

Company Number: 77821
Charity Number: CHY7979
Charities Regulatory Authority Number: 20018856

L'Arche Ireland
Annual Report and Audited Financial Statements
for the year ended 31 December 2018

Anne Brady McQuillans DFK
Chartered Accountants and Statutory Auditors
Iveagh Court
Harcourt Road
Dublin 2

L'Arche Ireland

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L'Arche Ireland
REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Grahame Coplestone Joan Costello Mary Deane Brendan Fennelly Sylvia Gallagher David Griffin Susan Martin (Appointed 19 December 2018)
Company Secretary	Joan Costello
Charity Number	CHY7979
Charities Regulatory Authority Number	20018856
Company Number	77821
Registered Office	Cluain Aoibhinn Fairgreen Lane Callan Co Kilkenny
Principal Address	An Siol 42 West Street Callan Co Kilkenny
Auditors	Anne Brady McQuillans DFK Chartered Accountants and Statutory Auditors Iveagh Court Harcourt Road Dublin 2
Bankers	Bank of Ireland Sutton Cross Sutton Dublin 13 Bank of Ireland Ranelagh Village Dublin 6 Bank of Ireland Callan Co. Kilkenny Bank of Ireland Wilton Co Cork

L'Arche Ireland

TRUSTEES' ANNUAL REPORT

for the year ended 31 December 2018

The trustees present their Trustees' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the year ended 31 December 2018.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees' Report contains the information required to be provided in the Trustees' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The trustees of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the trustees of L'Arche Ireland present a summary of its purpose, governance, activities, achievements and finances for the financial year 31 December 2018.

The company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2014 and, although not obliged to comply with the Statement of Recommended Practice (Charities SORP effective January 2015), the organisation has implemented its recommendations where relevant in these financial statements.

The company is limited by guarantee not having a share capital.

Principal Activities

The principal activity of the charity consists of provision of services of care and support for our community members who have intellectual disabilities. We are committed to ensuring the greatest quality of life that enables each one to achieve their full potential. We work in partnership with the relevant authorities to ensure that our practices are in compliance with the highest international and national standards.

Trustees

The trustees who served throughout the year and their attendance, except as noted, were as follows:

2018	15 Jan	10 March	14 May	30 June	15 Sept	18 Oct	17 Nov
Grahame Coplestone	✓		✓		✓		
Joan Costello	✓	✓	✓	✓	✓	✓	✓
Mary Deane	✓	✓	✓	✓	✓	✓	✓
Brendan Fennelly	✓		✓	✓	✓	✓	
Sylvia Gallagher	✓	✓	✓	✓		✓	✓
David Griffin	✓	✓	✓	✓	✓	✓	✓
Susan Martin*					✓		✓

*Susan Martin attended board meetings prior to her formal appointment.

L'Arche Ireland

TRUSTEES' ANNUAL REPORT

for the year ended 31 December 2018

Review of Activities, Achievements and Performance

L'Arche is an international network of residential and non-residential communities dedicated to being communities for people both with and without and intellectual disability. We do this through the creation and growth of homes, day programs, and support networks for and with people who have intellectual disabilities. We create places of belonging; spaces that enable each person, regardless of their background or level of ability, to live as full citizens and to contribute their unique gifts to society. L'Arche was founded in Trosly, France, in 1964 by Jean Vanier. There are a total of 150 L'Arche communities in 37 countries around the world. In Ireland, L'Arche started in 1978. In Ireland and Northern Ireland, we support over 100 Core Members, (people with intellectual disabilities who are part of L'Arche) - throughout our four communities in Belfast, Cork, Dublin & Kilkenny.

We are fully registered with HIQA, with two renewals of registrations received and three due in 2019. HIQA have been very positive in recent HIQA reports and have expressed the value of our ethos and sense of belonging and homeliness in our houses. This reaffirms our commitment with both our philosophy of care of people with and without an intellectual disability sharing community life and our responsibility as a high-quality service provider. We are incredibly grateful to everyone in the communities for the outstanding work they put to maintaining a sense of belonging and home that is so important to all of us.

Our L'Arche communities also continue to grow and work closely with the neighbourhoods they belong to. L'Arche Kilkenny welcomed new core members. L'Arche Kilkenny, as the first L'Arche community in Ireland, celebrated its 40th birthday in 2018. This was a great celebration; videos of the event are available on our website. They have completed upgrades to the garden and to the houses.

L'Arche Cork welcomed a new community leader in early 2018. One designated centre was re-registered in 2018. They are actively working to address the changing needs of the core members.

L'Arche Dublin started organizing and attending events such as Bayside community centre and at other venues., increasing their visibility in the area. They welcomed 3 new core members in 2018 also and are actively exploring options for further gradual development.

In Northern Ireland, L'Arche Belfast has secured longer term funding for some of its projects. This will enable it continue to provide innovative day projects such as: Grow, Cook, Cater, In Other Words and Root Soup. These projects are helping people with intellectual disabilities feel more confident and develop their skills for independent living, volunteering and employment. Activities include growing fruit and vegetables, cooking, taking part in social events, completing work placements and an art project.

We sadly said a final good bye to Jean Vanier on the 7th May 2019. Jean was the founder of L'Arche 1964, As well as founding L'Arche, he inspired people through his talks, retreats, books and the example of his own life. He ensured that L'Arche would thrive after his death, by creating a small but effective leadership team to carry on the mission

L'Arche International under the leadership of Stephan Posnar and Stacy Cates Carney continue to develop L'Arche both in terms of our Identity and Mission, as well as structures to support the communities. It is timely that a revised Charter which will outline our course for the next chapter has been commenced. This will involve consultation with our communities across the world.

For us in Ireland there are many challenges ahead in the years to come, especially in terms of capital projects and meeting the needs of our aging core members. L'Arche Kilkenny is getting ready to expand their workshop in Callan. L'Arche Cork and Dublin face challenges around their premises, since they need to adapt the spaces they have to the future needs of their aging core members. As we require a major investment we are making ongoing effort to supplement our successful local fundraising with a structured National initiative.

While our finances are appearing relatively strong at present, the recently updated Reserves policy aims to ensure we will have sufficient reserves both for continuity of service and to part fund significant future capital requirements.

We have enhanced and formalised our Governance in line with expanding regulatory requirements. In so doing we seek to ensure good governance while providing space for the communities to grow and develop in line with L'Arche ethos.

Financial Results

At the end of the year the company has assets of €7,039,515 (2017 - €6,963,387) and liabilities of €85,017 (2017 - €111,491). The net assets of the company have increased by €102,602.

L'Arche Ireland

TRUSTEES' ANNUAL REPORT

for the year ended 31 December 2018

Principal Risks and Uncertainties

The trustees have assessed the risks and have taken measures to manage these risks in L'Arche Ireland as follows:

Recruitment and Retention

Recruitment and retention of volunteers and experienced staff to support our core members, a growing number of whom have complex needs. The adequacy of the related funding remains a challenge in some areas.

Confidence and Support of Funders

L'Arche Ireland relies on the HSE and other funders to support its day to day activities. Accordingly, it must continue to meet the compliance and other standards required for such support.

Upgrade of Premises

Higher accommodation standards and the needs of members as they age requires a major program of work, including rebuilding across our communities over the next 5 years. The HSE does not provide such funding, accordingly, alternative sources will be required.

L'Arche Ireland Ethos

To maintain the sense of community, a sense of belonging and strong mutual relationships, within a highly regulated context. This is especially important following the death of the founder of L'Arche, Jean Vanier in May 2019.

Future Developments

There have been no significant changes in the activities following the year end and the trustees have no other plans to change the activities and operations of the charity for the foreseeable future.

Trustees and Secretary

The trustees who served throughout the year, except as noted, were as follows:

Grahame Copplestone
Joan Costello
Mary Deane
Brendan Fennelly
Sylvia Gallagher
David Griffin
Susan Martin (Appointed 19 December 2018)

In accordance with the Articles of Association, the trustees retire by rotation and, being eligible, offer themselves for re-election. As a company limited by guarantee, the trustees and secretary hold no shares in the company as at 31st December 2018.

The secretary who served throughout the year was Joan Costello.

Compliance with Sector-Wide Legislation and Standards

The company engages pro-actively with legislation, standards and codes which are developed for the sector. L'Arche Ireland subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Post - Balance Sheet Events

There have been no significant events affecting the charity since the year-end.

Exemptions from Disclosure

There are no omissions of the names of any Trustees, executive officers or senior staff members for any extenuating personal circumstances.

Funds held as Custodian Trustee on behalf of Others

L'Arche Ireland do not act as custodian Trustees on behalf of others.

The charity's main source of funding is from the Health Service Executive via allocations, capital grants and other core funding. Funds are also raised from donations, fundraising activities and workshop and cafe sales.

Research and Development

The charity did not engage in any research and development activity during the year.

L'Arche Ireland
TRUSTEES ' ANNUALREPORT

for the year ended 31 December 2018

Reserves

Restricted Funds

Restricted funds represent grants, donations and other income which can only be used for particular purposes specified by the donors binding the trustees. Such purposes are within the overall aims of the charity.

Unrestricted Funds

Unrestricted funds represents amounts which are expendable at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Auditors

The auditors, Anne Brady McQuillans DFK, have indicated their willingness to continue in office in accordance with the provisions of Section 380 of the Companies Act 2014.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.


Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at 8 Warrenhouse, Baldoyle, Dublin 13.

Approved by the Board of Trustees on 06-06-19 and signed on its behalf by:



Mary Deane
Trustee



David Griffin
Trustee

L'Arche Ireland

TRUSTEES' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2018

The trustees, who are also directors of L'Arche Ireland for the purposes of company law, are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the trustees as the directors to prepare financial statements for each financial year. Under the law the trustees have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the net income or expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and net income or expenditure of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Trustees' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:


there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Approved by the Board of Trustees on 06.06.19 and signed on its behalf by:



Mary Deane
Trustee



David Griffin
Trustee

INDEPENDENT AUDITOR'S REPORT

to the Members of L'Arche Ireland

Report on the audit of the financial statements

Opinion

We have audited the company financial statements of L'Arche Ireland for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the the company as at 31 December 2018 and of its net incoming resources for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IMSA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 4 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Trustees' Annual Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of L'Arche Ireland

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of trustees' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 8 the trustees 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 they 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the the company or to cease operations, or has no realistic alternative but to do so.

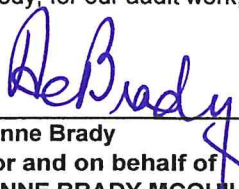
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IMSA's website at: [www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). The description forms part of our Auditor's Report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 any responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anne Brady
for and on behalf of
ANNE BRADY MCQUILLAN\$ DFK
Chartered Accountants and Statutory Auditors
Iveagh Court
Harcourt Road
Dublin 2

6th June 2019

L'Arche Ireland

STATEMENT OF FINANCIAL ACTIVITIES

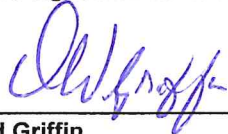
for the year ended 31 December 2018

	Notes	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total 2018 €	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total 2017 €
Incoming Resources							
Voluntary Income	5.1	343,243		343,243	210,150		210,150
Charitable activities							
- Grants from governments and other co-funders	5.2	57,580	3,754,825	3,812,405	58,728	3,662,028	3,720,756
Activities for generating funds	5.3	160,905		160,905	168,281		168,281
Investments	5.4	106		106	219		219
Other income	5.5	514		514	25,670	800	26,470
							--
Total incoming resources		562,348	3,754,825	4,317,173	463,048	3,662,828	4,125,876
Resources Expended							
Raising funds	6.1	88,652		88,652	132,565		132,565
Charitable activities	6.2	486,136	3,639,783	4,125,919	345,194	3,529,898	3,875,092
			--				
Total Resources Expended		574,788	3,639,783	4,214,571	477,759	3,529,898	4,007,657
Net incoming/outgoing resources before transfers		(12,440)	115,042	102,602	(14,711)	132,930	118,219
Gross transfers between funds		(95,000)	95,000		1,056,836	(1,056,836)	
Other recognised gains/(losses):							
Surplus/(deficit) for the year		(107,440)	210,042	102,602	1,042,125	(923,906)	118,219
Prior year adjustment			144,983	144,983			
Net movement in funds for the year		(107,440)	355,025	247,585	1,042,125	(923,906)	118,219
Reconciliation of funds							
Balances brought forward at 1 January 2018	16	1,611,175	5,095,738	6,706,913	569,050	6,164,627	6,733,677
Balances carried forward at 31 December 2018		1,503,735	5,450,763	6,954,498	1,611,175	5,240,721	6,851,896

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure relate to continuing activities.

Approved by the Board of Trustees on 06.06.19 and signed on its behalf by:


Mary Deane
Trustee


David Griffin
Trustee


L'Arche Ireland
SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2018

	Statement of Financial Activities	2018 €	2017 € as restated
Gross income	Unrestricted funds	562,348	
	Restricted funds	3,754,825	
		<u>4,317,173</u>	4,125,876
Total income		4,317,173	4,125,876
Total expenditure		(4,214,571)	(4,007,657)
Net income/(expenditure)		<u>102,602</u>	<u>118,219</u>

Approved by the Board of Trustees on 06.06.19 and signed on its behalf by:



Mary Deane
Trustee



David Griffin
Trustee

L'Arche Ireland BALANCE SHEET

as at 31 December 2018

	Notes	2018 €	2017 € as restated
Fixed Assets			
Tangible assets	11	4,794,293	4,929,500
Investments	12	1,000	1,000
		<u>4,795,293</u>	<u>4,930,500</u>
Current Assets			
Debtors	13	70,437	75,051
Cash and cash equivalents		2,173,785	1,957,836
		<u>2,244,222</u>	<u>2,032,887</u>
Creditors: Amounts falling due within one year	14	(85,017)	(111,491)
Net Current Assets		<u>2,159,205</u>	<u>1,921,396</u>
Total Assets less Current Liabilities		<u>6,954,498</u>	<u>6,851,896</u>
Funds			
Restricted trust funds		5,450,763	5,240,721
General fund (unrestricted)		1,503,735	1,611,175
Total funds	16	<u>6,954,498</u>	<u>6,851,896</u>

Approved by the Board of Trustees on 06.06.19 and signed on its behalf by:

Mary Deane
Trustee

Mary Deane

David Griffin
Trustee

David Griffin

L'Arche Ireland

STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	Notes	2018 €	2017 € as restated
Cash flows from operating activities			
Net movement in funds		247,585	118,219
Adjustments for:			
Depreciation		195,891	200,040
Interest receivable and similar income		(106)	(219)
Gains and losses on disposal of fixed assets		4,241	(1,750)
Prior year adjustment		(144,983)	
		<hr/> 302,628	316,290
Movements in working capital:			
Movement in debtors		4,614	3,812
Movement in creditors		(26,474)	(207,291)
		<hr/> 280,768	112,811
Cash flows from investing activities			
Interest received		106	219
Payments to acquire tangible assets		(68,015)	(134,973)
Receipts from sales of tangible assets		3,090	8,248
		<hr/> (64,819)	(126,506)
Net increase in cash and cash equivalents		215,949	(13,695)
Cash and cash equivalents at 1 January 2018		1,957,836	1,971,531
Cash and cash equivalents at 31 December 2018	19	2,173,785	1,957,836

L'Arche Ireland

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. GENERAL INFORMATION

L'Arche Ireland is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the company is Cluain Aoibhinn, Fairgreen Lane, Galan, Co Kilkenny. The financial statements have been presented in Euro (€) which is also the functional currency of the company. The principal activity of the charity consists of provision of services of care and support for our community members who have intellectual disabilities. We are committed to ensuring the greatest quality of life that enables each one to achieve their full potential. We work in partnership with the relevant authorities to ensure that our practices are in compliance with the highest international and national standards.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015) and with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014. They comply with the financial reporting standards of the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Fund accounting

The following are the categorises of funds maintained:

Restricted funds

Restricted funds represent grants, donations and other income which can only be used for particular purposes specified by the donors binding the trustees. Such purposes are within the overall aims of the charity.

Unrestricted funds

Unrestricted funds represents amounts which are expendable at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Incoming Resources

Voluntary income or capital is included in the Statement of Financial Activities when the company is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the company has been notified of a distribution to be made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

Resources Expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities. Non-staff costs not attributed to one category of activity are allocated or apportioned pro-rata to the staffing of the relevant service. Finance, HR, IT and administrative staff costs are directly attributable to individual activities by objective. Governance costs are those associated with constitutional and statutory requirements.

True and fair override

The Trustees have availed of the provisions of Section 291(5) of the Companies Act 2014 to use a format for the financial statements that better describes the activities of a company not trading for profit. The main change being the replacement of the title "profit and loss" with the title "Statement of Financial Activities" and consequential changes in descriptions of certain items to be consistent with the descriptions appropriate to the not for profit sector.

Government Grants

Grants towards the day to day running of the community are recognised in the Statement of Financial Activities account as they are received and receivable. Grants towards capital expenditure are also recognised in the Statement of Financial Activities account as they are received and receivable.

L'Arche Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	2% Straight line
Plant and machinery	20% Straight line
Fixtures, fittings and equipment	12.5% - 33% Straight line
Motor vehicles	20% Straight line
Computer equipment	20% Straight line

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related withholding tax is recognised in the income and expenditure account in the year in which it is receivable.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation

No current or deferred taxation arises as the company has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

The company is a registered charity and no provision is deemed necessary for taxation.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting for depreciation:

The charity provides for depreciation on its tangible fixed assets. Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives. The Trustees review on an on-going basis the charge to depreciation to ensure it is consistent with the expected residual value applicable to the different categories of tangibles.

4. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In common with many other charitable companies of our size and nature, we use our auditors to assist with the preparation of the financial statements.

5. INCOME

5.1 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	2018	2017
	€	€	€	€
Donations & Legacies	343,243		343,243	210,150

L'Arche Ireland
NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

5.2 CHARITABLE ACTIVITIES	Unrestricted Funds	Restricted Funds	2018	2017	
	€	€	€	€	
Government Grants	-	3,569,353	3,569,353	3,500,495	
Core Members Personal Income	57,580	185,472	243,052	220,261	
	<u>57,580</u>	<u>3,754,825</u>	<u>3,812,405</u>	<u>3,720,756</u>	
5.3 OTHER TRADING ACTIVITIES	Unrestricted Funds	Restricted Funds	2018	2017	
	€	€	€	€	
Cafe and Workshop Sales	135,065	-	135,065	139,901	
Fundraising	25,840	-	25,840	28,380	
	<u>160,905</u>	<u>-</u>	<u>160,905</u>	<u>168,281</u>	
5.4 INVESTMENTS	Unrestricted Funds	Restricted Funds	2018	2017	
	€	€	€	€	
Deposit Interest & Investment Income	106	-	106	219	
	<u>106</u>	<u>-</u>	<u>106</u>	<u>219</u>	
5.5 OTHER INCOME	Unrestricted Funds	Restricted Funds	2018	2017	
	€	€	€	€	
Other income	514	-	514	26,470	
	<u>514</u>	<u>-</u>	<u>514</u>	<u>26,470</u>	
6. EXPENDITURE					
6.1 RAISING FUNDS	Direct Costs	Other Costs	Support Costs	2018	2017
	€	€	€	€	€
Fundraising expenses	61,700	-	-	61,700	98,829
Cafe expenses	-	26,952	-	26,952	33,736
	<u>61,700</u>	<u>26,952</u>	<u>-</u>	<u>88,652</u>	<u>132,565</u>
6.2 CHARITABLE ACTIVITIES	Direct Costs	Other Costs	Support Costs	2018	2017
	€	€	€	€	€
Cost of charitable activities	-	4,083,542	-	4,083,542	3,813,707
Governance Costs (Note 6.3)	-	42,377	-	42,377	61,385
	<u>-</u>	<u>4,125,919</u>	<u>-</u>	<u>4,125,919</u>	<u>3,875,092</u>

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

6.3 GOVERNANCE COSTS	Direct Costs €	Other Costs €	Support Costs €	2018 €	2017 €
Accountancy	-	40,988	-	40,988	42,108
Legal and Professional	-	1,389	-	1,389	19,277
	-	42,377	-	42,377	61,385

7. NET INCOMING RESOURCES	2018 €	2017 €
Net Incoming Resources are stated after charging/(crediting):		
Depreciation of tangible assets	195,891	200,040
Deficit/(surplus) on disposal of tangible fixed assets	4,241	(1,750)

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of employees is calculated as a monthly average. The average number of persons employed (including executive trustees) during the year, see below.

No employee received benefits (excluding employer pension costs) of more than €60,000. Board members received no remuneration.

	2018 Number	2017 Number
Administration	109	103
	109	103
The staff costs comprise:	2018 €	2017 €
Wages and salaries	2,590,726	2,295,107
Social security costs	143,614	229,557
Pension costs	94,044	177,577
	2,828,384	2,702,241

9. EMPLOYEE BENEFITS

The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within the bands below were:

	Number of Employees	Number of Employees
€60,000 - €70,000	2	3

The CEO's salary for the year 2018 was €52,250.

L'Arche Ireland
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

continued

10. PRIOR YEAR ADJUSTMENT

Charities SORP

In line with Charities SORP (FRS 102) Section 5.10, the use of the accrual model for recognition of capital grants is not permitted. Therefore, capital grants previously held under the accrual model have been released to the Statement of Financial Activities. The amount of capital grants released to the comparative Statement of Financial Activities was €144,983.

L'Arche Ireland
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

11. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Computer equipment	Total
	€	€	€	€	€	€
Cost						
At 1 January 2018	6,697,152	48,178	395,932	338,061	60,441	7,539,764
Additions	13,325	1,100	15,460	37,500	630	68,015
Disposals				(21,750)		(21,750)
At 31 December 2018	6,710,477	49,278	411,392	353,811	61,071	7,586,029
Depreciation						
At 1 January 2018	1,947,277	44,359	354,355	210,323	53,950	2,610,264
Charge for the year	133,166	4,397	15,543	38,534	4,251	195,891
On disposals				(14,419)		(14,419)
At 31 December 2018	2,080,443	48,756	369,898	234,438	58,201	2,791,736
Net book value						
At 31 December 2018	4,630,034	522	41,494	119,373	2,870	4,794,293
At 31 December 2017	4,749,875	3,819	41,577	127,738	6,491	4,929,500

L'Arche Ireland
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

12. INVESTMENTS

Investments	Other investments
Cost	€
At 31 December 2018	1,000
Net book value	
At 31 December 2018	1,000
At 31 December 2017	1,000

13. DEBTORS

	2018	2017
	€	€
Trade debtors	26,247	11,694
Other debtors	1,037	16,000
Taxation and social security costs	9,076	9,986
Prepayments	34,077	37,371
	70,437	75,051

14. CREDITORS

Amounts falling due within one year	2018	2017
	€	€
Trade creditors	8,871	31,236
Taxation and social security costs	52,309	46,501
Pension accrual	1,973	-
Accruals	21,864	33,754
	85,017	111,491

15. PENSION COSTS - DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €94,044 (2017 - €177,577).

16. FUNDS

16.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
At 1 January 2017	569,050	6,164,627	6,733,677
Movement during the financial year	1,042,125	(923,906)	118,219
At 31 December 2017	1,611,175	5,240,721	6,851,896
Movement during the financial year	(107,440)	355,025	247,585
At 31 December 2018	1,503,735	5,595,746	7,099,481

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2018

16.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2018 €	Income €	Expenditure €	Transfers between funds €	Prior year adjustments €	Balance 31 December 2018 €
	As restated					
Restricted income						
Restricted Funds	5,095,738	3,754,825	(3,639,783)	95,000	144,983	5,450,763
Unrestricted income						
Unrestricted Funds	1,611,175	562,348	(574,788)	(95,000)	-	1,503,735
Total funds	6,706,913	4,317,173	4,214,571	-	144,983	6,954,498

16.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use €	Financial fixed assets €	Current assets €	Current liabilities €	Total €
Restricted trust funds	4,794,293	-	741,487	(85,017)	5,450,763
Unrestricted general funds	-	1,000	1,502,735	-	1,503,735
	4,794,293	1,000	2,244,222	(85,017)	6,954,498

17. STATUS

The company is limited by guarantee not having a share capital.

The liability of the members is limited. As a company limited by guarantee, there are no ultimate controlling parties of this company.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 1.

18. RELATED PARTY TRANSACTIONS

No remuneration or expenses were paid to the trustees during the year.

19. CASH AND CASH EQUIVALENTS

	2018 €	2017 €
Cash and bank balances	2,173,785	1,957,836

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Trustees on
.....6/6/19.....

L'ARCHE IRELAND

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NOT COVERED BY THE REPORT OF THE AUDITORS

L'Arche Ireland**SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS**

Operating Statement

for the year ended 31 December 2018

	2018	2017
	€	€
Income	4,317,067	4,125,657
Cost of generating funds		
Fundraising costs	61,700	5,400
	61,700	5,400
Gross surplus	4,255,367	4,120,257
Expenses		
Wages and salaries	2,590,726	2,295,107
Employer's NI/PRSI contributions	143,614	229,557
Staff defined contribution pension costs	94,044	177,577
Training and formation expenditure	105,015	92,723
Living expenses	387,607	374,853
Cafe Expenses	26,952	98,829
Property expenditure	261,497	213,505
Administration expenditure	182,433	125,941
Transport expenditure	116,603	132,026
Legal and professional	1,389	19,277
Accountancy	40,988	42,108
Bank charges	1,871	2,464
Surpluses/deficits on disposal of tangibles	4,241	(1,750)
Depreciation	195,891	200,040
	4,152,871	4,002,257
Miscellaneous income		
Bank interest	106	219
Net surplus	102,602	118,219