	15	(1,402,042)	(1,232,291)
Net current assets			
		3,492,893	3,274,366
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	16	(112,210)	(222,492)
Total net assets			
		12,046,355	12,047,058
Charity funds			
Endowment funds	17	24,150	34,965
Restricted funds	17	516,622	506,316
Unrestricted funds	17	11,505,583	11,505,777
Total Funds			
		12,046,355	12,047,058

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Aedan MacGreevy

Aedan MacGreevy
Chair of Trustees

Jon Carter

Jonathan Carter
Trustee

Date: 19.2.2026

The notes on pages 42 to 63 form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities - note 20	626,982	(1,142,193)
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	254,403	1,500
Purchase of tangible fixed assets	(282,300)	(450,876)
Investment income receipts	11,393	16,562
Finance costs paid	(8,207)	(10,256)
Net cash used in investing activities	(24,711)	(443,070)
Cash flows from financing activities		
Repayments of borrowing	(17,029)	(15,404)
Net cash used in financing activities	(17,029)	(15,404)
Change in cash and cash equivalents in the year	585,242	(1,600,667)
Cash and cash equivalents at the beginning of the year	874,183	2,474,850
Cash and cash equivalents at the end of the year - note 21	1,459,425	874,183

The notes on pages 42 to 63 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

L'Arche meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

The trustees have reviewed the financial performance and the general reserves position in 2025. L'Arche continues to operate in a challenging financial environment, competing for funding from Local Authorities who are under long-term financial pressure. Inflationary increases, the rise in the cost of NI and increases to the National Living Wage increase our cost-base while there is no coherent long-term clear strategy for funding care and support to adults with learning disabilities.

Apart from Local Authority funding, L'Arche also funds some of its operations through fundraising income. The fundraising environment remains challenging after the COVID pandemic and cost of living pressures. L'Arche continues to benefit from individual giving, regular donor and trust fundraising, including multi-year funding for specific projects.

To address these challenges, we instituted the 'Stronger Finances Plan' which included ensuring robust reforecasting of the expected outturn was implemented to ensure quick corrective action was taken. In 2024/25, we released one of our non-core fixed assets as part of our strategy to strengthen our cash reserves.

Additionally, we continue to review our contracts and our costs to ensure that our income is maximised and that our resources are stewarded wisely, taking action to ensure that underfunded services are addressed. We have invested in key digital infrastructure and systems in recent years and are seeking to invest in recruiting and retaining assistants, leaders and specialists we need to continue to deliver our future strategic plans.

Trustees have prepared a cash flow forecast to March 2029, and are confident that the charity has adequate reserves to continue its operations for this period. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charitable Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charitable Company, can be reliably measured.

Incoming resources from charitable activities represents the aggregate of residents' income support, local and central government grants and receipts and other non-government receipts provided for the maintenance of the Communities and their residents.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Donations for L'Arche International and Overseas Communities - where donations have been raised for the specific purpose of distribution to L'Arche Overseas Communities, to minimise administration costs there can be a delay in the transfer of these funds to the projects for which they have been given. The size of the sums involved warrant separate disclosure from other funds donated to L'Arche UK.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charitable Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charitable Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

1. ACCOUNTING POLICIES (CONTINUED)

1.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

- Freehold buildings - 40 years
- Long-term leasehold property - period of lease
- Short-term leasehold property - period of lease
- Motor vehicles - 4 years
- Tools and equipment - 4 years

Freehold land is excluded from depreciation on the basis of value at date of acquisition.

1.8 Investments

All investments are stated at market value. The market value of listed investments is derived from prices quoted on the PLUS market (formerly OFEX). Unrealised changes made to the balance sheet market values are reflected in the Statement of Financial Activities.

Investments held as fixed assets are shown at cost less provision for impairment.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

1.14 Pensions

The Charitable Company auto enrolls qualifying employees as members of a group personal pension scheme, administered by Royal London. The Company's contributions are included in Resources Expended in the Statement of Financial Activities in the year in which the contributions are made.

1.15 Fund accounting

The General Fund consists of amounts received which have yet to be committed or designated to a specific use by the Company. The Development Fund comprises grants and donations received for or appropriated to development projects. It contains amounts either restricted by the donor or designated by the Company for specific purposes. The Fixed Asset Fund, Unrestricted and Endowed, represents the net book value of property and other tangible fixed assets less long-term borrowings on property.

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Donations and legacies			
Donations for L'Arche UK	421,698	529,799	951,497
Donations for L'Arche International	48,481	-	48,481
Legacies received	-	330,515	330,515
	470,179	860,314	1,330,493

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

2. INCOME FROM DONATIONS AND LEGACIES (CONTINUED)

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Donations and legacies			
Donations for L'Arche UK	289,073	782,926	1,071,999
Donations for L'Arche International	126,873	-	126,873
Legacies received	-	352,500	352,500
	<u>415,946</u>	<u>1,135,426</u>	<u>1,551,372</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2025 £	Total funds 2025 £
Income from Care and Support Provision	17,799,780	17,799,780
Income from Housing Services	2,696,263	2,696,263
Other funding	95,274	95,274
Sundry receipts	31,994	31,994
Sale of products	17,837	17,837
Profit on disposal of fixed assets	179,031	179,031
	<u>20,820,179</u>	<u>20,820,179</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

3. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2024 £	Total funds 2024 £
Income from Care and Support Provision	15,685,847	15,685,847
Income from Housing Services	2,287,439	2,287,439
Other funding	88,537	88,537
Sundry receipts	29,134	29,134
Sale of products	15,617	15,617
	<u>18,106,574</u>	<u>18,106,574</u>

4. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £
Income from investments	6	6
Bank interest	11,387	11,387
	<u>11,393</u>	<u>11,393</u>

	Unrestricted funds 2024 £	Total funds 2024 £
Income from investments	5	5
Bank interest	16,557	16,557
	<u>16,562</u>	<u>16,562</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

5. EXPENDITURE ON RAISING FUNDS

Fundraising expenses	Unrestricted funds 2025 £	Total funds 2025 £
Fundraising	274,589	274,589
Comms	145,919	145,919
	<u>420,508</u>	<u>420,508</u>

Fundraising expenses (continued)	Unrestricted funds 2024 £	Total funds 2024 £
Fundraising	241,771	241,771
Comms	145,919	145,919
	<u>387,690</u>	<u>387,690</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Employment and training	215,001	16,512,744	16,727,745
Household costs and community activities	15,714	591,556	607,270
Occupancy costs	-	1,867,448	1,867,448
Repairs, maintenance and renewals	14,155	405,629	419,784
Depreciation	-	531,607	531,607
Office costs	1,601	317,825	319,426
Motor and travel	-	202,591	202,591
Legal and professional / governance costs	-	357,037	357,037
Loan interest	-	8,207	8,207
Direct support and development	88,286	473,981	562,267
	334,757	21,268,625	21,603,382

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by fund type (continued)	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Employment and training	328,440	15,194,858	15,523,298
Household costs and community activities	163,662	453,876	617,538
Occupancy costs	-	1,441,769	1,441,769
Repairs, maintenance and renewals	-	442,979	442,979
Depreciation	-	491,520	491,520
Workshop costs	4,684	52,010	56,694
Office costs	85,069	199,295	284,364
Motor and travel	5,000	190,712	195,712
Legal and professional / governance costs	-	335,151	335,151
Loan interest	-	10,256	10,256
Direct support and development	42,515	457,414	499,929
Loss on disposal of fixed assets	-	303	303
	629,370	19,270,143	19,899,513

7. OTHER EXPENDITURE

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Donations to L'Arche International	133,986	-	133,986
Other donations	-	61	61
	133,986	61	134,047

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

7. OTHER EXPENDITURE (CONTINUED)

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Donations to L'Arche International	281,300	-	281,300
Other donations	-	425	425
	281,300	425	281,725

L'Arche Benevolent Trust is an independent registered charity with the objective of assisting employees and exemployees of L'Arche who may require financial support as a result of personal hardship.

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Employment and training	16,727,745	-	16,727,745
Household costs and community activities	607,270	-	607,270
Occupancy costs	1,867,448	-	1,867,448
Repairs, maintenance and renewals	419,784	-	419,784
Depreciation	531,607	-	531,607
Office costs	-	319,426	319,426
Motor and travel	-	202,591	202,591
Legal and professional / governance costs	-	357,037	357,037
Loan interest	-	8,207	8,207
Direct support and development	-	562,267	562,267
	20,153,854	1,449,528	21,603,382

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Employment and training	15,447,885	75,413	15,523,298
Household costs and community activities	617,538	-	617,538
Occupancy costs	1,441,769	-	1,441,769
Repairs, maintenance and renewals	442,979	-	442,979
Depreciation	491,520	-	491,520
Workshop costs	56,694	-	56,694
Office costs		284,364	284,364
Motor and travel	-	195,712	195,712
Legal and professional / governance costs	-	335,151	335,151
Loan interest	-	10,256	10,256
Direct support and development	-	499,929	499,929
Loss on disposal of fixed assets		303	303
	18,498,385	1,401,128	19,899,513

9. AUDITOR'S REMUNERATION

	2025 £	2024 £
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	25,000	20,095
Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above	3,995	3,675

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

10. STAFF COSTS

	2025 £	2024 £
Wages and salaries	14,855,679	13,744,941
Social security costs	1,475,152	1,166,781
Contribution to defined contribution pension schemes	443,525	425,158
	16,774,356	15,336,880

At the year end, premiums were outstanding to the pension scheme provider of £71,651 (2024: £63,380).

The key management personnel of the Charity comprises the trustees and the National Leadership Team - the National Leader, Deputy National Leader, Regional Leaders, Head of Human Resources, Head of Finance, Fundraising Director and Mission Formation Director.

The total remuneration of the National Leadership Team was £583,960 (2024: £590,963).

The average number of persons employed by the Charitable Company during the year was as follows:

	2025 No.	2024 No.
Communities	461	481
Administration and Finance	27	29
Fundraising and Publicity	10	8
	498	518

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	1	1

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 July 2025, expenses totalling £1,128 were reimbursed or paid directly to five trustees (2024 - £633 to four trustees).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long-term leasehold buildings £	Short-term leasehold buildings £	Motor vehicles £	Tools and equipment £	Total £
Cost or valuation						
At 1 August 2024	11,253,516	750,778	903,224	206,615	1,807,913	14,922,046
Additions	59,715	-	49,627	90,394	82,564	282,300
Disposals	(139,802)	-	-	(70,854)	-	(210,656)
At 31 July 2025	11,173,429	750,778	952,851	226,155	1,890,477	14,993,690
Depreciation						
At 1 August 2024	3,624,099	429,881	402,006	145,005	1,429,049	6,030,040
Charge for the year	245,490	16,414	71,973	35,328	162,403	531,608
On disposals	(71,973)	-	-	(63,310)	-	(135,283)
At 31 July 2025	3,797,616	446,295	473,979	117,023	1,591,452	6,426,365
Net book value						
At 31 July 2025	7,375,813	304,483	478,872	109,132	299,025	8,567,325
At 31 July 2024	7,629,417	320,897	501,218	61,610	378,864	8,892,006

Leasehold buildings are sub-divided into those held under short-term leases (50 years and under) and those held under long-term leases (over 50 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

13. FIXED ASSET INVESTMENTS

Cost or valuation	Listed investments £	Quoted investments £	Total £
At 1 August 2024	34,965	68,213	103,178
Revaluations	(10,815)	5,984	(4,831)
At 31 July 2025	24,150	74,197	98,347
Net book value	Listed investments £	Quoted investments £	Total £
At 31 July 2025	24,150	74,197	98,347
At 31 July 2024	34,965	68,213	103,178

All investments are in the United Kingdom.

The listed investments were given to L'Arche as an endowment and comprise 1,050 shares in Adnams Brewery, an Aquis Stock Exchange company, with a market value of £23.00 per share at 31st July 2025 (2024: £33.30).

14. DEBTORS

Due within one year	2025 £	2024 £
Fees due	1,847,003	2,789,122
Other debtors	349,541	35,592
Prepayments and accrued income	1,238,966	807,760
	3,435,510	3,632,474

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Triodos loan	16,483	16,483
Trade creditors	206,890	383,505
Other taxation and social security	347,954	378,296
Other creditors	167,667	79,373
Accruals and deferred income	663,048	374,634
	1,402,042	1,232,291

	2025 £	2024 £
Resources deferred during the year	48,971	-

Deferred income comprises monies received in advance for annual rent, for which the income is spread over the period of the rental agreement.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £	2024 £
Triodos loan	112,210	129,239
Other creditors	0	93,253
	112,210	222,492

The Triodos loan at Ipswich is secured on 3 Warrington Road, Ipswich, with an interest rate fixed at 1.25% over base and is for a period of 25 years. The Triodos loan is partially composed of amounts due over 5 years. These amount to £46,278 (2024: £63,307).

The charity also has use of an overdraft facility if required. The overdraft facility is secured by fixed and floating charges over all of the properties and assets held by the Charity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

17. STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2025 £
Unrestricted funds						
General Fund	1,831,113	21,691,886	(21,157,587)	(219,101)	5,984	2,152,295
Development Fund	928,380	-	-	-	-	928,380
Fixed Asset Fund	8,746,284	-	(531,607)	210,231	-	8,424,908
	11,505,777	21,691,886	(21,689,194)	(8,870)	5,984	11,505,583
Endowment funds						
Endowment Fund	34,965	-	-	-	(10,815)	24,150
Restricted funds						
Capital £ Refurbishment Appeals	11,493	14,155	(14,155)	-	-	11,493
Investing in Leadership, Young People and Infrastructure for Growth	180,394	401,503	(313,535)	8,870	-	277,232
Investment in Programmes and Projects of L'Arche International	179,884	43,481	(103,890)	-	-	119,475
Local Community Projects	93,378	11,040	(753)	-	-	103,665
Other	41,167	0	(36,410)	-	-	4,757
	506,316	470,179	(468,743)	8,870	-	516,622
Total of funds	12,047,058	22,162,065	(22,157,937)	-	(4,831)	12,046,355

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

17. STATEMENT OF FUNDS (CONTINUED)

Purpose of restricted funds

Capital and Refurbishment Appeals

Manchester: The Rose, supported living house – funding to furnish a new house in L'Arche Manchester; The Rose. The funds are for purchasing equipment and furnishings to make this new home comfortable for residents.

Brecon: Kitchen Refurbishment – funding to transform the communal areas of Glasfryn House in L'Arche Brecon. The funds were used to transform the kitchen and living areas to make them more comfortable and safe for residents, and were spent on materials and paying architecture and building contractor fees.

Investing in Leadership, Young People & Infrastructure for Growth

Big Conversation: Voice and Power – funding to support a nation-wide programme aiming to empower people with learning disabilities in L'Arche. Funds are used to pay the salaries of two people who are co-delivering the project, as well as other staff costs (such as trainers and project leads). Funds are also spent on IT equipment, talking mats, travel, venue hire, subscriptions and licences.

Big Conversation: Spirituality – funding to support a nation-wide programme aiming to support people in L'Arche to explore and deepen their spirituality. This programme funds projects such as the Soulful Internship and retreats. The Soulful Internship is a year-long placement for people looking to deepen their spirituality while living and working in L'Arche. Funds are spent on staff costs, housing, recruitment, materials, travel. Retreats are a period of respite and reflection offered to people working in L'Arche which are hosted offsite at religious retreat houses. Funds are spent on food, accommodation, travel, staff costs.

Community Connector – funding to pay the salary of a Community Connector – a part-time role that is designed to increase engagement between L'Arche Communities and the wider community.

Hopefest Festival – ticket sales for Hopefest and donations for L'Arche's summer camping festival in July 2025. Funds were spent on food, site rental, accommodation, signage etc.

Investment in Charity Infrastructure – funding to support a nation-wide programme aiming to improve the IT and finance infrastructure of L'Arche. Funds are spent on staff costs, and hardware for and subscriptions to services such as Sona and Nourish.

Volunteers Coordination – funding to pay the salary of a Volunteer Coordinator – a part-time role (either 1 or 2 days per week) that is responsible for recruiting, training and managing volunteers. This funding supported this role in 8 L'Arche Communities in 2024/25.

Investment in Programmes and Projects of L'Arche International

These funds support L'Arche Communities overseas. It is directed to L'Arche International, who then administers the funding to the relevant Community.

Local Community Projects Various projects in the Communities

Some funding is earmarked for specific L'Arche Communities. Funds are directed by L'Arche UK to the relevant Community, who spends it on local community projects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

17. STATEMENT OF FUNDS (CONTINUED)

Statement of funds - prior year	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds						
General Fund	2,190,042	19,258,562	(19,166,738)	(450,753)	-	1,831,113
Development Fund	928,380	-	-	-	-	928,380
Fixed Asset Fund	8,773,326	-	(491,520)	450,753	13,725	8,746,284
	11,891,748	19,258,562	(19,658,258)	-	13,725	11,505,777
Endowment funds						
Endowment Fund	61,745	-	-	-	(26,780)	34,965
Restricted funds						
New Communities	339	339	(66,815)	-	-	-
Investing in Leadership, Young People and Infrastructure for Growth	217,121	265,231	(301,959)	-	-	180,393
Investment in Programmes and Projects of L'Arche International	334,311	126,873	(281,300)	-	-	179,884
Local Community Projects	342,018	23,450	(260,596)	-	-	104,872
Other	41,114	53	-	-	-	41,167
	1,001,040	415,946	(910,670)	-	-	506,316
Total of funds	12,954,533	19,674,508	(20,568,928)	-	(13,055)	12,047,058

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

18. SUMMARY OF FUNDS

Summary of funds - current year	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2025 £
General Fund	11,505,777	21,691,886	(21,689,194)	(8,870)	5,984	11,505,583
Endowment funds	34,965	-	-	-	(10,815)	24,150
Restricted funds	506,316	470,179	(468,743)	8,870	-	516,622
	12,047,058	22,162,065	(22,157,937)	-	(4,831)	12,046,355

Summary of funds - prior year	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2024 £
General funds	11,891,748	19,258,562	(19,658,258)	-	13,725	11,505,777
Endowment funds	61,745	-	-	-	(26,780)	34,965
Restricted funds	1,001,040	415,946	(910,670)	-	-	506,316
	12,954,533	19,674,508	(20,568,928)	-	(13,055)	12,047,058

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	-	8,567,325	8,567,325
Fixed asset investments	24,150	-	74,197	98,347
Current assets	-	516,622	4,378,313	4,894,935
Creditors due within one year	-	-	(1,402,042)	(1,402,042)
Creditors due in more than one year	-	-	(112,210)	(112,210)
Total	24,150	516,622	11,505,583	12,046,355

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Analysis of net assets between funds - prior year	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	-	8,892,006	8,892,006
Fixed asset investments	34,965	-	68,213	103,178
Current assets	-	506,316	4,000,341	4,506,657
Creditors due within one year	-	-	(1,232,291)	(1,232,291)
Creditors due in more than one year	-	-	(222,492)	(222,492)
Total	34,965	506,316	11,505,777	12,047,058

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net expenditure for the year (as per Statement of Financial Activities)	(703)	(907,475)
Adjustments for:		
Depreciation charges	531,607	491,520
Unrealised loss on investments	4,831	13,055
Investment income receipts	(11,393)	(16,562)
Loss/(profit) on the sale of fixed assets	(179,031)	302
Decrease/(increase) in debtors	196,964	(581,285)
Increase/(decrease) in creditors	76,500	(152,004)
Finance costs paid	8,207	10,256
Net cash provided by/(used in) operating activities	626,982	(1,142,193)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand	1,459,425	874,183
Total cash and cash equivalents	1,459,425	874,183

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	874,183	585,242	1,459,425
Debt due within 1 year	(16,483)	-	(16,483)
Debt due after 1 year	(129,239)	17,029	(112,210)
	728,461	602,271	1,330,732

23. OPERATING LEASE COMMITMENTS

At 31 July 2025 the Charitable Company had commitments to make future minimum lease payments under noncancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	81,957	66,415
Later than 1 year and not later than 5 years	313,808	300,000
Later than 5 years	839,692	1,033,610
	1,235,457	1,400,025

The majority of the company's leases of land and buildings are subject to rent review periods ranging between 3 and 5 years. All leases currently held by L'Arche are operating leases.

24. RELATED PARTY TRANSACTIONS

There were no related party transactions in either the current or previous financial period.

Be part of our STORY

You can join us in the life-changing L'Arche journey in many ways:

- Donate
- Volunteer
- Fundraise
- Campaign

Find out more at:



www.larche.org.uk



www.facebook.com/UK.LARCHE

Memberships and Associations:



AUDITOR

Sumer Auditco Limited, New Chartford House, Centurion Way, Cleckheaton, West Yorkshire, BD19 3QB

BANKERS

National Westminster Bank plc
63 North Street, Keighley, West Yorkshire BD21 3SB

Royal Bank of Scotland plc
PO Box 5663, 1st Floor, Affric House, Beechwood Park, Inverness IV2 3YR

L'Arche

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