

Company Number: 70660
Charities Regulatory Authority Number: 20011031

Threshold

Annual Report and Audited Financial Statements
for the financial year ended 31 December 2019

Whelan Dowling & Associates
Chartered Accountants and Statutory Auditors
Block 1, Unit 1 & 4,
Northwood Court
Santry
Dublin 9

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Threshold REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Aideen Hayden (Chairperson) Brian Murphy Joye Trocaire Martini Molloy Patrick Gray Christine Heffernan (Resigned 23 September 2019) Bernard Cronin (Treasurer) Liam Reid Mark Brangham Thomas Dunne (Appointed 29 January 2019, Resigned 10 October 2019) Patricia Sheehy-Skeffington (Appointed 2 November 2019) Martin Whelan (Appointed 2 November 2019) Geoff Byrne (Appointed 2 November 2019)
Company Secretary	Liam Reid
Chief Executive Officer	John-Mark McCafferty
Charities Regulatory Authority Number	20011031
Company Number	70660
Registered Office and Principal Address	21 Stoneybatter Dublin 7 D07 KV61
Auditors	Whelan Dowling & Associates Chartered Accountants and Statutory Auditors Block 1, Unit 1 & 4, Northwood Court Santry Dublin 9
Bankers	Bank of Ireland 2 College Green Dublin 2 D02 VR66 AIB 66 South Mall Cork T12 Y822 AIB Lynch's Castle 40 Shop Street Galway H91 W400
Solicitors	O'Sullivan O'Dowd Solicitors 1 Blackhall View Blackhall Place Dublin 7 D07 FR59

Threshold

CHAIRPERSONS STATEMENT

for the financial year ended 31 December 2019

For over 40 years, Threshold has been working to protect the rented homes of vulnerable low-income people. Last year alone we assisted over 17,000 households and prevented close to 8,500 of these from losing their homes. We have worked consistently during those 40 years to provide the best advice and advocacy to clients we possibly can and we are recognised for that work. We also place a lot of importance on working to change the most unfair aspects of our housing system. In particular, we have challenged the manifest unfairness of the way in which people can be evicted through no fault of their own, rents which have spiralled out of control, and the poor quality of some rental accommodation. We also continue to challenge the fitness of the rented sector as a long-term home for low-income families and have highlighted the lack of affordable purchase and affordable rental options. We also want to highlight the plight of single people in our housing system, often forgotten when funding, designing and allocating housing. In our 40 years there is no doubt that there have been major improvements to certain aspects of the system but significant deterioration in others.

The loss of a tenancy is still the main cause of homelessness in Ireland today. And yet, half of the notices of termination our advisors handled last year were found to be invalid. It is clear that the rented sector is still not a safe secure housing option, which is a serious challenge for Irish society given that almost 20 per cent of our population live there.

As the Coronavirus reached Ireland in 2020, we were very aware in Threshold that many of the sectors in the economy most impacted had large workforces living in rented housing. It is clear to us that there will be significant economic impacts for renters as the country recovers from the COVID-19 crisis. We stand at a critical point in how we respond and our response will determine the lives of many people. We anticipate a steep rise in the number of households falling into rent arrears. We also expect a rise in the numbers requiring support with rent from Government programmes such as Rent Supplement and the HAP scheme. We also anticipate a sharp rise in the numbers of households getting into difficulty where a landlord wants to exit the market which, has been a trend for some time and the principal source of loss of tenancies pre Covid-19. We expect the profile of the tenants contacting us to change, to include a greater proportion of couples and two-parent households as their need for housing supports becomes more pressing and young people exit the market. Young single people who are able to move home will no longer be 'generation rent' but will remain stuck in the family home. Those young adults who do not have this option will pay an even greater proportion of their incomes to secure housing, as the health risks associated with shared accommodation will drive many to seek self-contained housing. Those who cannot afford this option will be forced to live in overcrowded housing where their health may be put at risk.

Given that in 2019, in spite of a very robust economy and high levels of employment, dealing with the loss of tenancies, rent increases and standards of accommodation were our biggest issues. We believe strong action by Government is required now to protect tenants in their existing tenancies and to deliver new forms of secure, long-term affordable housing. We have depended on private provision for too long, and if nothing else, the Covid-19 crisis has shown that it has not served us well. This challenge to our society is also an opportunity to deliver a better rental sector but also to move forward with innovations that might not have been seen possible only 12 months ago.

Within our own organisation we have taken measures to ensure that we can continue to deliver our vital frontline service at all times. We have established work streams comprised of staff and Board members to ensure that every aspect of risk is managed. We have moved quickly to ensure that our systems have geared up to support our clients and placed additional resources where they are needed. Our staff have been remarkable in the face of what are very challenging times and our Board members have been unstinting with their time and energy.

We continue to receive support both financial and organisationally from our statutory funders. We communicate and engage with them on a regular basis and we work together with them to emerge from this difficult period stronger. We are very grateful to our donors who have responded generously to us when we have asked for greater support to deal with the extra costs we have had to incur. As Chair I am confident that Threshold is well placed as a going concern to continue to deliver our much needed services for the next 12 months and well beyond if our statutory supports continue.

I would like to conclude by thanking all our Board and staff for the time, energy and effort they give to Threshold. I would like to thank Tom Dunne who left the Board during the year for his service. I would specifically like to thank John-Mark McCafferty, our CEO, with whom I have the pleasure to work alongside, for all his efforts on Threshold's behalf.

Aideen Hayden
Chairperson

Threshold

CHIEF EXECUTIVE'S STATEMENT

for the financial year ended 31 December 2019

As Ireland's housing crisis continued in 2019, Threshold's response to the needs of renters across the country grew and deepened. Our advisors worked on almost 20,000 cases in the course of their advice and tenancy protection work, an increase from the 15,662 cases in 2018. Similarly, the actions taken by Threshold advisors in relation to those cases increased from 67,710 actions in 2018 to 82,357 actions. For each case that we worked on in 2019, advisors took an average of four actions, pointing to a high level of activity for each case and increased complexity, often involving some level of representation on behalf of renters. At the same time, we also increased our reach, assisting 17,428 individual households - an increase of 3,098 households on the previous year. Tenants contacted us via our website or e-mail but mostly through our Freephone helpline, where almost 68,000 inbound calls were received in 2019. We also continued to meet with clients face to face in our three regional offices in Dublin, Cork and Galway and in our outreach centres.

In 2019, we provided representation to 343 households at the Residential Tenancies Board (RTB), a significant increase on the 254 cases in 2018 and 90 cases in 2017. This area of work is often vital to enable renters to stay in their homes, so is a key support to the Tenancy Protection Service. The kind of issues that clients lodged with the RTB included: validity of notice, breach of landlord obligations and rent reviews. Challenging the validity of the notice was the primary matter we represented tenants on at the RTB. We also advocated for the housing rights of clients at the Workplace Relations Commission in relation to discrimination in accessing the Housing Assistance Payment (HAP). While conducting client-based advocacy, we also sought progressive change at national level in the housing system through specific policy and legal work.

For over 40 years, we have advised tenants across the range of issues in the private rented sector. In 2019, the top five issues which tenants approached Threshold about were, in descending order, tenancy termination, followed by a rent review or increase, standards or repairs issues, deposit retention, and assistance with seeking accommodation. Tenancy termination was by far the biggest issue facing tenants who used our services that year. Unsurprisingly, and as a result, tenancy termination related assistance was our most common action by advisors - although our activities related to the Housing Assistance Payment was also significant. Sourcing rental properties with affordable rents continued to be a challenge for tenants in 2019 as rents rose throughout the country.

Working closely with Cork City Council, Threshold's Access Housing Unit sources long-term secure homes for clients moving out of homelessness and provides visiting tenancy support. In 2019, we continued to purchase and renovate units for social housing in Cork City and were able to provide homes for four households. The properties secured by Threshold are an invaluable housing option for the people supported by the AHU, where greater flexibility and understanding of the client group provides for a more seamless tenancy transition for these households. Alongside our three regional offices, we continued to provide face to face outreach centres in Fingal, Ennis, Castlebar, and expanded our outreach services to Kerry, Limerick and Clonakilty. We also continued our outreach to undergraduates, postgraduates and international students and the provision of specialist support to the staff and volunteers of the Citizen's Information Centres (CICs) across the country.

Threshold prevents homelessness. Given that tenancy termination was our most common issue resulting in the greatest level of advisor activity, our Tenancy Protection Service is key to the mission and work of Threshold. It means the difference between a family losing or keeping their home in the private rented sector. The main reasons given by landlords intending to terminate tenancies were for sale of the property followed by a family member moving in, and thirdly renovation of a home. Half of all notices of termination that we dealt with were invalid. Another aspect of tenancy terminations was the increase in tenants seeking support with mass eviction cases - multiple tenancies usually within an apartment block facing terminations at the same time and for the same reason. We provided support, advice and representation at a number of RTB cases in relation to this form of tenancy termination and a number of these are ongoing. More broadly, in 2019 we assisted over 12,000 households at risk of homelessness and prevented homelessness for 8,351 of those households - a success rate of 69 per cent. This is noteworthy given just how challenging the private rented sector is for many tenants and the ease with which tenancies can be terminated in various circumstances.

In 2019, we gratefully received funding from the Department of Housing, the Dublin Region Homeless Executive, Cork City and County Councils and Kerry County Councils, Galway City and County Councils, the HSE, the Department of Employment Affairs and Social Protection, Pobal's Scheme to Support National Organisations (SSNO) and the Citizen's Information Board. This statutory income enables Threshold to continue to respond to various and often complex housing issues, and we thank our funders for their investment in the work of Threshold. In addition, the generosity of our donors and supporters means that we are better placed to provide appropriate, responsive services to tenants. We are committed to make sure that the best use is made of the donations and funding provided to Threshold. I also wish to thank our committed Board for the time, expertise and energy they bring to leading the strategic direction of Threshold in 2019 and ensuring the organisation fulfils its mission in sustainable, responsible and innovative ways in order to provide housing solutions through service provision, representation and policy change.

John-Mark McCafferty
Chief Executive Officer

Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2019.

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 Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors 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 directors of Threshold present a summary of its purpose, governance, activities, achievements and finances for the financial year 2019.

The charity 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the organisation has implemented its recommendations where relevant in these financial statements.

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

Activities

Activities

Threshold is a national housing charity, which provides frontline advice and support services to people with housing problems. We have offices in Dublin, Galway and Cork and operate a National Freephone Helpline (1800 454 454) from 9am to 9pm, Monday to Friday.

Threshold provides a number of services directly to tenants in the private rented sector (PRS), Advocacy and policy work at a national level and is a registered Approved Housing Body (AHB).

1. Advisors operating the Tenancy Protection Service (TPS) keep households in their home and prevent the occurrence of homelessness through advice and advocacy. This service can be accessed via the Freephone number, appointments at our regional offices, via our website and at our drop in advice clinics in a number of locations around the country.
2. A dedicated section of the TPS operates the Interim Tenancy Sustainment Protocol (ITSP) on behalf of the Department of Employment Affairs and Social Protection (DEASP) and various local Authorities, preventing rent supplement recipients from losing their home as a result of rent increases.
3. The Access Housing Unit (AHU) in Cork sources accommodation for households experiencing homelessness or at risk of homelessness.
4. The AHU also provides a Tenancy Support service to help tenants to sustain their tenancies.
5. Threshold is a provider of training to statutory, non-statutory bodies, company employees and student groups on a wide range of topics relevant to the private rented sector.
6. Threshold provides second tier supports to other frontline services ensuring access to quality advice and advocacy for tenants in the private rented sector.
7. The Policy and Legal team make appropriate submissions to Government and respond to legislative changes based on the experience of our clients.
8. As a registered Approved Housing Body (AHB), Threshold is a housing provider.

The Director's Report sets out firstly Threshold's Vision, Mission and Values, our Strategic Objectives, as per our Strategic plan 2019-2021, and our performance, achievement and outcomes against our Objectives in 2019. The challenges we faced in 2019 as well as our plans for the future.

Vision, Mission and Values

Threshold's Vision is an Ireland where everyone has access to affordable, secure, suitable and good quality housing.

Our Mission is to prevent homelessness and to campaign for housing as a right by:

- i. Providing independent advice and advocacy to vulnerable people;
- ii. Delivering housing and supports for those in housing need;
- iii. Influencing housing policy and practice for the benefit of those in housing need.

Threshold's Values shape how we work. Key among these are:

Independence – we are an independent organisation and will pursue our agenda with courage and fairness.

Accountability – we are fully committed to the values of openness, transparency and accountability.

Dignity and respect – we will always treat our clients, stakeholders and our staff with empathy, dignity and respect in all of our work and interactions.

Right to housing – we believe that everyone has a right to housing.

The holistic nature of housing – housing, and lack of access to it, has consequences for other areas of people's lives and access to other services such as health and education.

Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

Strategic Objectives: Performance, Achievements and Outcomes against Objectives

Our Strategic Objectives for 2019 to 2021 are:

1. Prevent homelessness through the provision of independent advice, support and advocacy.
2. Work towards a rights based approach to housing through policy, research and legal work.
3. Facilitate access to homes for people in housing need.

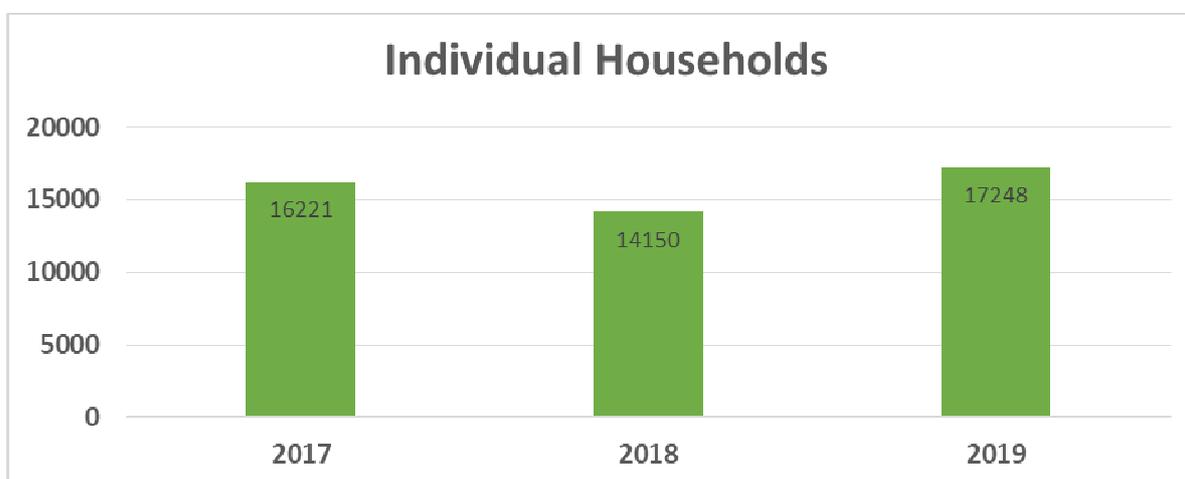
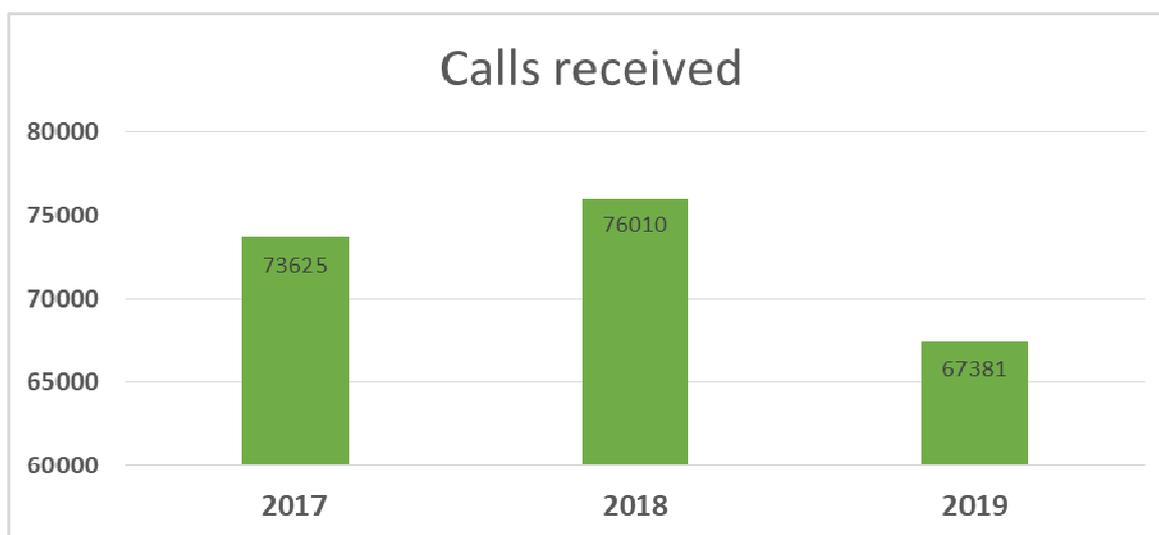
Strategic Objective 1: Prevent homelessness through the provision of independent advice, support and advocacy

Expected Outcome:

Our clients will know and understand their rights. Where our client's rights have not been respected, we will work to empower them to take appropriate action. Where our clients are not in a position to take appropriate action, we will work with them, and advocate for them in order to prevent homelessness.

Threshold carries out what are known as primary and secondary homeless prevention measures. These are distinct from most tertiary measures in that they are instigated prior to homelessness occurring. Primary measures seek to prevent new cases of homelessness at a wider population level. Secondary measures are aimed at groups identified as at risk of homelessness and prevent homelessness at the time of crisis point - for example, this includes when a tenant receives a Notice of Termination (NoT) or an unaffordable rent increase. In Ireland, however, the majority of prevention services are tertiary in nature. Tertiary prevention measures aim to move people out of homelessness into housing and reduce the impact homelessness has on the person.

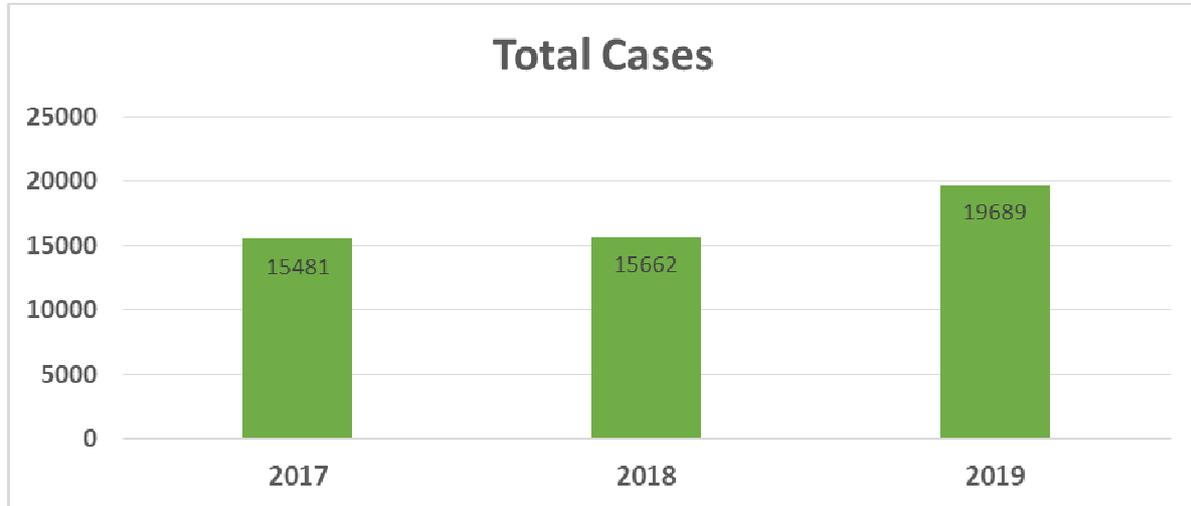
In 2019, Threshold received 67,831 calls in total from tenants living in the private rented sector (PRS) who were in need of advice, advocacy and/or support with their tenancy. This is a decrease on the calls received in 2018. There was however, an increase in the work carried out and in the number of households we assisted in 2019.



Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

Whether it was making a call, providing legal representation or helping someone to navigate the complex laws underpinning tenants' rights, in 2019, Threshold advisors carried out 82,357 actions across 19,689 individual cases. Case numbers are higher than the number of households as tenants may require our assistance with more than one issue at different times.

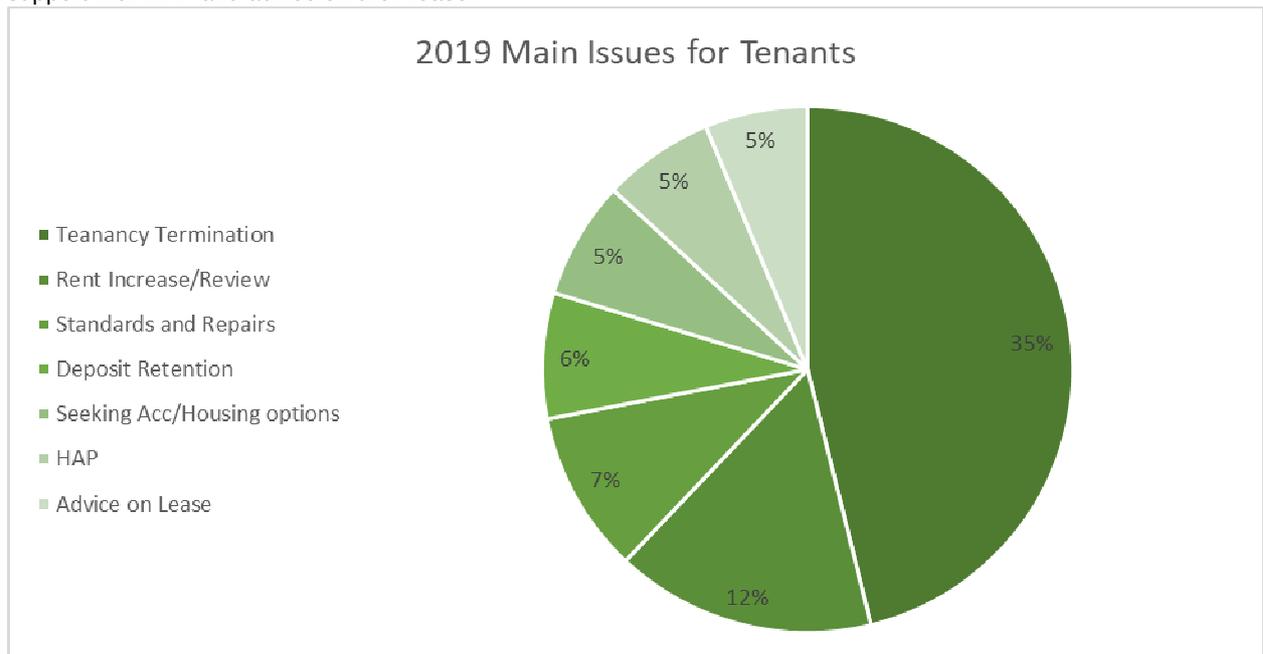


The main issues tenants required support with in 2019 were:

- Tenancy terminations
- Rent increases and reviews
- Standards and repairs
- Deposit retention
- Seeking accommodation and housing options
- HAP
- Advice on their leases

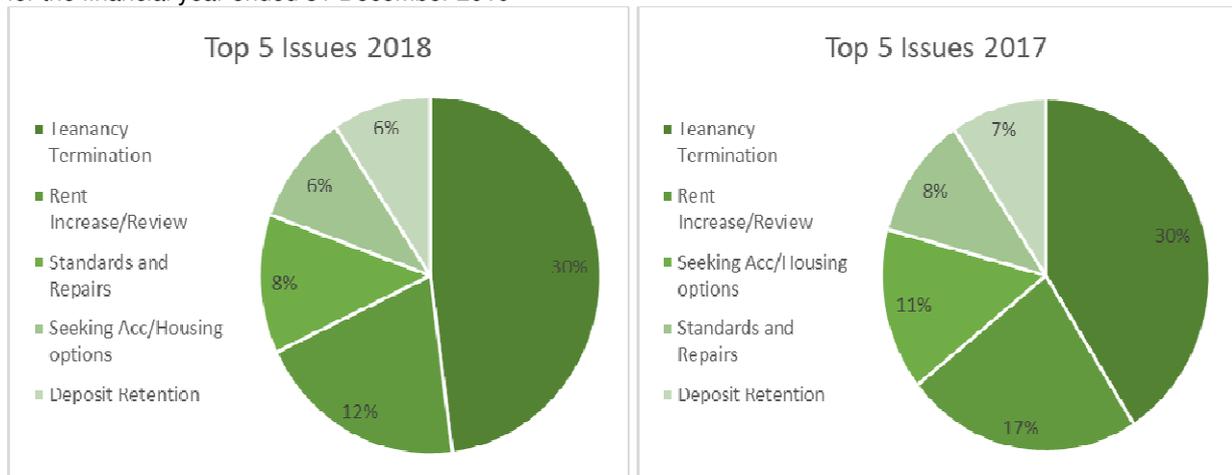
As in previous year, the main challenge faced by tenants was tenancy terminations. Tenancy terminations made up 35% of the issues Threshold dealt with in 2019, an increase on 2018.

The main issues are consistent since 2017. In 2019, however, there was an increased proportion of tenant requiring support with HAP and advice on their lease.



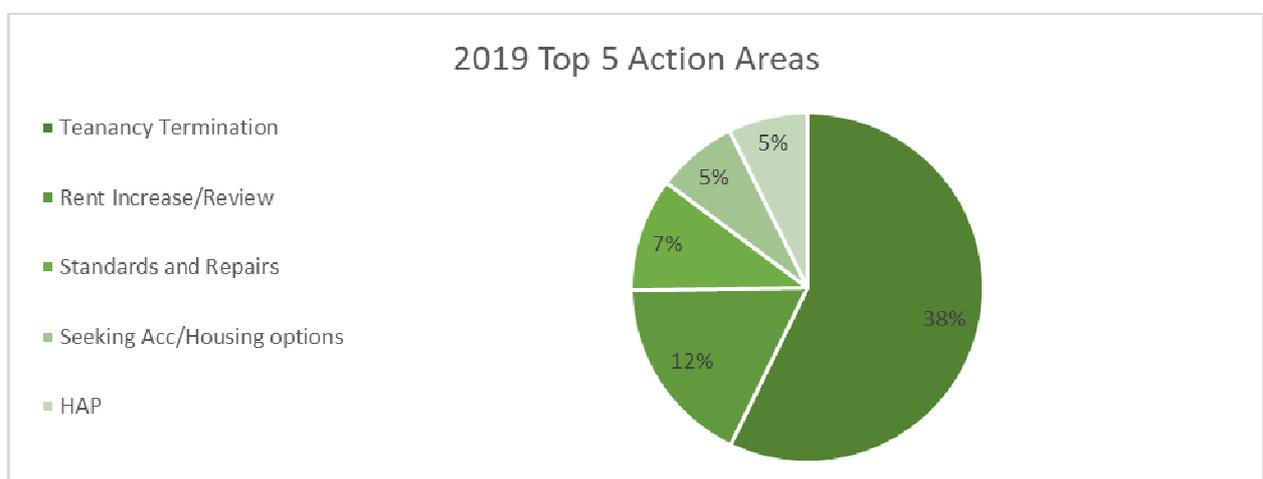
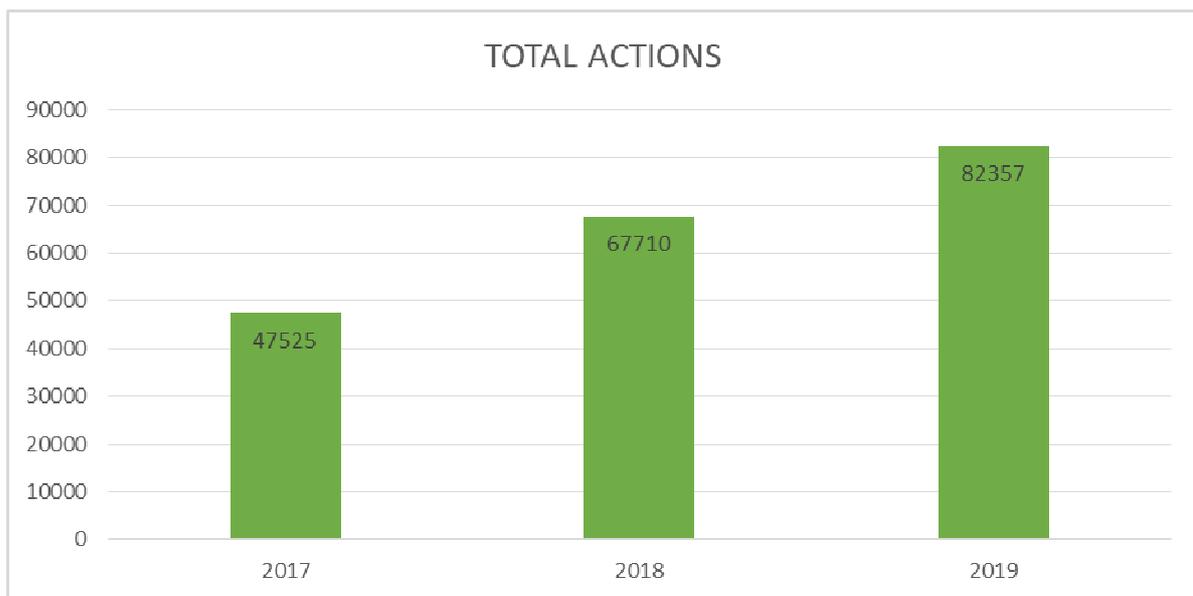
Threshold DIRECTORS REPORT

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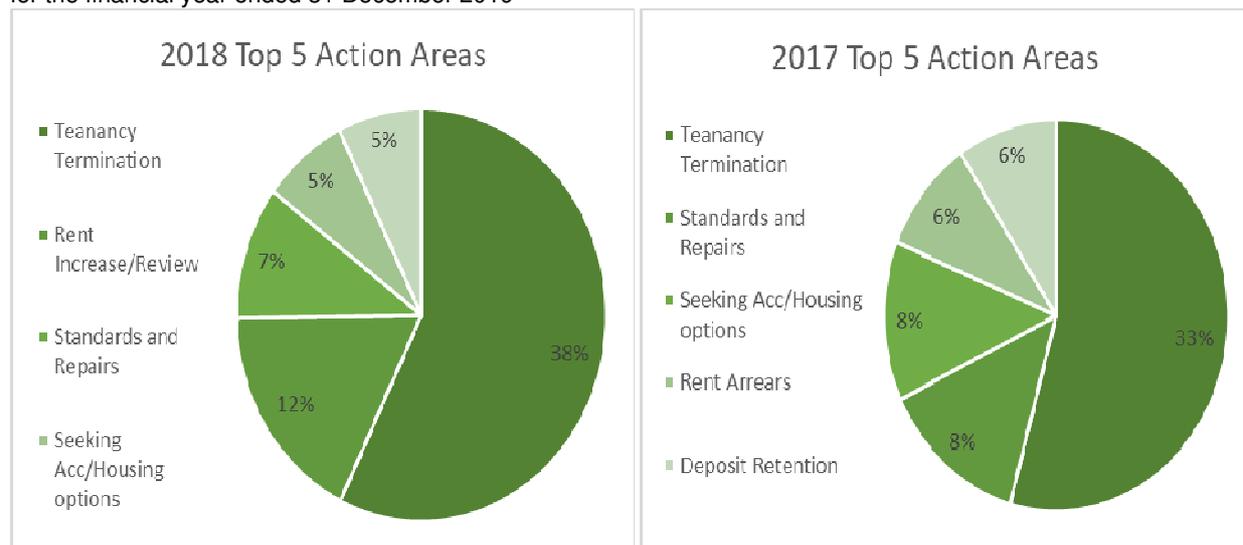
Note: Percentage figures are of the total number of issues.

The following tables show the breakdown of actions carried out by the advisors in supporting tenants with the above issues. This illustrates the main issues Threshold advisors spend their time resolving. There are six areas which Threshold advisors time is spent. These are tenancy terminations, standards and repairs rent reviews and increases, deposit retention, HAP, and seeking accommodation. These are priority areas for the policy and advocacy work of Threshold.



Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019



Note: Percentage figures are percentage of the total actions carried out

Homeless Prevention

In 2019, we identified 12,059 households at risk of homelessness. We prevented 8,351 from entering homelessness, a success rate of 69%. These 8,351 households were made up of 10,709 adults and 7,916 children.

In these cases, the tenants either remained in their homes or moved onto alternative housing. This is a substantial increase on the number identified as at risk in 2018, which was 8,295, of which we protected 62% from entering homelessness. But for some households, unfortunately, homelessness could not be prevented. In 2019, 622 households reported they entered homelessness. The remaining cases have either carried over into 2020 or the outcome is unknown.

“Monkia, Dimitri and their two young children had lived in their rented home for nine years. The contacted Threshold when the landlord informed them the rent was going up by 40%. They rent was to increase days before their local areas was designated a rent pressure zone (RPZ). They did not know how they were going to afford such a huge increase and thought they might have to move out. But with little alternative housing options available they did not know if they would be able to find somewhere. Our advisor was able to tell Monika and Dimitri the review was invalid, as it contained insufficient notice of the increase. Monika and Dimitri were able to dispute the rent increase with the landlord. A new rent review was issued, and as their area had since been designated a RPZ the rent was only increased by the maximum permitted 4%. Threshold – and this action – saved the family thousands a year in rent but also their home.”

Tenancy Terminations

Unfortunately, there are instances in which a landlord can legally end a tenancy and there is little recourse available to the tenant. A landlord can end a tenancy if they intend to:

- Sell the home
- Substantially refurbish or renovate the home
- Change the use of the dwelling

or

- If they or a family member require the home for their own use
- If the home is no longer suited to the tenant’s needs
- For no reason if the Part 4 tenancy is coming to an end of its duration (on grounds of 34(b))

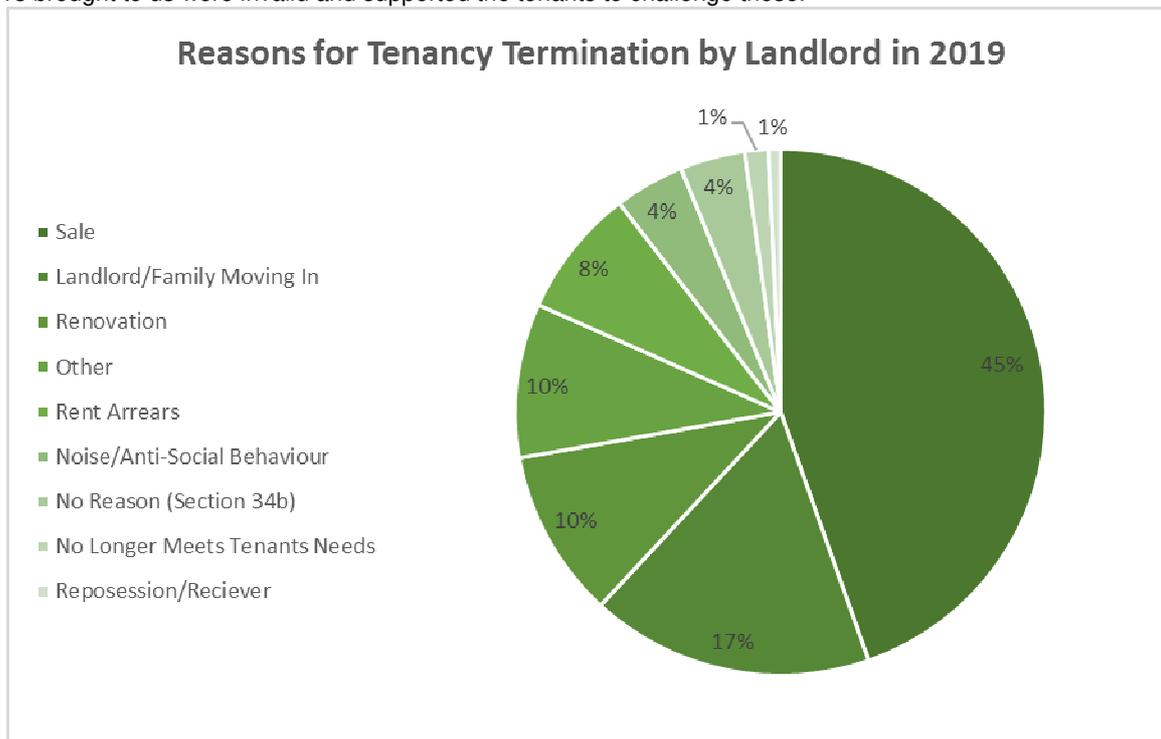
Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

Each of these grounds for termination are challenges to creating a sustainable, secure and viable PRS.

In 2019, changes were made to the Residential Tenancies Act 2004. The Act now outlines what constitutes substantial refurbishment or renovation. These changes are covered in more detail later in this document as Threshold was involved and was a key player in influencing the legislation as it passed through the Oireachtas.

In such circumstances where the tenancy cannot be sustained Threshold advisors first ensures the Notice of Termination (NoT) is valid and the tenants receive the full notice period they are entitled to. In 2019, we found 50% of NoTs brought to us were invalid and supported the tenants to challenge these.



Intention to sell was the main reason for a landlord to terminate a tenancy in 2019, making up 45% of the NoTs brought to us by tenants. This was 44% in 2018, but only 32% in 2017. As in previous years NoTs on the grounds of the landlord or family member moving in (17%) and for the purposes of renovation (10%) were high on the list of reasons people’s homes were put at risk. Of the reasons provided for the termination of the tenancies, 78% were “no fault” evictions, whereby there was no breach of obligations by the tenant. Again an increase on 2018, when 74% were no fault evictions. Of those that NoTs which were issued for a tenant breach (anti-social behaviour and rent arrears), 12% in total, half were invalid. Those classified as Other reflect a broad range of reasons given by landlords for issuing a NOT, for example discrimination on the basis of not wishing to accept HAP.

“Rachel first sought the help of Threshold when there were issues pertaining to breach of standards and landlord obligations in her tenancy. Her Threshold advisor helped her submit a dispute to the RTB. Her landlord issued her with a valid notice of termination in the meantime. The case was unsuccessful at the RTB. The family had to leave the home. Rachel and her three children returned to live in her parents’ two-bed house. She eventually secured another rental property and set about making it a home. After investing time, effort and money into making this a comfortable, safe and secure home for her children, the landlord issued a valid notice on grounds of intention to sell. Rachel had nowhere else to go and did not vacate resulting in being taken to the RTB by the landlord for over holding. Fortunately, the local authority offered Rachel a property saving her and her children from homelessness.”

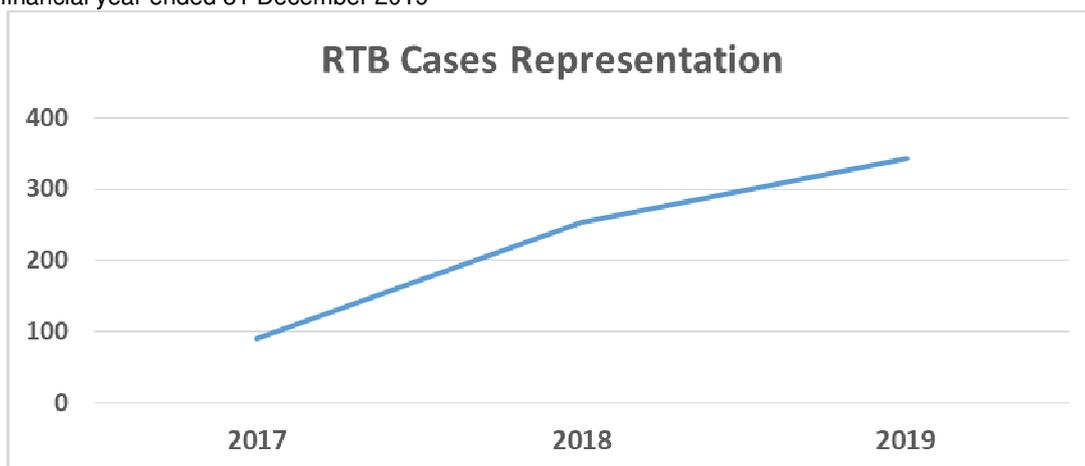
Representation at the Residential Tenancies Board

Threshold advisors have expertise in housing law, in particular the Residential Tenancies Acts 2004-2019. They are highly knowledgeable and experienced in the various options available to tenants who require support to remain in their home.

In 2019, Threshold advisors represented 343 households at the Residential Tenancies Board (RTB). This is a marked increase on the 254 cases in 2018 and the 90 cases in 2017. This increase in the need for representation at the RTB was anticipated. As the Residential Tenancies Act becomes increasingly complex, tenants are in greater need of advice, support and guidance to navigate it and assert their rights. With very few alternative housing options available to tenants, they often have no choice but to lodge a dispute with the RTB to avoid homelessness. In addition, there has been an increase in cases of mass evictions coming to our attention. These cases are particularly complex and require a significant investment of our time and expertise.

Threshold DIRECTORS REPORT

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Tenants lodged disputes with the RTB on a variety of issues including validity of notice, breach of landlord obligations, rent reviews and deposit retention. Challenging the validity of the notice was the primary matter we represented tenants on at the RTB.

“Simon, an older, vulnerable man, received a notice of termination for substantial refurbishment. He understood he would be offered back the home when the work was done. He had lived here for nine years, this was very much his home, where he knew his neighbours and his community. When he learned he would not be offered back his home he came to Threshold for help. His Threshold advisor, Katie noted the NOT was invalid and assisted him to challenge this at the RTB, where he was successful. Simon was shocked to receive another NOT a few months later. This notice too appeared invalid and was challenged at the RTB. Simon continues to live in his home. If another NOT is issued he knows he can come to Threshold for assistance.”

Mass Evictions

In 2019, there was an increase in tenants seeking support with mass eviction cases. We provided support, advice and representation at a number of RTB cases. A number of these cases have continued into 2020.

The tenants of St. Helen’s Court apartment complex first came to Threshold for help in December 2016. You may remember reading about their case in our 2017 Annual Report. Unfortunately, those tenants who remain are still fighting to save their homes. Rent reviews followed notices of termination as ownership and then management of the building changed hands and went into receivership. While this is not the most frequent issue we come across we have seen cases where tenants of mass evictions face ongoing attempts to evict them from their homes. This is exhausting and demoralising, their sense of home taken away – many are unable to keep up the fight and leave what was once home.

“The tenants of St Helen’s Court first received notice their landlord was putting up their rent by up €500 a month – an unmanageable and unjustifiable increase for the majority of us, no matter their income. However, their Threshold advisor was able to advise the tenants that the rent review was invalid as rent reviews could only be issued every 24 months and in this case the 24 months had not elapsed. Armed with this information the tenants successfully challenged the rent review and it was withdrawn.

But the following summer, in 2017, the tenants received notices of termination. The building had been bought by a vulture fund who gave notice on the grounds the property was to be refurbished. Having to fight for their homes again, the tenants lodged disputes with the RTB and Threshold represented them at the hearings. In the Autumn of 2017, the RTB adjudicator agreed with the tenants that it would not be necessary for them to move out for the refurbishment works to be done and so the landlord’s notice of termination was invalid. The tenants were safe in their homes and ready to settle back into normality after these times of uncertainty.

That was until the property was sold again. The new owners issued notices of termination in May 2019. The notices were again challenged as they were invalid and, at the last minute, the landlord withdrew the notices.

In August 2019, the landlord again issued notices of termination, this time for purposes of sale. The notices were again challenged and as of the end of 2019 we are waiting on an adjudication date with the RTB.

Understandably, many of the original tenants have moved on over time. The remaining tenants are weary of the continuous attempts to evict them.”

Threshold DIRECTORS REPORT

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Housing Assistance Payment (HAP) Tenants

Sourcing rental properties with affordable rents continued to be a challenge for tenants in 2019 as rents rose throughout the country. This challenge was felt keenly by those tenants reliant on HAP. The HAP limits fall below market rents and tenants report that many landlords are unwilling to accept HAP. Threshold advisors reported some tenants in receipt of HAP were paying unaffordable “top-ups”¹ to their landlords as a result of low HAP limits and high rents. Threshold conducted research into this in 2019. This will be outlined later in the report.

Discrimination against tenants in receipt of HAP continued to be an issue in 2019. Since legislation passed in 2015, a landlord cannot discriminate against people on the grounds that they are in receipt of rent supplement, HAP or other social welfare payments. Despite this, some landlords refuse to accept HAP or rent supplement preventing households from securing a home and forcing sitting tenants into extreme financial hardship and poverty. We were able to resolve many of the cases through direct contact with the landlords, assist to set up the HAP payment and protect the home. We supported 11 households to take cases to the Workplace Relations Commission (WRC), compared to six in 2018. Threshold’s legal officer assists in such cases. All cases that have been ruled on were in the tenants favour. In one case the tenants was awarded €10,000 in compensation. But unfortunately, the landlord is challenging this at the High Court. This places increased pressure and strain on the tenant and will require a high level of support, advice and advocacy.

This figure does not represent the true extent of discrimination against those eligible for HAP or other forms of housing support. In addition to representation at the WRC, Threshold advisors provide tenants with the information they need to assert their right to have HAP accepted. If the tenant wishes, the Threshold advisor can advocate directly to the landlord. As of 2019, the number of cases this applies to cannot be reported on. Measures have been put in place to capture this information going forward.

“Siobhan, Kevin and their children lived in their rented home for just under a year. Kevin was working but the majority of his wages went toward the rent of €1,600 a month. This was a huge financial struggle for the family. Kevin was advised to apply for HAP, for which he was eligible. He asked the agent to complete the HAP forms. The agent replied that the landlord did not want to accept HAP. This meant the family were facing homelessness as they could not continue to pay the full rent and with limited properties available were unlikely to source another. Thankfully Kevin and Siobhan contacted Threshold. Their Threshold advisor advised the landlord was in breach of the legislation by refusing to accept HAP. The Threshold advisor wrote to the agent explaining this. The agent again stated the landlord would not accept HAP. With the support of Threshold, Siobhan and Kevin completed an ES1 form; this is a formal notification to the landlord that they are in breach of legislation. The landlord agreed to accept HAP on foot of this. The first HAP payment was made four months after Kevin and Siobhan first requested the landlord accept HAP.”

Interim Tenancy Sustainment Protocol

In 2019, we supported 84 additional households to avail of an uplift in their rent supplement payment using the Interim Tenancy Sustainment Protocol (ITSP), which operates in Counties Dublin, Meath, Kildare and Wicklow, Galway City and Cork City. The ITSP has been a key homeless prevention service of Threshold since its inception in 2014 and is a highly successful, effective and efficient prevention measure. The number of households in need of the ITSP uplift is decreasing as rent supplement recipient’s transition to HAP. Since its establishment in 2014 Threshold have been able to use the ITSP to protect the homes of 6,339 households, (9,707 adults and 10,662 children).

However, as recipients of rent supplement move to HAP, our ITSP advisors have identified that a proportion of these tenants’ rents are outside the HAP limits, putting them at risk of losing their homes. This is often because of their limited incomes, the shortage of private rented accommodation and the high rents nationally. This challenge came to the fore toward the end of 2018 as the transition to HAP was ramped up across the country. Our advisors are working with each tenant to address this on a case-by-case basis. Our work continues to devise a policy in response to this challenge for our clients, for example an ITSP for HAP.

“Samir and Fatima have lived 8 years in their rented home with their three children. While Samir works part-time, they have needed the support of rent supplement to afford the rent. When the rent was increased a few years ago above the rent supplement limit, putting them at risk of losing their home, Threshold was able to assist them using the ITSP protocol. In Autumn 2019 Samir and Fatima were directed by the DEASP to transfer to HAP. The DEASP promptly stopped the rent supplement before they had an opportunity to apply for HAP. Their Threshold advisor assisted them to have the rent supplement reinstated and support with the HAP application. The rent supplement payment stopped again subject to the application for HAP being submitted. Samir and Fatima had submitted their paperwork but the landlord had not provided his. Threshold again had to advocate to the rent unit to have the rent supplement payment reinstated to ensure the family did not fall into arrears and risk losing their home, while the HAP application is completed.”

¹ HAP tenants can be permitted to pay an additional payment, a “top-up”, to their landlord if deemed affordable by the Local Authority. We discovered that many tenants are paying unaffordable “top-ups” beyond what the Local Authority deem affordable.

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Outreach Services

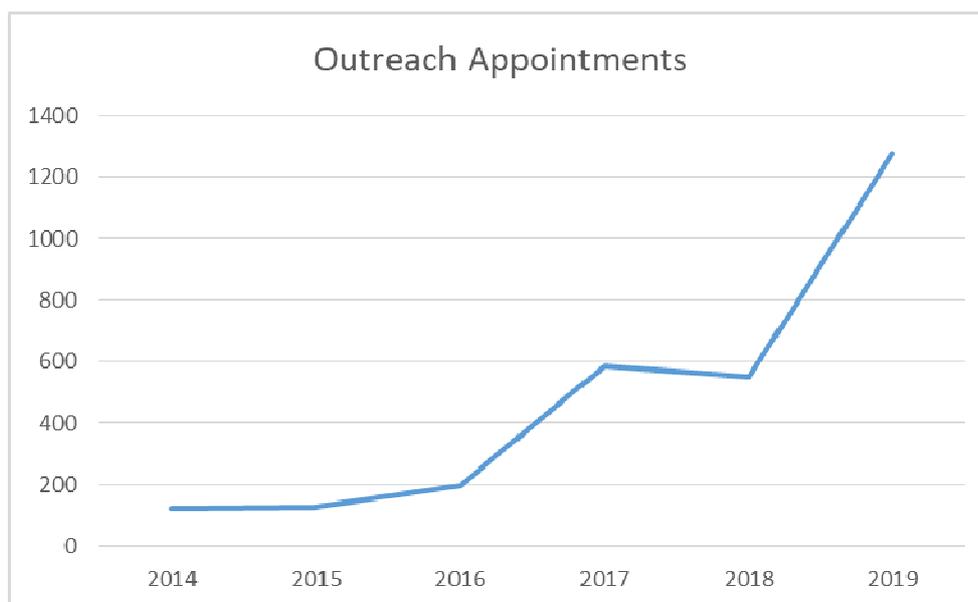
Threshold ran outreach clinics throughout the country in 2019, providing 1,278 consultations in total; 373 in the offices of Fingal County Council in Blanchardstown; 170 in the Balbriggan Citizen's Information Office, Co. Dublin; 37 in Ennis, Co Clare; 39 in Castlebar, Co. Mayo; 135 in Limerick City; 11 in Clonakilty, Co Cork; 59 in Tralee, Co. Kerry; 452 in Dublin City Council Civic Offices and 2 in the Homeless Section of Dublin City Council. This increase on the 552 Outreach consultations in 2018 is a result of an expansion of our Outreach services.

In 2019, we expanded our outreach services to Kerry, Limerick and Clonakilty. The Kerry Outreach Service commenced on the 16th of August 2019. It operates out of the Homeless Information Centre in Tralee every second Friday and operated at full capacity up to the end of the year. In total, 59 face-to-face consultations with 50 clients were provided. Of these 50 clients, 35 cases were fully resolved whilst the others carried over into 2020. The 35 tenancies which were protected consisted of 42 adults and 48 children. Without this vital service, the number of homeless families in the Kerry Region would be significantly higher.

The Threshold Limerick Outreach Service commenced on June 16th 2019. It operates every Tuesday in the Henry Street Citizens Information Centre. Up to the end of 2019, this service generated 113 new clients. There were 135 consultations in total.

The West Cork Outreach Service commenced in August 2019. It operated every two weeks in the Clonakilty Branch office of Cork County Council. However, the demand was not there for the service and so it was discontinued.

Due to the high level of demand on the service in Blanchardstown, which only operated one afternoon a week, this service was expanded from half a day to full day at the beginning of June 2019.



"Femi came to one of our Outreach clinics, in December 2018, as she had received a notice of termination on grounds of sale. The notice was valid and she had to start looking for a new home. She and her three children had lived in their home for eight years. As you can imagine, this was an emotional and difficult time for the family, having to say goodbye to their home. When the family moved out the landlord unjustly retained part of her deposit. Femi asked for Threshold's assistance with this and a case was lodged with the RTB. It then emerged the landlord had not sold the property but had re-let it. This was added to the application to the RTB for adjudication as it is a breach of the Residential Tenancies Acts. The RTB ordered the landlord to pay compensation to Femi for "unjustly depriving the tenant possession of the dwelling" and unjustly detaining part of the deposit. This was appealed by the landlord and the case went to tribunal. The tribunal reached the same conclusion as the adjudicator and ordered compensation be paid. The case is ongoing as the landlord is challenging the RTB's decision."

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To further reach out to those who may be in need of our services and to promote the work of Threshold, we participated in the Stoneybatter Festival in 2019. We set up a stall in front of our premises to meet and greet members of the general public, raised awareness of our services and scheduled formal follow up with those in need of support.

Threshold also participated in the Love D8 Community Fair held in Saint Patrick's Cathedral Dublin 8 on Tuesday, 26 February 2019. The Dublin 8 area has one of the highest concentrations of social housing and rental properties in the city. Our presence at the fair enabled Threshold to raise awareness about and reach those in need of our services.

Working with Single People

The number of people who were homeless and in emergency accommodation exceeded 10,000 in 2019. Whilst there was evidence of families successfully moving out of homelessness, this was not the case for single people. At the end of 2019 Threshold commenced a pilot service for single person households in Dublin who are renting and at risk of becoming homeless. As part of the pilot, from December 2019 a weekly outreach service is provided in Dublin Region Homeless Executive (DRHE) Parkgate Hall, Dublin 8.

Christmas On Call Service

To ensure a service is available to tenants throughout the year we provide a Christmas On Call Service. We received 61 calls to this on call service in 2019, 61 in 2018 and 35 in 2017.

Online Advice and Information

Tenants are using our online platforms for information and advice. The development of the website to make it device friendly and easier to navigate is on-going. In 2019, we had 230,161 visitors to our website, up from the 208,069 visits in 2018. Work is underway to update the website.

We promote our Freephone Helpline and Outreach services on both Facebook and Twitter.

Services tailored to the Deaf community

Thanks to the support of ESB Energy for Generations Fund, Threshold are able to provide support for tenants who are deaf or hard of hearing. Towards the end of 2018, staff were given deaf awareness training by Chime. From 2019, where required we can access The Irish Remote Interpreting Service (IRIS) which provides live access to an Irish Sign Language interpreter via online video conferencing. A video promoting the service was added to our website. Whilst the number of people who can benefit from this service are low it is invaluable in making our service accessible. We have helped four tenants who otherwise might not have gotten help.

Working with Students

Threshold has continued to build upon its longstanding, positive working relationship with students from undergraduates, postgraduates and international students. In response to a spike in complaints from mainly international students in May 2019, Threshold launched its 'Scamwatch' campaign in Cork which was supported by representatives of University College Cork Students' Union and An Garda Síochána. This initiative provided a checklist for prospective tenants to help them to avoid falling victim to a rental scam.

In August 2019, Threshold with the support of the Union of Students of Ireland (USI) launched a campaign for the introduction of a rental deposit scheme, a legal definition of a deposit and the restriction of a deposit to one month's rent.

We also collaborated with USI in providing advice and information at external events and successfully advocated on behalf of students living in on campus.

"In October 2019 a student contacted us as the previous tenants of their house called one day to say the landlord had not returned their deposits and they believed the rent had been increased beyond the permitted 4%. In fact, the landlord hadn't breached the 4% PRZ limit by a small amount, but by almost 30%, an extra €700 a month. The students were unsure what to do and did not want to put the tenancy at risk by challenging the landlord. As the semester progressed, with exams and essays coming round, they were unable to agree the best course of action and decided not to challenge the landlord. This feeling of powerlessness or fear of upsetting the tenancy can be a major deterrent against taking action."

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Homeless Prevention and Engagement with Public Bodies

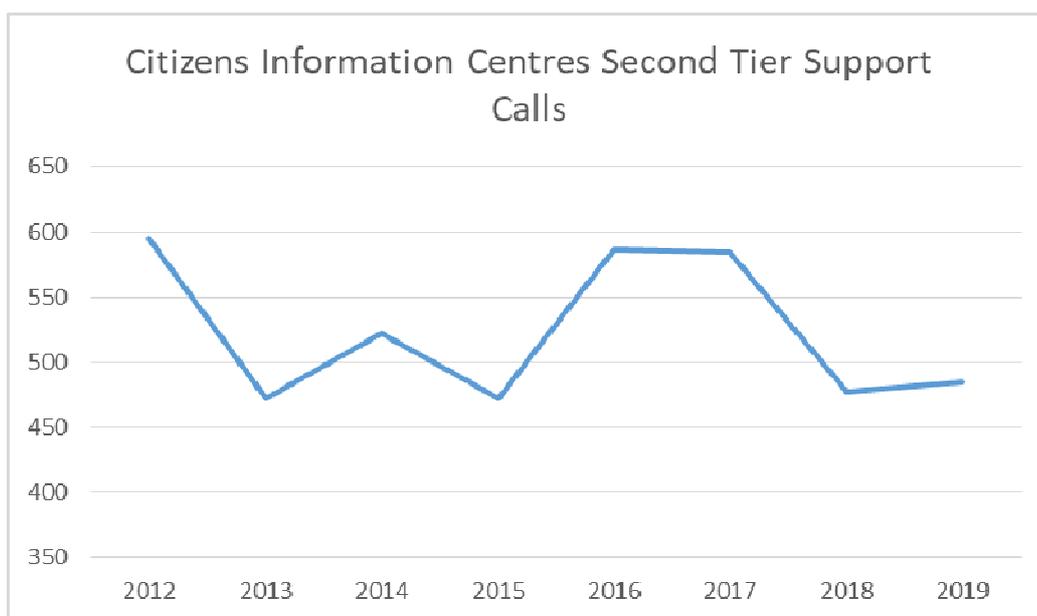
Threshold participates in The Dublin Region Homeless Executive (DRHE) Homeless Consultative Forum, the Dublin Homeless Network, the Dublin Homeless Prevention Subgroup, the Housing Linkage Group (Galway), the Northwest Homeless Forum, Galway City's Voluntary Housing Group, the Cork Homeless Forum, the Cork Homeless Network, the Cork Social Housing Forum, North Cork Homeless Forum, the National Housing Consultative Forum, the End Youth Homelessness Coalition and the Community Platform Network. These groups are comprised of other NGOs and statutory bodies working in the area of housing, homelessness and homeless prevention. We raise awareness of the importance of prevention services and use the spaces for shared learning to improve upon and further develop effective homeless prevention services.

Working with the Citizen's Information Centres (CICs)

Threshold continued its specialist 2nd tier support service to the staff and volunteers of the Citizen's Information Centres (CICs) across the country. The queries from the CICs broke down as follows:

- 34% of the queries related to tenancy terminations
- 11% related to rent reviews
- 10.5% related to HAP.

This service has been operating since 2012 and in 2019 dealt with 486 queries, a slight increase on the 477 in 2018 bringing the total to 4,193. Training was provided to a number of CICs including the Dublin South CIS Regional Training event where over 70 CIC staff were in attendance, Dublin North CIS on the new Residential Tenancies Act 2019, North Leinster Citizens Information Service in Navan, Dublin South Citizens Information Service in Dublin, South Leinster Citizens Information Service CLG in Portlaoise and Offaly.



Training and Information Sessions

2019 saw increased demand for training and information sessions and we delivered sessions to a wide range of organisations including Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin County Council on the amendments to the Residential Tenancies Act introduced in 2019. Other training sessions provided included the Legal Aid Board, Phoenix Care Centre, D7, Dorus Bui Community Cafe D17, Ballymun Drug & Alcohol Task force, The Spanish Communities in Ireland, Trinity College Dublin Graduate Students Union, Trinity College Dublin Global Room, FLAC, DIT Student's Union, and UCD Student's Union. Threshold has also provided information sessions to corporates such as Google, Health Products Regulatory Authority and Mazars.

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The Impact of the COVID-19 Pandemic in 2020

Threshold's work and plans for 2020 have been changed by the COVID-19 pandemic. Threshold has been able to adapt and continues to deliver a service to renters. Our services have been vital during the COVID-19 pandemic, as renters have been disproportionately impacted by COVID-19 related job losses, the closure of education institutions and an inability to practice social distancing. Face-to-face consultations are not possible and so the outreach services as well as in-office consultations have been suspended. Recognising the disproportionate impact of renters, working in the hospitality sector, Guinness Ireland provided funding to Threshold to provide a dedicated phone line for this cohort. Advisors moved to remote working from home to deliver Threshold's vital services.

A moratorium on rent increases and evictions, for an initial three months, combined with the sudden loss of income for hundreds of thousands of people has changed dramatically the nature of the calls been received since early March. The majority of tenants now require assistance with rent supplement applications as opposed to rent increases or NoTs. The WRC and the RTB hearings have been adjourned. It is hoped that hearings can be conducted remotely or in some other form.

Strategic Objective 2: Work towards a rights based approach to housing through policy, research and legal work.

Expected Outcome:

We will enhance and strengthen our standing as a respected and trusted independent voice at national policy making level impacting on housing and other policy areas for the benefit of the people we advise and support. Our client data and research will provide the evidence we need to inform our policy work. Through our policy work, we will be the lead advocacy organisation for renters in Ireland.

Threshold is the leading agency influencing legislation and policy to protect and support tenants in the PRS and ensure they have access to affordable, secure, suitable and good quality housing. The right to housing underpins our work as we strive toward tenure neutrality, whereby tenants in the PRS will have the same level of security and protections as those in other tenure types such as owner occupation or traditional social housing. As the primary support service for tenants in the PRS and a leader in primary and secondary prevention, we are uniquely placed to carry out this work, to draw on the experience of tenants in the PRS to inform our policy and advocacy positions. We can quickly spot emerging trends in the PRS, point to likely obstacles in the future and formulate solutions.

We participate in a range of networks and fora working in partnership with likeminded organisations, responding to calls for submissions to Government and contributing to the development of an improved PRS and housing situation for all. Our participation on the European Network for Housing Research helps develop our understanding of national and international best practice as well as allowing us to share and present on our initiatives and developments in Ireland.

Home for Good

In 2019, Threshold joined the "Home for Good" campaign. This is a group of housing and homeless organisations, members of civil society and housing experts. The group has identified the need to rebalance the strong property rights in the Irish Constitution with the right to housing. The strong protections afforded to property rights by the Constitution has prevented possible solutions to the housing and homeless crisis from being considered or moved forward. The group is calling for a referendum to insert the right to housing into the Constitution. The belief that all people have the right to a home is a core value of Threshold, with which this campaign is in keeping.

Residential Tenancies (Amendment) Act 2019

In 2019, the government made numerous changes to the Residential Tenancies Act 2004. In summer 2018, Threshold made a presentation and submission to the Joint Oireachtas Committee on Housing, Planning & Local Government on the general scheme of the Residential Tenancies Bill 2018. Threshold had campaigned for many years for some of these changes. Our Policy Officer and Legal Officer engaged with and lobbied members of the Dáil in respect of these changes as the bill made its way through the Oireachtas in 2019.

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- Rent Pressure Zones

Threshold have campaigned for changes to the Rent Pressure Zone (RPZs) legislation and for its active enforcement. In the RPZs a landlord can only increase rent once a year and by a maximum of 4%. However, many areas of the country were not designated RPZs despite high rent increases. The 2019 amendments to the Act have resulted in a new designation criteria. As a result the majority of the country was designated a RPZ in 2019.

In addition, the Residential Tenancies Board (RTB), were provided with the power to inspect and sanction breaches of the RPZ rules. This means landlords who breaches the 4% rent increase can face penalisation. Financial resources were provided to the RTB to carry out this work.

Threshold will continue to lobby for a dwelling specific rent register to compliment the RPZ rules and the RTB sanction function. Advisors observed that the RPZ restrictions were working well for sitting tenants but not for new tenants however, who were often charged rents which were increased beyond the permitted 4% per year. Tenants have no way of verifying the previous rent on a property. This has led to “defacto” decontrolled rents between tenancies. A dwelling specific rent register will allow new tenants to ensure the rent they are charged was set according to RPZ rules. In 2018, the Minister for Housing, Planning and Local Government recognised our call for a rent register and pledged to investigate the manner in which this could be delivered. Threshold was disappointed that this was not progressed in 2019.

- Regulating Short-Term Lets

Threshold has been vocal in calling for regulation of short-term lets, for example those available on platforms such as Air BnB as, much needed, long-term rentals were been removed from the market. We led the way in 2017 in highlighting this issue and the need for action. In October 2018, the Minister for Housing, Planning and Local Government announced that such regulation would come into force in June 2019. Restrictions came into force on the 1st of July 2019. They will limit the use of second properties as short-term lets in areas of high housing demand. It is hoped this will release thousands of properties back onto the long term-rental market. There have been reports that the Local Authorities tasked with enforcing the regulations have not been adequately resourced. Threshold will monitor the impact of the regulations and advocate for the resources needed to make them effective.

- Definition of Substantial Change for exemption to RPZ rules

In 2017, Threshold identified an increase in “renovictions”, where tenants are evicted to allow for a renovation or refurbishment. Claiming substantial change in the nature of the property, for example in the form of a refurbishment, allows for an exemption to the RPZ rules. Threshold called for action on this, specifically a legal definition of substantial change. This was provided for in the amendments to the Act. The definition set out in the initial Bill as it was published was unsatisfactory and would have provided little protection to tenants. Threshold provided its analysis and put forward recommendations to strengthen the definition. These were largely accepted and incorporated into the Act.

A landlord may still issue a NoT grounds of substantial refurbishment or renovation. However, a certificate from an architect or surveyor must be provided and will be required to the effect that:

- 1) the proposed substantial refurbishment/renovation works in question would pose a health and safety risk requiring vacation by the tenants and
- 2) would require at least 3 weeks to complete.

The property must be offered back to the tenant upon completion of the work, which is welcome.

- Administrative and Sanctions Regime

As many tenants are issued invalid rent reviews, where the rent increase exceeds what is permitted under the RPZs, and rents increased quarter on quarter despite the RPZs, Threshold called for greater enforcement of the RPZ rules. The new Act provides the RTB with powers to directly regulate the sector, not just RPZ rules, but Notices of Termination and registration requirement also. The legislation sets out a complaint, investigations and sanctions process that will allow the RTB to proactively monitor and enforce the legislation.

- Student Specific Accommodation

The 2019 Act brought purpose built student accommodation under its remit. This provides students the protection of the RPZ rules increase security about future rents. It also provides them with recourse to the RTB for the resolution of disputes. Threshold works closely with the Union of Students of Ireland to improve students tenancy rights and this was a successful outcome of our joint campaigning work.

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Residential Tenancies (Amendment) Act 2019 Seminar

Threshold held a seminar outlining the changes in the Residential Tenancies (Amendment) Act 2019. This seminar was directed to those working in the areas of housing policy, housing legislation, housing delivery, homeless services, and advocacy and advice services, in both the statutory and non-statutory sectors. The seminar was well attended and received positive feedback.

“Topping Up – the cost of HAP, a survey on the Housing Assistance Payment”

Drawing on the experience of our clients, some of whom had reported paying unaffordable “top-up” rent payments to their landlord over the HAP payment, Threshold conducted research into this matter. A telephone survey of tenants in receipt of or eligible for HAP was carried out between February and March 2019. The survey consisted of questions on the respondents’ demographic profile, cost of rent, HAP contributions, “top-ups” paid to the landlord, satisfaction with HAP and Local Authority inspections. Respondents were also asked if they would like a Threshold advisor to contact them to provide support with tenancy issues they were experiencing at the time of the survey.

Of those in receipt of HAP 48% reported making “top-up” payments to their landlord as the HAP payment was not sufficient to pay the entire rent. Almost all those surveyed reported difficulties in finding a landlord willing to accept HAP or a property within the HAP cap limits. A series of recommendations for the review of HAP were drawn from the research findings.

“Rosa and Tomas are paying over 50% of their income in rent, and it is barely covering the rent. They have very little money for day to day expenses. After a year the landlord finally agreed to accept HAP. The family now feel they can breathe.”

Jimmy, Eileen and their three children are renting their home in Galway. Their primary source of income is from full-time work. The HAP cap for a family of their size is €900 in Galway. The rent on their home is €1,400, which is at the affordable end of the market in Galway City. They pay €387 rent to the Local Authority and €320 directly to the landlord. This is despite the Local Authority paying a discretionary 20% uplift in rent to the landlord. This discretionary uplift is vital for the family to afford the daily essentials. Without it they would pay €500 to the landlord. €500 a month is a considerable amount of money to any household and particularly one in which there are school going children.”

“HAP: Making the right Impact”

Following on from Thresholds’ research into HAP, Threshold launched a joint report “HAP: Making the right Impact” with the Society of St Vincent De Paul on the difficulties faced by tenants reliant on HAP. Threshold and SVP had identified similar issues facing these tenants. These findings were brought together to make appropriate submissions and proposals to Government to ensure tenants are protected from unaffordable, unsustainable ‘top-ups’ as a result of rising rents, identify elements of HAP which are effective and identify areas for improvement. These recommendations were submitted to the Department of Housing, Planning and Local Government for consideration.

European Network of Housing Research (ENHR)

The European Network for Housing Research (ENHR) is the key housing research network in Europe. Threshold currently chairs the Private Rented Markets Working Group. In May 2019, staff of Threshold presented on the results of the survey on HAP at the joint workshop, run by the Private Rented working group and the Home Ownership working group “Between Property Wealth Accumulation and Private Renting”, and at the annual conference in August 2019. The research was received well and generated interest at both events.

Pre-Budget submission 2020

In September 2019, Threshold launched our Pre-Budget Submission. The submission contains a series of recommendations to improve security of tenure, affordability and standards for those living in the PRS, to improve HAP, for the establishment of a Deposit Protection Scheme, for an increase in and expansion of social housing tenures, improved security for licensees as well as for those whose homes have been repossessed.

“Monica is a third level student in receipt of a grant. She wished to avail of HAP to pay her rent. She was in a licensee arrangement where there was a “head tenant” in the house. The head tenant refused to pass the HAP forms onto the landlord. Monica was forced to leave the home in the end, as she could not pay the rent without the aid of HAP. She spent a short time in emergency accommodation before finding a new home.”

A submission was made in response to the Department of Employment Affairs and Social Protection’s call for pre-budget submissions. This contained recommendations to increase the rent supplement limits to reflect rent increase since Q2 2016, ensure rent supplement and the ITSP remain available for those who need them on an ongoing basis, ensure a smooth transition from rent supplement to HAP, and a number of recommendations to enhance the experience of Threshold’s Community Employment employees.

Irish Research Council New Foundations Grant Scheme

Threshold is the NGO partner in Dr. Michael Byrne’s research into tenant agency, funded by the Irish Research Council New Foundation scheme. The research began in 2019 and will be published in 2020.

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Submissions to Joint Oireachtas Committees

In February 2019, Threshold was invited to speak to the Oireachtas Committee on the Residential Tenancies (Greater Security of Tenure and Rent Certainty) Bill 2018 and Anti-Evictions Bill 2018. Threshold welcomed many of the proposed changes contained in both Bills as they tackle many of the challenges faced by tenants in the PRS, would bring about greater security for tenants and are in line with many of the changes Threshold has advocated for many years. Threshold raised some questions about the unintended impact of certain elements of the Bills and recommended further investigation in some areas.

Threshold was invited to make a submission to the Committee on Children and Youth Affairs in respect of the impact of homeless on children. In this written submission, the impacts of homeless on children were outlined, as were homeless prevention solutions. In their final report the Committee recommended that the Government should reduce the reliance on the private rental market for housing provision for homeless families on a phased basis, and also conduct an exploration of innovative mechanisms to give greater security to tenants in the private rental sector where the landlord is considering evicting the tenant to sell the property.

Oireachtas committee working group on parliamentary privilege and citizens' rights

In August 2019, on foot of a request from clerk to the Joint Committee on Housing, Planning and Local Government Threshold made a submission to the Oireachtas working group on parliamentary privilege and citizens' rights. The working group was established to review the Houses of the Oireachtas procedures, particularly their Standing Orders, in light of recent Supreme Court judgments. Threshold has appeared before Oireachtas committees on nine occasions since 2011, including three times in 2018. Our submission noted that while the Oireachtas must follow the decisions of the Supreme Court, any changes to the committee system should be sensitive to the purpose and utility of committees and to the benefit of retaining the discursive and 'conversational' aspects of the system.

Work with Law Firm Arthur Cox

During 2019, Threshold entered into an ongoing arrangement with the newly formed pro bono unit of the Arthur Cox law firm. This arrangement has two parts. Arthur Cox will assist Threshold services in taking cases to the RTB and will provide extra capacity for the representation of clients. Threshold will refer cases to Arthur Cox who will, resources permitting, appoint one of their litigation solicitors to run the case and represent the client at the RTB. Arthur Cox have also seconded an intern to work in our Galway Office as an assistant legal officer. The intern started work in October 2019 and will be with us until June 2020.

"Sinead had rented from the same landlord for 20 years whom she felt she had a good relationship with. At her landlord's insistence she moved into a different home a few years ago. It wasn't ideal, being in a poor state of repair. She was shocked when a year later she was given 40 days' notice to move out on grounds of substantial refurbishment. Sinead moved out on the requested date, the landlord did not return her deposit nor refund the rent she had paid in advance: nor was the refurbishment work undertaken Threshold assisted Sinead to lodge a case with the RTB, at which the RTB found in her favour and the landlord directed to pay damages. The landlord made no payment and did not respond to any attempts to contact them. The intern from Arthur Cox assisted Sinead to lodge an application to the Galway District Court for an Enforcement Order of the RTB determination order. This is a complex process involving a notice of motion, a grounding affidavit, exhibits and a statutory declaration of service for the purposes of the application. A process requiring legal assistance and guidance. The landlord requested an adjournment and the case continues."

Engagement with the Taoiseach on Homeless Prevention

Homeless figures continued to rise in 2018, reaching 9,753 (including 3,559 children) individuals accessing emergency accommodation in December 2018. Indications are that the majority of persons experiencing homelessness are doing so as a result of NoTs from the PRS or an inability to access affordable housing in the PRS. To tackle this growing number the Taoiseach invited Threshold's Chief Executive Officer and Chief Executives from other national housing and homeless organisations to put forward solutions to the homeless crisis. In 2019, this group of CEOs proposed that consideration be given to restricting sale as a ground for terminating a tenancy. This proposal was based on the fact the majority of NOTs issues are for the purposes of sale. The proposal was ultimately rejected as it was considered unconstitutional.

Draft National Energy and Climate Plan 2021-2030

In 2019, Threshold responded to the call for submissions on the "Draft 'National Energy Climate Plan 2021-2030'" from the Department of Communications, Climate Action and Energy. Threshold recommended that home improvement schemes be made more accessible to those living in the rented sector as home ownership declines and renting increases, supports a move to introduce minimum thermal efficiency standards and calls for the implementation of the proposed NCT for housing to improved standards in the rented sector.

IGBC Workshop on Improved Energy efficiency

Threshold contributed to the Irish Green Building Council's stakeholder engagement workshop to inform the public consultation on proposed approaches to dealing with energy efficiency upgrades in rental properties.

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Centre for Effective Services Intern

An intern, completing the graduate programme with Centre for Effective Services, worked alongside our Policy and Legal team from June to August 2019. The programme gives the participant specialist experience of implementing evidence informed services, and the translation of evidence into policy and practice to improve outcomes.

Future Plans and Challenges

Co-living

In 2019, there were a number of planning applications for the development of co-living accommodation. In such accommodation a resident has their own bedroom and en suite with access to communal kitchens, laundry, living rooms and possibly other facilities such as gyms and cinema rooms.

These proposals have been controversial and a few given planning permission in 2019. Threshold voiced reservations about co-living and criticised the scale of the proposed developments. In some of the proposed developments it was expected that up to 40 residents would share a communal kitchen, the en suite bedroom (their only private space) would be 15m². Residents would be given licence agreements meaning they would not have the protections of the Residential Tenancies Act. And would be expected to pay premium rents for these spaces. We advised that investment needs to be made in long-term sustainable housing options, which co-living is not.

While co-living will not make up a large share of the rental sector, the lack of long-term sustainable housing options may mean the residents of co-living developments will face difficulties if their personal circumstances change making the accommodation unsuitable to their needs. For example, if they have a dispute with the management company or with another resident. We are also wary of such complexes being built to lower specifications to rent to those on lower incomes, becoming the bedsits of the future.

We will monitor the development of co-living closely. We will continue to advocate to government on to ensure the best outcomes for those living in the rented sector.

Unrealised proposals for Residential Tenancies (Amendment) Act 2019

A number of our proposed amendments were not included in the Residential Tenancies (Amendment) Act 2019. These included a dwelling specific rent register, the removal of sale as a grounds for termination, the removal of Section 34(b) for the creation of indefinite tenancies and the definition of a deposit as the equivalent of one month's rent.

These are changes Threshold has advocated for for some time and will continue to advocate for. The Minister for Housing, Planning and Local Government indicated he would publish another Bill at the end of 2019, which would remove 34(b) and promote long-term tenancies. This Bill, however, was not published.

Mass Evictions

We have seen an increase in the number of mass eviction cases in the last two years. This is a worrying development and seems to be exacerbated by a recovery in the housing market as owners can sell up and make a profit. Where the tenants are protected by the Tyrellstown Amendment, which restricts termination tenancies on grounds of sale when ten or more properties are being sold, landlords have found ways around this. When the tenants have been successful in challenging the NOTS, their new landlord often issues NOTs also, as illustrated in the case of St Helens Court, Dun Laoghaire.

More needs to be done to ensure real security of tenure for all tenants living in the rental sector, where there cannot be relentless attempts to take away their home. This will require legislative change and a rights based approach to housing.

Establish a Research Committee

Threshold has a long tradition of research. To build on this, and avail of research grants, we will form a Research Committee in 2020 to guide and develop our research plan.

The Impact of the COVID-19 Pandemic in 2020

The COVID-19 pandemic has had an impact on the policy, research and legal work in 2020. The Tenant Sentiment Survey, which was underway, was suspended in March as other work took priority and we determined it was inappropriate to survey renters who were likely experiencing great financial difficulty.

The work to influence the programme for government and advance the right to housing was delayed and the focus changed, as the priority was to respond to the initial fall out of the COVID-19 pandemic. This work however, has not been suspended and will continue. The need to influence the legislation to protect renters during the pandemic took precedence and required intense work in a quick turn around.

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DIRECTORS REPORT

for the financial year ended 31 December 2019

Plans to publish research, conduct research and launch reports have been delayed and will need to be reformulated to adhere to social distancing rules. Participating in networks and attendance at events was temporarily disrupted as we adapted to new remote ways of working.

The impact of, and the expected recession to follow, COVID-19 is shaping our policy, advocacy and legal work as it lays bare the precarity of the PRS as housing tenure.

Strategic Objective 3: Facilitate access to homes for people in housing need.

Expected Outcome:

We will steadily acquire new properties in Cork, support tenants in our housing, and place homeless households in other rented housing in Cork and will use our experience of managing these and engaging with our tenants to inform our policy work

The Access Housing Unit

The role of the Access Housing Unit (AHU) is to secure private rented tenancies for individuals and families residing in emergency accommodation in the Cork Region. Given the difficult housing market and the shortage of one, two and three bedroom properties in the city, as well as suburbs, alternative housing options are continuously being explored for all service users.

In 2019, 84% of people supported by the AHU team did not have a previous landlord reference. The reasons for this are varied i.e. unsatisfactory tenancies, not having previously rented and returning from abroad. AHU staff encourage clients to source character references, work references and avail of advocacy letters from services who provide them with support.

In 2019, the Access Housing Unit (AHU) supported 36 households (including 29 dependents) to exit homelessness into their own home. These homes were secured in the PRS, via the Place Finders Service, via the Local Authority, Approved Housing Bodies, transitional housing projects and supported housing projects. Tenants are able to avail of Homeless HAP, whereby an increased rent payment, a deposit and one or two months' rent is paid up front. Homeless HAP is provided in the hope that it will make it easier for these tenants to access the PRS.

The Pre-Tenancy Programme, formally put into place in 2017 by the AHU, has been a vital resource and support for these tenants, some of whom may have never held a tenancy before

The Tenancy Sustainment Support ensures all have the supports they require when exiting homelessness. Some practical examples of this support are a local information pack to help the client become familiar with their locality and support to apply for funding for essential household items. In 2019, this service provided support to 81 households (including 166 dependents). Tenants are assisted to develop skills essential to sustain their home.

Future Plans and Challenges

The greatest challenge facing the AHU at present is attracting new landlords to work with the service. The large number of people currently renting, due to the obstacles to purchasing a home, has created huge competition in the PRS. The absence of references or employment status among our client group limits people's ability to secure properties. Previous landlords we worked with have vacated the market which has further alienated our client group from securing a home.

The AHU plans to design a blog and put out leaflets to attract new landlords to work with the service, in 2020. The Blog will be advertised on the Threshold website and will include case studies and a landlord testimonial. The leaflets will be inserted as a URL link when emailing landlords on the daft website.

The lack of one-bedroom properties in Cork City and County, which meet HAP limits for our client group, presents as a challenge. It is extremely difficult to source accommodation for this cohort of people who very often have resided in emergency accommodation for considerable periods of time. The properties secured by Threshold and the landlords we work with in the private rented sector fill this void for our clients.

The HAP Limits have not been reviewed since 2016 despite rents increasing significantly. This places huge challenges for people residing in emergency accommodation whose finances are limited.

Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

The Impact of COVID-19 in 2020

Covid-19 has presented a number of challenges for the Access Housing Unit. The most significant change for the AHU emerged when estate agents were advised to cease operating. This prevented staff at the AHU from arranging property viewings. It has also delayed the launch of the blog and the leaflets to engage with estate agents.

The Visiting Support element of the service cannot currently take place due to social distancing. This required new and innovative thinking to address tenancy issues. Staff and clients have adapted well. The allocation of new properties has also been disrupted by COVID-19.

Staff continue to support clients with many issues via telephone, email and constant advocacy. Clients have shown huge resilience during this difficult time and have responded well to support being given by AHU staff. This pandemic has required organisations to adapt to new working arrangements and consider alternative means of supporting people. Staff continue to monitor client's mental health, addiction issues, child protection concerns and bill payments.

Approved Housing Body and Delivery of Social Housing

As an Approved Housing Body (AHB), Threshold owned and managed 13 houses and 3 apartments in Cork City in 2019. 4 of these units were rented for the first time to tenants in 2019 and are part of Threshold's plan to increase its housing units over a five-year period. These homes are either designated as social housing through the Rental Accommodation Scheme (RAS) or are funded through the payment and availability agreements and Capital Advance and Lending Facility (CALF) loans.

Threshold have a particular focus providing homes for people who are experiencing homelessness, while providing attendant tenancy sustainment supports where necessary.

Threshold is currently exploring a variety of financing and partnership arrangements that can best deliver on our housing plan. Threshold engages with the Department of Housing, planning and Local Government and the Housing Finance Agency, private finance providers and other AHBs in order to support the delivery of our housing strategy and is actively acquiring units on an on-going basis.

The Access Housing Unit and the Approved Housing Body

The Housing Development Manager at Threshold purchases properties in Cork City to suit the client group supported by the AHU. Working closely with Cork City Council, Threshold is able to provide clients with long-term secure homes, to help them to move out of homelessness, and visiting tenancy support. The properties secured by Threshold are an invaluable housing option for the people supported by the AHU, where greater flexibility and understanding of the client group provides for better housing outcomes.

In 2019, 4 service users secured Threshold Properties in Cork City. These consisted of three one-bedroom apartments and one two-bedroom house. This has provided four of our clients with the wonderful opportunity to create a home after resided in homeless accommodation for between 1-2 years. The three single people commenced their tenancies in June 2019. The Threshold Properties equated to 11% of tenancies secured by the AHU in 2019.

"Peter is a single man, who moved to Ireland 10 years ago on his own. He was living in shared accommodation and initially all went well. Over time however, the house became overcrowded. Peter began experiencing mental health difficulties and found the environment very difficult to live in. His mental health deteriorated to the point that he was unable to engage with landlords or the authorities to find an alternative home. Peter eventually found himself homeless and lived in emergency accommodation for over a year. Understandably, this further affected Peter's mental health, his capacity and motivation. He was referred to the Access Housing Unit who began the work of helping Peter find a home of his own. Threshold was delighted to offer Peter one of the homes owned and managed by Threshold. Peter is busy making this his home with the assistance of the Tenancy Support Service. His support worker sees such a change in Peter's motivation and his outlook for the future."

Future Plans and Challenges

Future challenges and plans for the AHB include acquiring further housing units through loan finance; to evaluate purchases through the Capital Assistance Scheme (CAS) and to continue helping people experiencing homelessness to become tenants in long-term social housing provided by Threshold. Threshold will need to re-evaluate current housing loans with a view to refinancing with them with the Housing Finance Agency (HFA). Stock condition surveys of eight of our properties will need to be carried out with a view to accurately forecast any remedial/updating works, planned maintenance and long-term sinking funds.

Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

The Impact of COVID-19 in 2020

Due to the COVID-19 pandemic, we can only provide emergency repairs for tenants. Routine repairs will have to wait until the Covid-19 emergency is over. Fortunately, we are up to date with cyclical safety works (fire safety equipment checks and boiler servicing). Secondly, our processes for acquiring new properties has had to be curtailed as it's not possible to view potential properties. We would be looking at properties to buy next year, so that process has been delayed by a few months.

REVIEW OF FINANCIAL OUTCOME 2019

The financial outcome for 2019 is set out in the 'Statement of Financial Activities'. Threshold's total income was €3,118,976 (2018: €2,928,956) in the year ended 31 December 2019, an increase of 6% on the prior year.

During 2019 Threshold continued to have a diversified income base which includes income from public donations and government grants, as outlined above. The key risks facing Threshold are dealt with in the section on Structure, Governance and Management.

Income from donations, legacies and trusts comprises donations from individual and corporate donors, trusts and foundations and income received from the Charitable Donation Scheme. In 2019 Threshold received €690,284 from this income stream - see note 4 to the financial statements. This represents an increase of 7% when compared to 2018, due to greater legacy income in 2019. During 2019 Direct Mail income and Regular Giving income continued to be the largest income streams included in donations, legacies and trusts.

Significant thanks are due to all of the donors who have continued to support the organisation in the midst of difficult economic times.

Total expenditure, at €2,931,521 represents a 2% increase from the 2018 level of €2,859,145. Expenditure on charitable activities in 2019 totalled €2,463,277, an increase of 3% from 2018 levels. As can be seen in note 5, most of the increase was in the Housing Activity and the Tenancy Protection Service. The cost of raising funds totalled €468,244 in 2019, a similar level as 2018.

Threshold received a total of €2,420,721 in grants from State sources - see note 4 to the financial statements and below for analysis by donor. This represents a 6% increase from our 2018 levels. This increase is primarily due to the Housing Activity and support for the Tenancy Protection Service as referred to above

The total costs set out above in relation to charitable activities and raising funds include attributable governance and support costs. These support costs include the key services of programme management, technical support, finance, human resources, and information technology. These services play a crucial role in providing core organisational support to the delivery of our activities. Total governance and support costs for the year amounted to €282,838 and are analysed in note 6 to the financial statements.

There are a number of key financial performance indicators which, taken together, are used by management and the board as a measure of performance and financial strength. These are set out below:

Key Financial Performance Indicators	2019	2018
Return on fundraising spend	1.50	1.40
State income as a percentage of total expenditure	82%	80%
Support costs as a percentage of total costs	10%	11%
Free reserves as a percentage of total income	20%	21%

- Return on fundraising spend essentially measures how much Threshold earns for each euro spent on fundraising. A higher return in 2019 reflects the larger legacy income in the year.
- State income as a percentage of total expenditure indicates the proportion of work which Threshold are funded without reliance on our fundraising efforts.
- Support costs as a percentage of total costs illustrates how much of total expenditure is absorbed by essential but non-core activities and functions.
- Free reserves as a percentage of total income indicates the resources on which the Charity can draw in order to continue its work in the event of a downturn in income. The level of unrestricted and undesignated reserves held at the end of 2019 has decreased due to investment in housing properties.

Overall we are satisfied with the financial performance for the year.

Threshold

DIRECTORS REPORT

for the financial year ended 31 December 2019

Reserves position

The board of directors have adopted a reserves policy which requires reserves to be maintained at a level which ensures that the Charity's core activities could continue during a period of unforeseen difficulty. Consideration is given to assessing the risk probability and the likely impact on our ability to meet our financial obligations or reduce our expenditure in the short term as a result of a decline in income.

The total reserves of €3,526,418 at 31 December 2019 are detailed in note 15 to the financial statements and fall into two categories:

- Restricted funds (€13,057 Debit): these funds are tied to particular purposes, which arise because of restrictions on their use imposed by the donor at time of receipt or because the funds were collected in a public appeal to raise money for a particular purpose. It is the Charity's policy to fully apply such funds for the purposes for which they were donated as quickly as possible.
- Unrestricted funds (€3,539,475): these are of two types:
 - Designated funds (€2,931,787); these are unrestricted funds that have been allocated by the board for specific purposes and that are (as a result) not available for general usage. In line with the strategies of Threshold, at the end of 2019 funds had been designated for specific purposes as outlined in note 15 to the financial statements.
 - General unrestricted funds (€607,688); these represent funds which are available for the general purposes of the Charity.

The level of reserves is kept under constant review through on-going financial reporting and production of annual audited accounts. At the time of the last review it was agreed that the restricted reserves should be utilised as soon as reasonably possible, and that Threshold aims over time to build free funds to a level which will provide working capital comprising 50% of total income. At 31 December 2019 the level is 20% of total income due to the investment in housing properties.

Investment Policy

In accordance with the Constitution, the board have the power to make investment decisions in keeping with the objectives of the company.

Going Concern

Set out above is a review of Threshold's financial performance and the general reserves position as at 31 December 2019. Based on the results for the year, the year-end financial position and the approved 2020 budget, the board believes that the Charity has adequate resources to continue in operational existence for the foreseeable future. The board believes that there are no material uncertainties that call into doubt Threshold's ability to continue in operation. Accordingly, Threshold continues to adopt the 'going concern' basis in preparing the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Threshold Limited is a charitable company limited by guarantee. It was incorporated on 17 August 1979. The Charity does not have a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the Charity in the event of a winding up. Such amounts, as may be required, shall not exceed €1.27.

Directors and Secretary

The directors of the Charity are its trustees for the purpose of charity law. The names of persons who at any time during the financial year were directors of the Charity are as follows:

		Board Meeting Attendance	
Aideen Hayden	(Chairperson)	4 out of 5	
Bernard Cronin	(Treasurer)	3 out of 5	
Liam Reid	(Secretary)	4 out of 5	
Patrick Gray		5 out of 5	
Christine Heffernan		1 out of 5	(Resigned 23-09-2019)
Trocaire Joye		2 out of 5	
Martini Molloy		4 out of 5	
Brian Murphy		1 out of 5	
Tom Dunne		4 out of 5	(Resigned 10-10-2019)
Mark Brangam		4 out of 5	
Patricia Sheehy-Skeffington		1 out of 5	(Appointed 02-11-2019)
Martin Whelan		0 out of 5	(Appointed 02-11-2019)
Geoff Byrne		0 out of 5	(Appointed 02-11-2019)

Tom Dunne was also appointed as a director on 29 January 2019.

Threshold

DIRECTORS REPORT

for the financial year ended 31 December 2019

The induction and training process for new directors includes the following:

- Meeting with the Chair to gain a clear understanding of the Mission and Strategic Objectives of Threshold;
- Meeting with the Governance Committee to get a detailed briefing on the key issues and risks being managed;
- Review of Minutes, Operational Reports and Annual Reports for the previous 24 months;
- Meet with management and staff of Threshold's operations to experience first-hand the services being offered including listening in on a sample of client calls as well as sitting in on a sample of client meetings.

Company Secretary

Liam Reid held the position of company secretary for the duration of the financial year.

Governance and Management

Threshold is constituted under a Memorandum and Articles of Association and is a registered charity, CHY 6279. The Charity is also registered with the Charities Regulatory Authority (CRA) and its CRA number is 20011031. Threshold's goals and strategic approach are guided by its charitable objectives as laid out in these documents. The management of the Charity is the responsibility of the directors who are elected and co-opted under the terms of the Articles of Association.

Board members are drawn from diverse backgrounds and bring a broad range of experience and skills to board deliberations. The board is provided with regular information, which includes key performance and risk indicators for all aspects of the Charity. They meet regularly (five times during 2019) and there are sub-committees covering governance, audit and risk, nominations and remuneration (who make remuneration decisions for Threshold) and housing and property. The members of the board cannot, under the governing documents, receive remuneration for services to Threshold and may only be reimbursed for incidental expenses claimed.

There are clear distinctions between the roles of the board of directors and the Executive Management Team to which day-to-day management is delegated. Matters such as policy, strategic planning, and budgets are drafted by the Executive Management Team for consideration and approval by the board, which then monitor the implementation of these plans.

Threshold is signed up to the voluntary Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland, the Voluntary Regulation Code for Approved Housing Bodies (AHBs) and Threshold is signed up to a charity code of practice called the Statement of Guiding Principles for Fundraising. Threshold is fully committed to achieving the standards contained within the Statement of Guiding Principles for Fundraising and believes we meet the standards it sets out. To read our full Donor Charter, visit: www.threshold.ie/getinvolved.

Risk Management

The directors have a risk management strategy which comprises:

- a regular review of the principal risks and uncertainties that the Charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the regular reviews;
- monitor the procedures on an on-going basis including assessing control effectiveness; and
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

The purpose of the regular reviews is to ensure that the Charity is not on an on-going basis exposed to an unacceptable level of risk. Appropriate systems and procedures are in place to manage these risks and provide reasonable assurance against occurrence. The major risks identified by the review are listed below:

- Financial sustainability/loss of funding resources: A key element in the management of financial risk is a regular review of available funds to settle debts as they fall due, diversification of the funding base and on-going engagement with State funders.
- Significant error and fraud: Significant fraud or incidences of corruption could severely damage the Charity's reputation and result in the loss of resources. The Charity has developed detailed financial management and reporting systems to mitigate these risks, which are reviewed on a regular basis.
- Public perception of the sector: Threshold recognises that the sector has been the subject of increased public and media scrutiny. The Charity seeks to be open and transparent in the way that it operates, more generally it welcomes the introduction of the Charities Regulatory Authority and its role in regulating the sector which should result in greater accountability, transparency and inspire renewed public confidence.
- Staff recruitment and retention: Being able to attract and retain appropriate staff is a key on-going challenge for the Charity. Threshold has developed and frequently reviews its human resources policies and procedures to address this risk.

Attention has also been focussed on non-financial risks arising from failure of IT and telephony systems and fire, health and safety concerns. These risks are managed by ensuring backups are in place, and having robust policies and procedures in place.

Threshold DIRECTORS REPORT

for the financial year ended 31 December 2019

Internal Controls

The directors acknowledge their overall responsibility for the Charity's systems of internal control and for reviewing its effectiveness. They have delegated responsibility for the implementation of this system to the Executive Management Team. This system includes financial controls, which enables the board to meet its responsibilities for the integrity and accuracy of the charity's accounting records.

The board has also established a system of compliance which addresses the board's wider responsibility to maintain, review and report on all internal controls, including financial and operational.

A detailed budget is prepared annually which is reviewed by the board. Actual results and outcomes are compared regularly against budget and prior year to ensure tight budgetary control and value for money.

Post Balance Sheet Events

No significant events have taken place since the year end that would result in adjustment to the financial statements or inclusion of a note thereto.

Lobbying and Political Contributions

There were no political contributions in 2018 and 2019, and as a result no disclosures are required under the Electoral Act, 1997. As required under the Regulation of Lobbying Act 2015, Threshold now records all lobbying activity and communications with Designated Public Officials (DPOs). It has made the returns and submissions required by the Act.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. Threshold subscribes to and is compliant with the following:

- o The Companies Act 2014
- o The Charities SORP (FRS 102)
- o The Charities Governance Code

Auditors

Power & Associates resigned as auditors during the financial year and the directors appointed Whelan Dowling & Associates, (Chartered Accountants), to fill the vacancy.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors 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 21 Stoneybatter, Dublin 7.

Approved by the Board of Directors on 13th June 2020 and signed on its behalf by:

Aideen Hayden
Chairperson

Liam Reid
Director

Threshold DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2019

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors 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", applying Section 1A of that Standard, issued by the Financial Reporting Council. Under company law, the directors 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 charity as at the financial year end date and of the net income or expenditure of the charity for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors 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;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The directors are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and net income or expenditure of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

Approved by the Board of Directors on 13th June 2020 and signed on its behalf by:

Aideen Hayden
Chairperson

Liam Reid
Director

INDEPENDENT AUDITOR'S REPORT to the Members of Threshold

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of Threshold for the financial year ended 31 December 2019 which comprise the Statement of Financial Activities (incorporating an 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", applying Section 1A of that Standard 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 charity as at 31 December 2019 and of its net incoming resources for the financial 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 charity 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 (IAASA), 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors 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 Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' 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 charity were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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

INDEPENDENT AUDITOR'S REPORT to the Members of Threshold

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 28 the directors 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 directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charity 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.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT to the Members of Threshold

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

Our report is made solely to the charity'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 charity's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Sean Whelan FCA
for and on behalf of**

WHELAN DOWLING & ASSOCIATES

Chartered Accountants and Statutory Audit Firm

Block 1, Unit 1 & 4,

Northwood Court

Santry

Dublin 9

13th June 2020

Threshold STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)
for the financial year ended 31 December 2019

	Notes	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
INCOMING RESOURCES					
Donations, legacies and trusts	4	680,403	9,881	690,284	643,855
Income from charitable activities	4	675,109	1,745,612	2,420,721	2,278,443
Other trading activities	4	7,823	-	7,823	6,224
Income from investments	4	148	-	148	434
Total incoming resources		1,363,483	1,755,493	3,118,976	2,928,956
RESOURCES EXPENDED					
Expenditure on raising funds	5	468,244	-	468,244	467,071
Expenditure on charitable activities	5	634,885	1,828,392	2,463,277	2,392,074
Total resources expended		1,103,129	1,828,392	2,931,521	2,859,145
Net Incoming Resources		260,354	(72,899)	187,455	69,811
Transfer between funds	15	(78,982)	78,982	-	-
Net movement in funds		181,372	6,083	187,455	69,811
Total funds at beginning of year	15	3,358,103	(19,140)	3,338,963	3,269,152
Total funds at end of year	15	3,539,475	(13,057)	3,526,418	3,338,963

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

Approved by the Board of Directors on 13th June 2020 and signed on its behalf by:

Aideen Hayden
Chairperson

Liam Reid
Director

Threshold BALANCE SHEET

as at 31 December 2019

	Notes	2019 €	2018 €
Fixed Assets			
Tangible assets	10	2,850,226	2,682,346
Current Assets			
Debtors	11	182,096	147,126
Cash at bank and in hand		1,776,461	1,650,092
		<u>1,958,557</u>	<u>1,797,218</u>
Creditors: Amounts falling due within one year	11	(257,986)	(213,073)
Net Current Assets		<u>1,700,571</u>	<u>1,584,145</u>
Total Assets less Current Liabilities		4,550,797	4,266,491
Creditors (amounts falling due after more than one year)	13	(1,024,379)	(927,528)
Net Assets		<u><u>3,526,418</u></u>	<u><u>3,338,963</u></u>
Funds			
Restricted funds	15	3,539,475	3,358,103
Board Designated funds	15	(13,057)	(19,140)
Total funds		<u><u>3,526,418</u></u>	<u><u>3,338,963</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the Board of Directors and authorised for issue on 13th June 2020 and signed on its behalf by

Aideen Hayden
Chairperson

Liam Reid
Director

Threshold STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Net incoming resources for the year		187,455	69,811
Depreciation		130,749	120,082
Deposit interest received		(148)	(434)
Loan interest paid		27,873	13,426
Movement in debtors		(34,970)	(132,546)
Movement in creditors		39,097	21,928
		<u>350,056</u>	<u>92,267</u>
Net cash flows from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit interest received		148	434
Purchase of tangible fixed assets		(298,629)	(609,618)
		<u>(298,481)</u>	<u>(609,184)</u>
Net cash flows from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received from Clann Credo CLG		3,236	-
Loan received from Housing Finance Agency		-	454,350
Capital Advanced Leasing Facility (CALF) loan received		130,357	232,900
Loan repayments		(30,926)	(12,892)
Loan interest paid		(27,873)	(13,426)
		<u>74,794</u>	<u>660,932</u>
Net cash flows from financing activities			
Net increase in cash			
		126,369	144,015
Cash at bank and in hand at beginning of year		<u>1,650,092</u>	<u>1,506,077</u>
Cash at bank and in hand at end of year		<u><u>1,776,461</u></u>	<u><u>1,650,092</u></u>

Threshold

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1 COMPANY INFORMATION

Threshold is a national not-for-profit company limited by guarantee, incorporated, domiciled and tax resident in the Republic of Ireland with charitable tax exemption status. Its registered office is 21 Stoneybatter, Dublin 7, D07 KV61 and its company registration number is 70660.

Threshold is constituted under a Memorandum and Articles of Association and is a registered charity, CHY 6279. The charity is also registered with the Charities Regulatory Authority (CRA) and its CRA number is 20011031.

The liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company in the event of a winding up. Such amount, as may be required, shall not exceed €1.27 per member.

2 ACCOUNTING POLICIES

The significant accounting policies adopted by the charity and applied consistently in the preparation of these financial statements are as follows:

a) Basis of Preparation

This set of financial statements is prepared by Threshold in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

The financial statements are prepared on the going concern basis, under the historical cost convention, and comply with the financial reporting standards of the Financial Reporting Council and the Companies Act 2014. The financial statements have also applied Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP).

As permitted by Section 291(3)(4) of the Companies Act, the charity has varied the standard formats specified in that Act for the Statement of Financial Activities, the Balance Sheets and Statement of Cash Flows. Departures from the standard formats as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with Sections 4.7, 10.6 and 15.2 of that SORP.

b) Reporting Currency

The financial statements are prepared in Euro which is the functional currency of the charity.

c) Incoming Resources

Income is treated as being general and unrestricted unless a donor has specified the manner in which the donation is to be spent, in which case it is treated as restricted income. All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- **Donations, legacies and Trusts**

This income (which consists of monetary donations from the public and from corporates and trusts, together with related tax refunds and legacies), is recognised in the period in which the charity is entitled to the income, when receipt is probable, and when the amount can be measured with sufficient reliability.

In the case of monetary donations from the public, this income is recognised when the donations are received into the charity's accounting system. Legacies and Trusts income is recognised when confirmation of unconditional entitlement to the bequest is received. Tax refunds are recognised when all legislative requirements have been met and the amounts can be measured with reasonable certainty.

Grants from corporates, trusts and major donors are recognised on the same basis as grants from governments and other agencies.

- **Government and other agencies grants**

Grants from government and other agencies, whether of a capital or revenue nature, are recognised in full in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

c) Incoming Resources (continued)

- **Fund-raising income**

Fund-raising income is credited to the Statement of Financial Activities in the year in which it is received.

- **Rental and deposit income**

Income earned on funds held on deposit and rental income is treated as unrestricted income and is included in the Statement of Financial Activities when receivable.

- **Payment and availability income**

Payment and availability income is recorded when receivable. Under a Payment & Availability Agreement, the charity receives an availability payment from government. For this the charity undertakes to make the properties 'available' to people from local authority housing waiting lists.

d) Resources Expended

Resources expended are categorised between the cost of raising funds and the cost of carrying out charitable activities. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates. All expenditure is recognised on an accruals basis.

- **Cost of raising funds**

Costs of raising funds comprise the costs incurred in fundraising, including the costs of advertising, producing publications, printing and mailing fundraising material, staff costs in these areas and an appropriate allocation of support costs.

- **Cost of charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries together with related support costs.

- **Support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

e) Operating Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

f) Employee Benefits

The charity provides paid holiday arrangements and defined contribution retirement benefits to employees.

- **Holiday pay**

Holiday pay is recognised as an expense in the period in which the service is received.

- **Defined contributions retirement benefits scheme**

The charity operates a defined contributions scheme for employees. A defined contribution scheme is a scheme under which the company pays fixed contributions into a separately administered fund outside the company. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

g) Taxation

No charge to taxation arises as the charity had been granted exemption under Sections 207 and 208 of the Taxes Consolidation Act, 1997. Irrecoverable value added tax is expensed as incurred.

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

g) Taxation (continued)

The company is eligible under the "Scheme of Tax Relief for Donations to Eligible Charities and Approved Bodies under Section 848A Taxes Consolidation Act, 1997" to income tax refunds arising from donations exceeding €250 per annum. These refunds are included under miscellaneous income. The company is compliant with relevant Circulars, including Circular 44/2006, "Tax Circulars Procedures Grants, Subsidies and Similar Type Payments."

h) Tangible Fixed Assets and Depreciation

- **Defined contributions retirement benefits scheme**

Tangible fixed assets are recorded at historical cost (or deemed cost for buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and impairment losses.

- **Depreciation**

Depreciation is provided on tangible fixed assets on a straight line basis in order to write off their cost less residual amounts over their estimated useful economic lives. The estimated useful economic lives assigned to tangible fixed assets are as follows:

- Buildings	2% per annum straight line
- Leasehold improvements	10% per annum straight line
- Computer and office equipment	33.33% per annum straight line
- Office fixtures and fittings	10% per annum straight line

The charity's policy is to review the remaining economic lives and residual values of tangible fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful life and residual value.

Fully depreciated tangible fixed assets are retained in cost and accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the Statement of Financial Activities.

- **Impairment**

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Recoverable amount is the higher of value in use and the fair value less costs to sell. If the recoverable amount is lower, the carrying value of the asset is reduced to its recoverable amount and an impairment loss is recognised in the Statement of Financial Activities unless the asset had been revalued whereupon the loss is recognised in the Statement of Other Comprehensive Income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

i) Debtors

Debtors are initially recognised at fair value and thereafter at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

j) Cash at bank and in hand

Cash at bank and in hand include cash on hand, bank current accounts and demand deposits.

k) Trade Creditors

Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors amounts falling due after more than one year. Trade creditors that are classified as current liabilities are recognised at the transaction price.

l) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable (more likely than not) that payment will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the cost expected to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

m) Capital advanced leasing facility (CALF)

Capital advance payments of up to 30% of the acquisition of properties are available from the Department of Housing, Planning, Community and Local Government under the Capital Advance Leasing Facility (CALF). The capital advance is repayable at the end of the approved period of the advance.

n) Fund Accounting

The following funds are operated by the charity:

- **Unrestricted funds**

Unrestricted funds are general funds that are available for use at the board's discretion in furtherance of any of the objectives of the charity. Such funds may be held in order to finance working capital or capital expenditure.

If any part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only and does not legally restrict the board's discretion to apply the fund. The aim and use of each designated fund is set out in the notes to the financial statements.

- **Restricted funds**

Restricted funds represent income received that can only be used for particular purposes specified by the donors and are binding on the charity. Such purposes are within the overall aims of the charity.

o) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

- **Establishing useful economic lives for depreciation purposes of tangible fixed assets**

Assets with an estimated economic useful life in excess of one year, consisting primarily of property and equipment, comprise a significant portion of the total assets.

The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Details of the useful economic lives are included in the accounting policies.

4 INCOMING RESOURCES

The total incoming resources of the charity for the year has been derived from its principal activities wholly undertaken in Ireland. An analysis of incoming resources is as follows:

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
Income from donations, legacies and trusts				
General donations	614,383	-	614,383	610,155
Legacies and trusts	66,020	9,881	75,901	33,700
	<u>680,403</u>	<u>9,881</u>	<u>690,284</u>	<u>643,855</u>
Income from charitable activities				
Dublin Region Homeless Executive	-	602,848	602,848	519,800
Department of Social Protection – CE Scheme	-	138,055	138,055	129,741
Department of Social Protection – Jobplus Incentive	13,229	-	13,229	32,813
Department of Housing, Planning, and Local Government - Grant in Aid	388,000	-	388,000	388,000
Department of Housing, Planning, and Local Government - National TPS	-	412,000	412,000	412,000
Health Services Executive	-	61,104	61,104	61,104
Cork City Council	8,000	317,000	325,000	325,000
Cork County Council	17,000	-	17,000	17,000
Galway City Council	25,000	106,460	131,460	131,460
Dublin City Council	-	21,151	21,151	5,000
Citizens Information Board	47,000	-	47,000	47,000
Rental and payment and availability income Pobal-Scheme to Support National Organisations	176,880	-	176,880	126,486
	<u>-</u>	<u>86,994</u>	<u>86,994</u>	<u>83,039</u>
	<u>675,109</u>	<u>1,745,612</u>	<u>2,420,721</u>	<u>2,278,443</u>

Threshold NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

4 INCOMING RESOURCES (continued)

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
Income from other trading activities				
Charity shop	-	-	-	1,720
Fundraising activities	-	-	-	-
Rent book income and royalties	2,905	-	2,905	2,329
Training income	1,670	-	1,670	1,525
Other income	3,248	-	3,248	650
	<u>7,823</u>	<u>-</u>	<u>7,823</u>	<u>6,224</u>
Income from investments				
Bank interest	148	-	148	434
Total incoming resources	<u>1,363,483</u>	<u>1,755,493</u>	<u>3,118,976</u>	<u>2,928,956</u>
Allocated as follows:				
Tenancy Protection Service	-	1,225,332	1,225,332	1,153,260
Advice & Advocacy Services	1,186,603	291,167	1,477,770	1,414,171
Access Housing Unit	-	152,000	152,000	152,000
Policy & Research Activities	-	86,994	86,994	83,039
Housing Activity	176,880	-	176,880	126,486
Total incoming resources	<u>1,363,483</u>	<u>1,755,493</u>	<u>3,118,976</u>	<u>2,928,956</u>

5 RESOURCES EXPENDED

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
Expenditure on raising funds				
Fundraising expenses and salaries	426,993	-	426,993	421,085
Charity shop	-	-	-	-
Support costs	41,251	-	41,251	45,986
	<u>468,244</u>	<u>-</u>	<u>468,244</u>	<u>467,071</u>
Expenditure on charitable activities				
Tenancy Protection Service	-	1,219,015	1,219,015	1,195,198
Advice & Advocacy services	439,289	285,887	725,176	707,359
Access Housing Unit	-	170,215	170,215	169,278
Policy & Research activities	-	153,275	153,275	151,988
Housing activity	195,596	-	195,596	168,251
	<u>634,885</u>	<u>1,828,392</u>	<u>2,463,277</u>	<u>2,392,074</u>
Total resources expended	<u>1,103,129</u>	<u>1,828,392</u>	<u>2,931,521</u>	<u>2,859,145</u>

Threshold
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

5 RESOURCES EXPENDED (Continued)

Expenditure on charitable activities is analysed as follows:

	Tenancy Protection Service €	Advice & Advocacy Services €	Access Housing Unit €	Policy & Research Activities €	Housing Activity €	Total €
Salaries	826,079	393,086	118,221	69,416	66,095	1,472,897
DSP CES salaries & costs	-	142,656	-	-	-	142,656
Other HR	35,143	15,889	4,178	2,631	3,096	60,937
Rent, rates, light, heat & insurance	49,935	22,556	3,048	4,183	1,552	81,274
Travel expenses	8,085	5,797	10,201	2,779	2,082	28,944
Printing, postage & stationery	12,925	8,192	1,480	1,332	158	24,087
Telephone	87,873	10,673	2,214	876	347	101,983
Computer software & maintenance	16,597	9,180	1,614	1,595	664	29,650
Depreciation	41,031	26,086	8,033	3,289	46,599	125,038
Research & conferences	-	-	-	4,023	-	4,023
Maintenance	30,458	14,845	4,147	2,014	14,427	65,891
Education	6,959	5,430	237	970	471	14,067
Information leaflets & videos	-	578	-	8,223	-	8,801
Professional fees	5,232	2,292	-	235	10,711	18,470
Other costs	4,860	3,084	704	413	784	9,845
Loan interest	-	-	-	-	33,127	33,127
Support costs	93,838	64,832	16,138	51,296	15,483	241,587
	<u>1,219,015</u>	<u>725,176</u>	<u>170,215</u>	<u>153,275</u>	<u>195,596</u>	<u>2,463,277</u>

6 GOVERNANCE AND SUPPORT COSTS

Analysis of Governance and Support Costs by Activity

Threshold Limited initially identify the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the activities undertaken on the basis of estimated time by the support service.

	Governance €	Finance & HR Costs €	General Office Costs €	Staff Travel & Training €	Total €
Raising funds	4,938	34,040	1,909	364	41,251
Tenancy Protection Service	10,533	78,456	4,072	777	93,838
Advice & Advocacy services	7,365	54,076	2,847	544	64,832
Access Housing Unit	1,851	13,434	716	137	16,138
Policy & Research activities	6,173	42,282	2,386	455	51,296
Housing activity	1,852	12,778	716	137	15,483
	<u>32,712</u>	<u>235,066</u>	<u>12,646</u>	<u>2,414</u>	<u>282,838</u>

Threshold NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

7 STATUTORY INFORMATION

	2019	2018
	€	€
Net incoming resources for the year is arrived at after charging/(crediting):		
Directors' remuneration	-	-
Auditors' remuneration	10,963	8,364
Depreciation of tangible fixed assets	130,749	120,082
Operating leases - equipment	2,869	2,895
Deposit interest	(148)	(434)
Loan interest	33,127	16,293
Bank interest and charges	<u>2,169</u>	<u>2,382</u>

8 DIRECTORS' REMUNERATION AND BENEFICIAL INTEREST

As a registered charity and in accordance with its Constitution, directors are not entitled to any remuneration for acting as a member of the Board. None of the directors received any remuneration during the year. Travel and accommodation expenses incurred by the company on behalf of all of the directors in carrying out their duties during the year totalled €4,236 (2018: €10,195).

None of the directors had any personal interest in any contract or transaction entered into by the company during the year. Also, none of the directors or secretary hold any beneficial interest in the company.

9 EMPLOYEE INFORMATION

a) Average Number of employees	2019	2018
Charitable activities service delivery	42	42
Raising funds and support services	7	7
	<u>49</u>	<u>49</u>
b) Total staff costs	2019	2018
	€	€
Wages and salaries	1,752,565	1,681,495
Social welfare costs	182,928	176,405
Pension contributions	69,837	61,184
Other staff costs	9,032	2,080
	<u>2,014,362</u>	<u>1,921,164</u>
c) Senior staff remuneration	2019	2018
The number of staff earning salaries over €70,000 is:		
Band €70,000 to €79,999	-	-
Band €80,000 to €89,999	1	1
Band €90,000 and greater	-	-
	<u>1</u>	<u>1</u>

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

9 EMPLOYEE INFORMATION (Continued)

d) Key management remuneration	2019	2018
	€	€
Salaries	<u>409,605</u>	<u>397,947</u>

The remuneration committee has the responsibility for the approval of all elements of pay and conditions for staff. CEO, John-Mark McCafferty, received a salary €85,000 in 2019. John-Mark is a member of the organisation's pension scheme, which is an opt-in scheme, to which the charity contributes 4.5% of gross salary.

10 TANGIBLE FIXED ASSETS

	Fixtures, Fittings and Computers €	Leasehold Improvements	Housing Buildings	Office Buildings	Total
Cost					
01 January 2019	242,853	213,008	1,933,302	1,528,088	3,917,251
Additions	19,189	8,266	271,174		298,629
Disposals	<u>(12,049)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,049)</u>
31 December 2019	<u>249,993</u>	<u>221,274</u>	<u>2,204,476</u>	<u>1,528,088</u>	<u>4,203,831</u>
Accumulated Depreciation					
01 January 2019	198,984	107,171	117,422	811,328	1,234,905
Charge	34,273	21,824	44,090	30,562	130,749
On disposals	<u>(12,049)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,049)</u>
31 December 2019	<u>221,208</u>	<u>128,995</u>	<u>161,512</u>	<u>841,890</u>	<u>1,353,605</u>
Net Book Amount					
31 December 2019	<u>28,785</u>	<u>92,279</u>	<u>2,042,964</u>	<u>686,198</u>	<u>2,850,226</u>
31 December 2018	<u>43,869</u>	<u>105,837</u>	<u>1,815,880</u>	<u>716,760</u>	<u>2,682,346</u>

All tangible fixed assets are held by the company for use in meeting its charitable objectives.

The directors accepted an independent professional valuation on the Gilabbey Court buildings of €1,015,000 on 08 March 2010. The original cost of the property was €226,767. The valuation was carried out by Sherry FitzGerald. The charity has elected to treat the carrying amount of Gilabbey Court buildings at 1 January 2014 as deemed cost on transition to FRS 102.

11 DEBTORS	2019	2018
	€	€
Amounts falling due within one year:		
Monies held by solicitor	122,526	108,984
Other grants receivable	31,700	9,000
Prepayments and accrued income	<u>27,870</u>	<u>29,142</u>
	<u>182,096</u>	<u>147,126</u>

Threshold

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

12 CREDITORS	2019	2018
	€	€
Creditors and accruals	153,667	89,262
Loan repayments due within one year	45,983	40,167
Deferred income	17,798	37,737
Payroll taxes	40,538	45,907
	<u>257,986</u>	<u>213,073</u>

Creditors include suppliers who claim to hold reservation of title clauses pending receipt of payment in full for the goods.

Threshold was awarded a grant of up to €251,799 by Pobal under its Scheme to Support National Organisations in the Voluntary Sector 2016-2019 sponsored by the Department of the Environment, Community and Local Government in 2016. Funding is towards the costs of a policy and legal officer to facilitate the undertaking and publishing of primary research, position papers, media campaigns etc. during the period 01 July 2016 to 30 June 2019.

Threshold was awarded a grant of up to €270,000 by Pobal under its Scheme to Support National Organisations in the Voluntary Sector 2019-2022 sponsored by the Department of the Environment, Community and Local Government in 2019. Funding is towards the costs of a policy and legal officer to facilitate the undertaking and publishing of primary research, position papers, media campaigns etc. during the period 01 July 2019 to 30 June 2022.

13 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)	2019	2018
	€	€
Capital Advanced Leasing Facility (CALF)	292,236	289,000
Loan repayments due after one year	732,143	638,528
	<u>1,024,379</u>	<u>927,528</u>

14 DETAILS OF BORROWINGS

Maturity Analysis	Repayable within <u>one year</u>	Repayable between one & two years	Repayable between two & five years	Repayable after <u>five years</u>	<u>Total</u>
	€	€	€	€	€
<u>Repayable other than by instalments</u>					
Capital Advanced Leasing Facility (CALF)	-	-	-	292,236	292,236
<u>Repayable by instalments</u>					
Clann Credo CLG	29,072	29,072	87,216	199,458	344,818
Housing Finance Agency	16,911	16,911	50,733	348,753	433,308
	<u>45,983</u>	<u>45,983</u>	<u>137,949</u>	<u>840,447</u>	<u>1,070,362</u>

Loans advanced under Capital Advanced Leasing Facility (CALF) are repayable at the end of the approved twenty year period. Interest is payable on the principal amount only at 2% per annum at the end of the twenty year period and is accrued for the duration of the CALF.

The loan from Clann Credo Company Limited By Guarantee is secured by a charge on specific housing properties. Interest and capital repayments are required to be made in respect of this loan in accordance with the loan agreement.

Threshold has Certified Body status with the Housing Finance Agency (HFA). The loans are secured by fixed charges on specific housing properties.

Threshold NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

15 FUNDS	Balance at 01/01/2019 €	Incoming Resources €	Resources Expended €	Fund Transfers €	Balance at 31/12/2019 €
<u>Unrestricted Funds</u>					
General	605,932	1,363,483	(972,380)	(389,347)	607,688
Designated property asset	2,682,346	-	(130,749)	298,629	2,850,226
Designated building maintenance	69,825	-	-	11,736	81,561
Total unrestricted funds	3,358,103	1,363,483	(1,103,129)	(78,982)	3,539,475
<u>Restricted Funds</u>					
Loreto Foundation Fund	-	5,730	-	(5,730)	-
ESB Energy for Generations Fund	4,148	4,151	-	(1,170)	7,129
Tenancy Protection Service	-	1,225,332	(1,219,015)	(6,317)	-
Access Housing Service	-	152,000	(170,215)	18,215	-
Advice Service	-	143,231	(143,231)	-	-
Department of Social Protection - CE Scheme	(16,743)	138,055	(142,656)	2,723	(18,621)
Pobal Scheme to Support - National Organisations	(6,545)	86,994	(153,275)	71,261	(1,565)
Total restricted funds	(19,140)	1,755,493	(1,828,392)	78,982	(13,057)
Total funds	3,338,963	3,118,976	(2,931,521)	-	3,526,418

Description, nature and purposes of the funds:

- **Unrestricted General Fund**
This represents the free funds of the charity which are not designated for any particular purpose.
- **Unrestricted Designated Property Asset Fund**
Designated property asset fund is the value of unrestricted funds represented by the tangible fixed assets owned and used by the charity on an on-going basis for its activities.
- **Unrestricted Designated Building Maintenance Fund**
The charity has a building maintenance fund to meet the planned maintenance programme to maintain the properties to the highest standards.
- **Restricted Loreto Foundation Fund**
This fund relates to monies donated by Loreto Foundation fund for the ongoing costs of homeless prevention frontline services.
- **Restricted ESB Energy for Generations Fund**
This fund relates to monies donated by ESB Energy for Generations fund for the provision of a dedicated advice service for the Deaf community and redesign of our website.
- **Restricted Department of Social Protection CE Scheme Fund**
This relates to funding received from Department of Social Protection for the provision of the Community Employment scheme. The purpose of the grant is to enhance the employability of unemployed persons by providing work experience and training for them within their communities. €6,709 of this grant was deferred at the year end.

Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

15 FUNDS (Continued)

- **Restricted Pobal Scheme to Support National Organisations Fund**

This relates to funding received from Pobal for the costs of a policy and legal officer to facilitate the undertaking and publishing of primary research, media campaigns etc. during the period 1 July 2016 to 30 June 2019 and 1 July 2019 to 30 June 2022.

Analysis of Net Assets Between Funds is as follows:

	General Fund	Designated Funds	Restricted Funds	Total Funds 2019
Tangible fixed assets	-	2,850,226	-	2,850,226
Debtors	158,411	22,685	1,000	182,096
Cash at bank and in hand	661,280	1,129,238	(14,057)	1,776,461
Creditors (amounts falling due within one year)	(212,003)	(45,983)	-	(257,986)
Creditors (amounts falling due after one year)	-	(1,024,379)	-	(1,024,379)
Total	607,688	2,931,787	(13,057)	3,526,418

16 PROPERTY RENTAL COMMITMENTS

Property rental commitments are as follows:

Within one year	€ 52,000
Between two and five years	208,000
After more than five years	195,000
	<u>455,000</u>

17 APB ETHICAL STANDARDS - PROVISIONS AVAILABLE TO SMALL ENTITIES

As a small entity under the provisions of the APB in relation to Ethical Standards we engage our auditors to provide accounts preparation.

18 POST-BALANCE SHEET EVENTS

In the period since the year end the Covid-19 pandemic has impacted on the operations of the Company. The final impact of the disruption can't be reliably measured at this time.

19 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on **13th June 2020**

