

Company Number: 70660  
Charities Regulatory Authority Number: 20011031

**Threshold**  
**Annual Report and Audited Financial Statements**  
**for the financial year ended 31 December 2020**

**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

<b>Directors</b>	Martin Whelan Geoff Byrne Patricia Sheehy Skeffington Aideen Hayden Brian Murphy Trocaire Joye Martini Molloy Patrick Gray Bernard Cronin Liam Reid Mark Brangham
<b>Chairperson</b>	Aideen Hayden
<b>Company Secretary</b>	Liam Reid
<b>Chief Executive Officer</b>	John-Mark McCafferty
<b>Charities Regulatory Authority Number</b>	20011031
<b>Company Number</b>	70660
<b>Registered Office and Principal Address</b>	21 Stoneybatter Dublin 7 D07 KV61
<b>Auditors</b>	Whelan Dowling & Associates Chartered Accountants and Statutory Auditors Block 1, Unit 1 & 4, Northwood Court Santry Dublin 9
<b>Bankers</b>	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
<b>Solicitors</b>	O'Sullivan O'Dowd Solicitors 1 Blackhall View Blackhall Place Dublin 7 D07 FR59

# Threshold CHAIRPERSONS STATEMENT

for the financial year ended 31 December 2020

What Can Be Achieved When We Need To

By Aideen Hayden, Chairperson, Threshold

***The country has shown how in an emergency we can take unprecedented measures to protect people. We need to learn from that experience to ensure that vulnerable people living in insecure housing are provided with more effective protections and that these protections are mainstreamed for the long term. Otherwise, we face an intensifying crisis of insecure housing, homelessness and the exclusion of the majority of younger generations from home ownership. Let us take heart from what has been achieved and have the courage to make it last.***

2020 was a very challenging year for Threshold as it was for the country as a whole. There was deep uncertainty, particularly in the initial stages of the pandemic and indeed fear around the future. Almost overnight our unemployment rate jumped to a point where 500,000 people were out of work by April 2020. Many people wondered what the future would hold for them, particularly people who rented their homes, for whom the cost of renting was unaffordable even before the pandemic began. It is the worst crisis this country has faced in the living memory of most of our people. It is of course far from over so in presenting this year's annual report we must acknowledge that. What the crisis did do positively was to show us what was possible on many fronts. For Threshold as an organisation, it challenged us to move the services we offer to a new level, through adapting new technology and seeking and achieving change that didn't seem possible even a few months earlier. A moratorium on evictions, first introduced in March 2020 as an emergency public health measure to restrict movement during the Covid-19 pandemic, succeeded in ensuring that those renting could remain in their homes. A public health measure but with far reaching consequences, it resulted in reductions of 44% in family homelessness and 40% in child homelessness between February 2020 and February 2021.

Changes too to the Rent Supplement application process were introduced almost overnight, a system previously so cumbersome that it was designed not to be used or for an applicant to require significant intervention to navigate the process. The introduction of the Pandemic Unemployment Payment is another measure that showed how flexible supports could be when needed. All of these measures and more indicate the possible change that can happen but the challenge is ensuring lasting change. Private renters, we know, have taken a very large brunt of the pandemic. Research from within Threshold, the ESRI and internationally have shown that those who rent are more likely to work in the industries most affected by the public health measures. They are the most insecure in their jobs and in their housing and unless they are properly assisted, they will continue to pay a price for this pandemic, that others won't, with increased indebtedness, even greater insecurity and worse housing opportunities.

It is timely and appropriate to devise real solutions for renters in arrears – interest-free loans through a partner, such as Credit Unions, is one of many examples – in order to sustain tenancies where arrears have accrued and make sure these families and individuals don't carry unmanageable debt forward into the future. Some tenants will need debt forgiveness and should be granted this: after all, people who rent are just as important as other people and businesses who have been receiving help since the pandemic began.

We know through our services that there has been no large-scale withholding of rent by renters and, while there is a minority of renters who accrue arrears, the majority prioritise paying rent above everything else. Moratoria for those designated persons in rent arrears, doesn't mean their debt is forgiven: someone who owes as little as €100 on a monthly rent payment can still face eviction. This is why we need positive solutions to this problem. Families and individuals need security and real solutions. Even now, we are unwrapping the protections put in place, the moratorium on rent increases and evictions now only applies to a small cohort of people, and increasingly protections are limited in a way that doesn't take into account the significant loss of income for many renting. What the pandemic has shown is that change is possible, but we must build on that possibility.

The Government passed four pieces of legislation affecting private renters in 2020. Many of these were complex and required careful consideration to be understood correctly. Private renters required Threshold's expert advice to understand the rights and protections afforded to them under these new pieces of legislation. None of this is enough. At the end of 2020, Threshold has almost 1,000 termination cases carried over in spite of everything. In many of these cases, tenants will face eviction once all these moratoria end. We know from the Residential Tenancies Board's Q4 2020 Rent Index that rents continued to grow nationwide in 2020, despite the extraordinary emergency interventions that applied for most of the year. With the relentless increase in rents continuing and rental housing supply remaining low, the prospects for evicted tenants of finding suitable, safe, affordable housing are poor. In all but three areas of Dublin, it is cheaper throughout this country to pay a monthly mortgage on a home than to rent one. For the great majority of those who want to own their own home for the first time, the prospects are slim. This situation is unsupportable. What we offer those living in overpriced, insecure homes, somewhere they can never lay down roots, a place that can never be their "forever home" - will mark us as a nation.

## **Threshold CHAIRPERSONS STATEMENT**

for the financial year ended 31 December 2020

Our challenge is to provide:

- Real security and affordability for those who rent
- Real options to move on to homeownership for those who want to
- Fairness for those on schemes such as HAP, with similar terms and conditions to those in mainstream social housing.

As Chair of Threshold, I would like to sincerely thank our wonderful Staff for all their incredible work in 2020. I would also like to thank our Board. This has been an incredible year. The Board and staff have worked together as never before and risen effectively to an unprecedented challenge. Thank you also to our funders. As time has gone on, I believe our partnership role has grown and we work together more cohesively to derive solutions to the tasks that face us.



**Aideen Hayden**  
**Chairperson, Threshold.**

## **Threshold CHIEF EXECUTIVE'S STATEMENT**

for the financial year ended 31 December 2020

It goes without saying that 2020 was an unusual and highly challenging year for all of us. Initial restrictions due to the onset of the global pandemic in Ireland meant that Threshold needed to adapt swiftly. We switched the entire staff complement to working from home overnight in order to ensure continuity of our services to people in need of our advice and support. While this task faced many organisations in a similar way, this shift was something which Threshold staff did with agility and dedication. Without the rapid and constructive reaction of staff across the organisation, and their accommodation of massive changes to both their home and working life, we wouldn't have been able to keep providing the advice, vital tenancy protection and other housing services that we are known for and on which we pride ourselves. The year 2020 has really proven that people make organisations, and that the strength of a service is its people, and their resilience in the face of unpredictability. The impact we make on the lives of people who rent is down to the profound commitment of Threshold staff, interns, volunteers and Board.

As we adapted to working from home and as we transformed our infrastructure in order to meet the needs of private renters in 2020, our advisors worked on 20,728 cases. This was an increase of over 1,000 cases on 2019. Likewise, the actions carried out by advisors in Threshold increased from 82,357 actions in 2019 to almost 117,000 in 2020 – an increase of 42% on the previous year, reflecting just how much work was being done to assist tenants during such a precarious year. Advisors took an average of between five and six actions for every case as staff responded to the often complex and often constantly changing issues facing private renters in 2020.

Simultaneously, Threshold's work benefited 18,707 individual households in 2020 – an increase of 1,459 households on 2019. Our Freephone helpline continued to be the main channel through which clients contact us, with 49,172 inbound calls being received. Conscious of the changing communication trends and the emerging platforms for doing so, we knew that a growing share of clients preferred online engagement to a phone call. Threshold launched a webchat service in August of 2020, and by the end of 2020, we had responded to 3,993 queries via webchat. The feedback from tenants who have used our webchat function has been very positive and we plan to introduce a video conferencing platform for clients, and a new website, in 2021.

The five main issues in 2020 that our advisors provided tailored advice and support in relation to were, in descending order: Tenancy terminations; Advice on Lease; Standards and repairs; Deposit retention and Rent Review/Increase. Due to the restrictions, the level of representative work at the Residential Tenancies Board (RTB) in 2020 was affected. We represented 149 households at the RTB and assisted 211 households to submit disputes. Similarly, Threshold's Outreach clinics in parts of Clare, Dublin, Kerry, Limerick and Mayo operated across the country only until the public health restrictions were introduced in March 2020.

Threshold's Access Housing Unit in Cork supported 27 households (including 34 adults and 32 children) to exit homelessness into their own home in 2020. Working with Cork City Council, we source long-term secure homes for clients and provide visiting tenancy support.

Threshold continued its specialist second tier support service to the staff and volunteers of the Citizen's Information Centres (CICs) across the country. One quarter of the queries related to tenancy terminations while 12% related to advice on lease and 11% related to HAP and rent supplement. In 2020, we assisted staff of the CICs to support 351 clients with their housing queries.

As part of our ongoing relationship with students given the particular housing challenges they face, we provided training in 2020 to the students of Maynooth University in collaboration with the Free Legal Aid Centres (FLAC), and also to all Student Unions officers across the country.

But key to what we do is that we stop homelessness from happening in the first place. As in previous years, tenancy termination was the prevailing issue facing Threshold clients. Tenancy Protection is the difference between a family remaining in their home and getting on with their lives, or facing the devastating prospect of uprooting children, losing their support networks and having to enter homeless services, with the related human costs – as well as the costs to the exchequer. In 2020 we assisted over 11,346 tenancies at risk of homelessness. Of the cases closed in 2020, 5,173 households were prevented from entering homelessness – that's 7,121 adults and 4,026 children who were prevented from becoming homeless. This is clear evidence of the difference we make.

During 2020 we greatly appreciated the funding provided by the Department of Housing, the Dublin Region Homeless Executive, Cork City and County Councils and Kerry County Councils, Galway City Council, the HSE, the Department of Employment Affairs and Social Protection, Pobal's Scheme to Support National Organisations (SSNO) and the Citizen's Information Board. The various statutory funding streams mean that we can invest in and adapt our services according to the complex needs of a diverse and ever changing community of families and people who rent, mostly in the private rented sector. We thank our funders for the trust that they place in Threshold to deliver on our mission. Equally, we gratefully acknowledge the generosity of Threshold supporters and donors who have provided us with the ability to expand our reach and influence in order to both provide, and advocate for, a better deal for tenants. Indeed, recognising the disproportionate impact of Covid-19 and related restrictions on renters working in the hospitality sector, Guinness Ireland provided funding to Threshold. This support enabled a dedicated phone line and email service for this community of renters. Over 500 calls were answered and over 200 email queries received during the first lockdown in 2020. We commit to ensuring that the best possible use is made of every funding stream and donation to us.

**Threshold**  
**CHIEF EXECUTIVE'S STATEMENT**

for the financial year ended 31 December 2020

2020 was the middle year of our current three-year strategic plan. I want to thank our Board for the level of support and involvement they showed especially during the onset of the pandemic as they responded wholeheartedly, and as they oversee the implementation of that plan which sets out goals for our services, housing access, and solutions-based policy and advocacy work.

A handwritten signature in blue ink, appearing to read "John-Mark McCafferty". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John-Mark McCafferty  
**Chief Executive Officer**

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

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 2020.

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 2020.

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 2020. 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 DIRECTORS REPORT

for the financial year ended 31 December 2020

**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.

## **Strategic Objectives: Performance, Achievements and Outcomes against Objectives**

Our Strategic Objectives for 2019 to 2021 are to:

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.

## **The Impact of Covid-19 in 2020**

On March 12th, 2020, the Government put in place public health measures to restrict the spread of Covid-19. Within the first week an estimated 140,000 people lost their jobs and by the 6th of April over 500,000 people were out of work and in receipt of the new income support, the Pandemic Unemployment Payment. The direction was to work from home where possible. It is estimated that 40% of those effected by job losses lived in the Private Rented Sector (PRS)

Threshold's National Freephone service continued uninterrupted with advisors on the end of the line to assist private renters. We continued to provide advocacy, advice, represent people at the Residential Tenancies Board (RTB), and liaise with the Local Authorities and Social Welfare offices, as well as our colleagues in other organisations. With the support of Guinness, Threshold established a dedicated email service and phone line for private renters who worked in the hospitality sector, whose income had been affected by Covid-19 and who were finding it difficult to pay the rent as a result and whose tenancies were at risk.

"Krystyna, Jakub and their little boy have lived in their rented home for more than five years. Both Krystyna and Jakub lost their jobs at the outset of the Covid-19 pandemic and were in receipt of the Pandemic Unemployment Payment. They immediately fell behind on the rent of €1,500 a month. When the couple contacted Threshold we first of all identified that the rent had been increased above the permitted 4% each year that they had lived there. In addition, the landlord refused to accept rent supplement leaving the tenant with no means to pay the rent. Threshold assisted the couple to lodge a dispute with the RTB for the overpaid rent, at which the RTB found in their favour and ordered the landlord reimburse the couple. On foot of this, the couple were able to afford the rent and stay in their home."

Even in early March, Threshold was already seeing the impact of the Covid-19 as calls were coming in from people who had lost their jobs or were told to leave their home. Those first queries came from a cohort of renters who have very little protection or standing in housing policy or legislation – licensees, often renting a room from the owner occupier.

In 2020, we saw four pieces of complex legislation introduced to protect and support renters during the pandemic. Threshold's policy and legal officers engaged with the legislature to ensure the changes guaranteed the best possible outcomes for tenants. Threshold advisors were trained and informed on the changes to ensure the advice they provided to private renters was accurate.

While there was an initial drop off in calls to our Freephone line, possibly due to the moratorium on evictions, Threshold supported a greater number of private renters in 2020 than the previous year. Threshold advisors carried out an even greater number of interventions than the previous year. As a result of the moratorium on evictions, fewer private renters were at risk of homelessness and the numbers of families and children experiencing homelessness dropped dramatically. This has been a positive change in Ireland and one Threshold hopes can be built on through future policy and legislative changes..

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

## **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 clients' 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.

### **Responding to Covid-19**

The Threshold Tenancy Protection Service continued throughout 2020 as advisors moved to remote working. All work was conducted over the phones as face-to-face consultations and the outreach clinics had to be suspended. 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.

Recognising the disproportionate impact on private renters working in the hospitality sector, Guinness Ireland provided funding to Threshold to provide a dedicated phone line and email service for this group of renters. Over 500 calls were answered and over 200 email queries received.

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 changed the nature of the calls received. An increased number of tenants required advice on their lease, wanted to know how they could end their tenancy and how to apply for rent supplement. There was a significant drop off in the number of queries relating to rent reviews.

The Government passed four pieces of legislation effecting private renters in 2020. Many of these were complex and required careful consideration to be understood correctly. Private renters required Threshold's expert advice to understand the rights and protections afforded to them under these new pieces of legislation. The advisors continued to be extremely busy navigating the numerous changes in legislation and calculating revised termination dates for clients on foot of the moratoriums. There was an increase in private renters contacting Threshold for advice on their tenancy obligations as many wanted to return home due to remote working and colleges also moving online.

### **National Freephone**

In 2020, Threshold answered 49,172 calls, to the National Freephone, from tenants living in the private rented sector who were in need of advice, advocacy and/or support with their tenancy. This is a decrease on the calls received previous years. There was an increase in queries via email.

### **Webchat**

We launched a webchat service on the 11<sup>th</sup> of August as another means for tenants to contact Threshold. We were aware that growing number of tenants might be more likely to engage via webchat than contact us by phone. The number of queries presenting to webchat bore this out. By the end of 2020, Threshold had responded to 3,993 queries via webchat. It was much busier than had been anticipated and may need increased resources. The response from tenants who have used the webchat function has been very positive.

*"Great service, had my question answered in less than 5 minutes."*

*"Very helpful, professional and gave clear, sound advice. Thank you."*

*"Great information and advice. Could not ask for more and made me feel at ease."*

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

*"I am so thankful for the help got so far. Your staff are first class!!"*

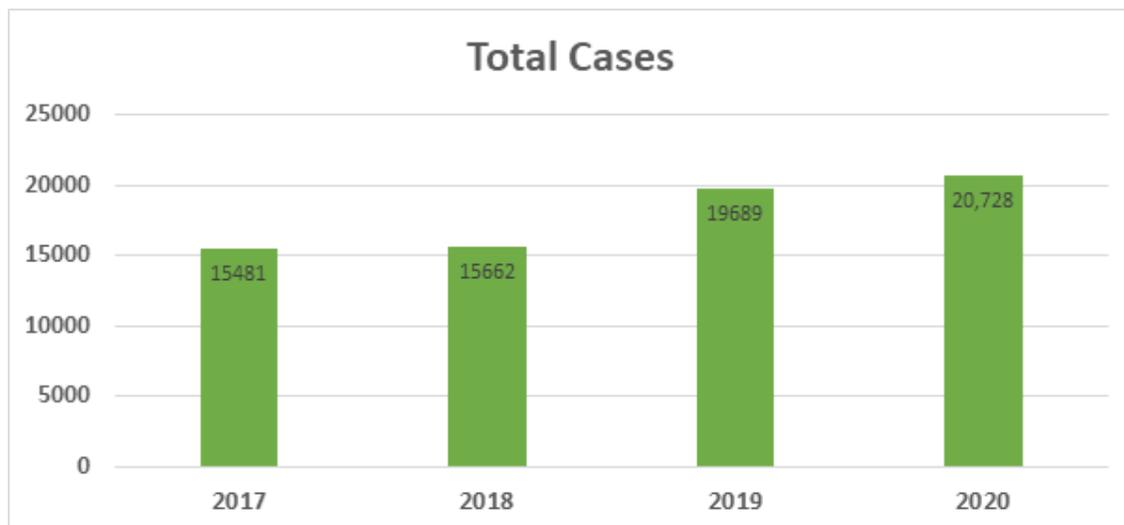
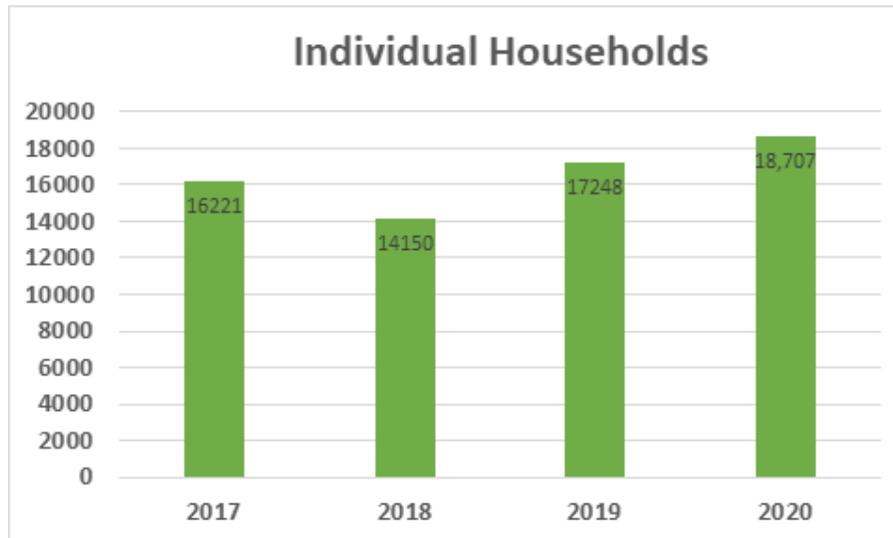
*"Answered all my queries and made me far, far less concerned and ensured we were in the right as regards rental queries. The staff deserve credit for being so approachable and knowledgeable."*

## Email

A growing number of queries were received via email. In 2020, 5,319 cases came from email queries by tenants compared to 3,278 in 2019.

## Areas of Work

In 2020, Threshold advisors assisted 18,707 households, across 20,728 cases and carried out 116,751 individual actions.



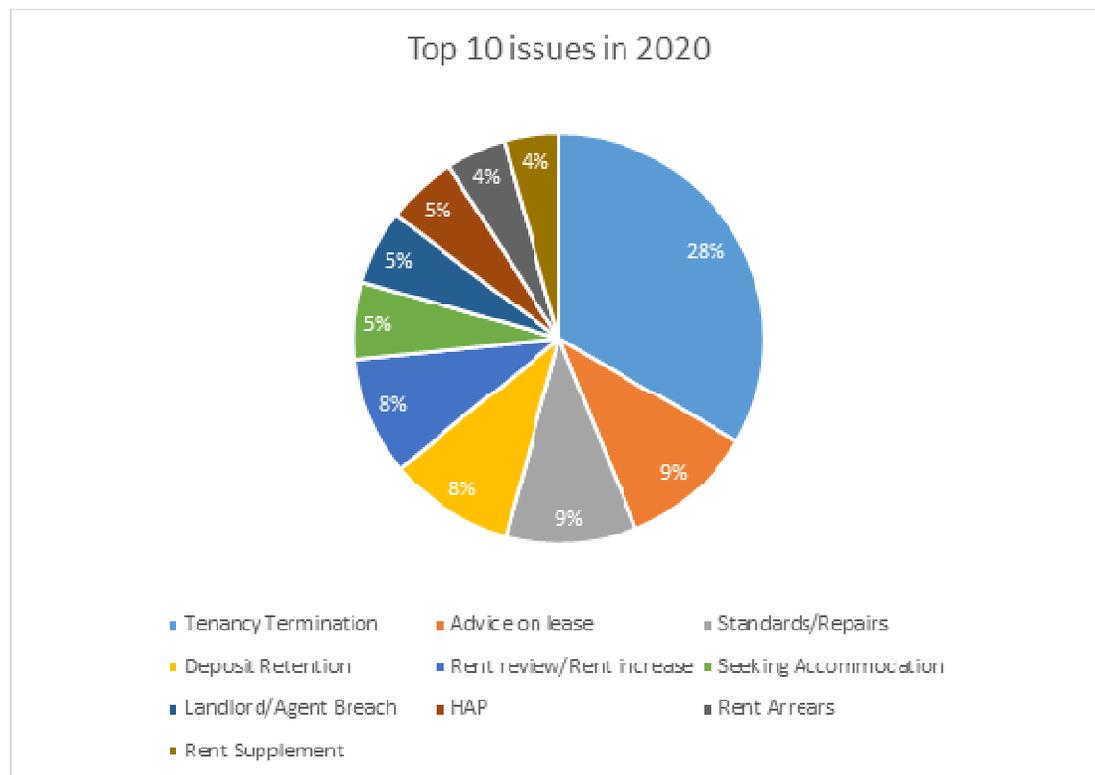
# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

The main issues tenants required support with in 2020 were:

1. Tenancy terminations
2. Advice on Lease
3. Standards and repairs
4. Deposit retention
5. Rent Review/Increase
6. Seeking Accommodation
7. Landlord/Agent Breach
8. HAP
9. Rent Arrears
10. Rent Supplement

The only difference in the issues presenting between 2020 and 2019 is the increase in queries from tenants seeking advice on their lease.



## Tenancy Terminations

Tenancy terminations remains the number one issue facing tenants in 2020. It did however, account for a lower proportion of cases, down from 35% in 2019 to 28% in 2020. This can be accounted for by the moratoriums on evictions put in place in response to Covid-19. The moratorium on evictions ran from the 27<sup>th</sup> March to the 31<sup>st</sup> of July, from the 24<sup>th</sup> October to the 1<sup>st</sup> December and again from the 31<sup>st</sup> December to the 12<sup>th</sup> April 2021. In addition to this, a moratorium on evictions on the grounds of arrears for tenants who lost their income due to Covid-19 ran from the 1<sup>st</sup> August and extended into 2021.

Sale remained the primary reason for a landlord to end a tenancy in 2020, accounting for 27% of the notices brought to Threshold by private renters. We found 47% of terminations to be invalid; this includes invalid notices, illegal evictions and threatened evictions.

## Advice on Lease

Calls for advice on a lease was the second most common query, accounting for 9% of queries, the number of queries doubling between 2019 and 2020. This was driven by the impact of Covid-19 restrictions. Tenants in the private rented sector were disproportionately impacted by Covid-19 related job loss. Many young renters in house

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

shares, who lost their jobs, contacted Threshold as they sought to end their tenancy and return to live with family, where this was an option. In addition, when the third level institutions closed, many students sought advice on how to end their tenancies so they could also return to the family home.

## Rent Reviews

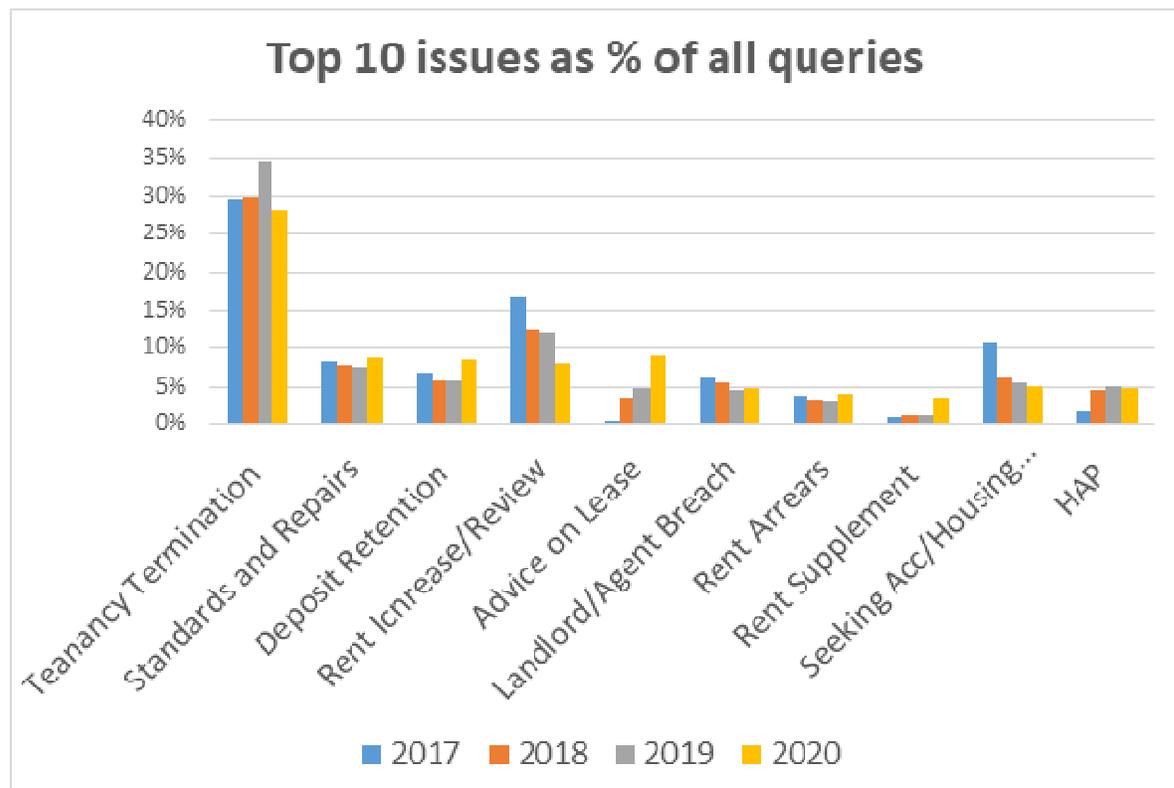
Rent review/increase queries decreased from 12% of queries in 2019 to 8% of queries in 2020. This is likely related to the moratorium on rent increases, which ran from March to July. Landlords may also have chosen not to increase rents in 2020 because of the impact of Covid-19 on their tenants.

## Standards and Repairs

There was a small increase in the percentage of calls for standards and repair issues; this is likely due to Covid-19 restrictions limiting a landlord's ability to carry out repairs.

## Deposit Retention

Queries relating to deposit retention have increased. This is linked to instances where tenants wished to end their tenancies and were unsure if they were entitled to have their deposit returned. This was a particular issue for students, as they are often in fixed term tenancy agreements which means they are generally not entitled to the return of the deposit if they end the tenancy early. Students faced particular challenges, not just in seeking the return of their deposits, but in seeking the return of the rent they had paid up front. Private accommodation providers, in particular, have not been inclined to return the rents and in some cases are not obliged to do so.



Note: Percentage figures are of the total number of issues

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

## Homeless Prevention

In 2020, Threshold identified 11,346 households at risk of homelessness. This is lower than in 2019, likely as a result of the moratorium on evictions. Of the cases closed in 2020, 5,173 households were prevented from entering homelessness. These 5,173 households were made up of 7,121 adults and 4,026 children.

The outcome is unknown for 1,145 households. The remainder carried over into 2021.

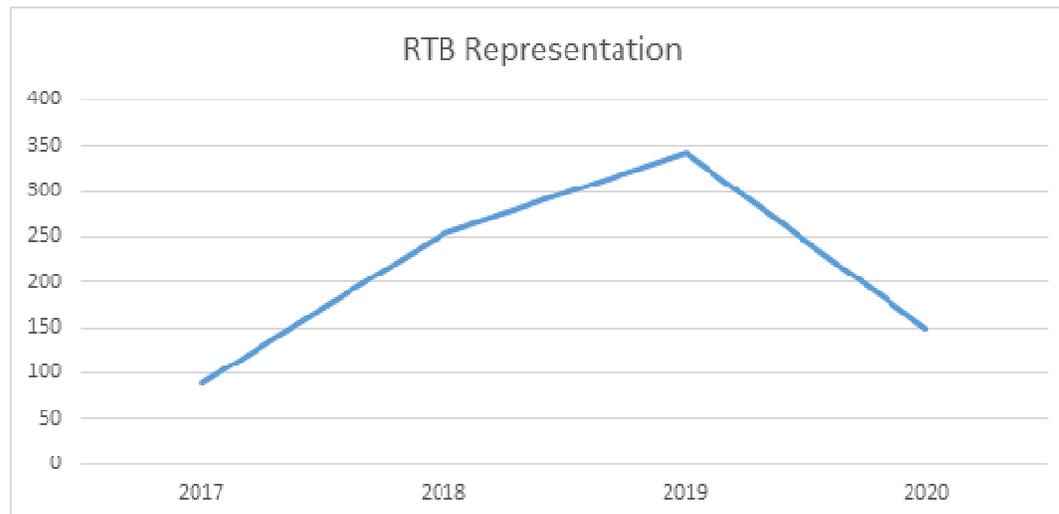
For some households, homelessness could not be prevented. In 2020, 255 households lost their home and were unable to secure a new home. This is a decrease on the number who lost their home in 2019. This is likely a result of the moratorium on evictions.

*“Jamie and her partner Marcus had moved into a new home after a period of homelessness. This was their new start in life. However, less than 6 months into the tenancy the couple received a notice of termination from the landlord. They were devastated and terrified of returning to homelessness. Fortunately, they rang the Threshold Freephone and spoke to an advisor. The advisor they spoke to was able to look at the notice and tell them it was invalid. She spoke to the landlord on behalf of Jamie and Marcus to explain he could not evict them. The landlord accepted this and the couple remain in their home.”*

## Representation at the Residential Tenancies Board

Threshold advisors have expertise in housing law, in particular the Residential Tenancies Acts 2004-2020. They are highly knowledgeable and experienced in the various options available to tenants who require support to remain in their home.

In 2020, Threshold advisors represented 149 households at the Residential Tenancies Board (RTB) and assisted 211 households to submit disputes. There was a decrease in representation cases as the RTB had to temporarily adjourn cases during the early stages of the Covid-19 pandemic.



*“Miguel and Susanna have been renting their home for two years. They found out that their landlord was charging them more than the lawfully permitted rent - €200 more a month than he should have been charging. Threshold assisted the couple to dispute the rent at the RTB. The RTB found in their favour and ordered the landlord to reimburse them the overpaid rent. The landlord then issued an invalid notice of termination and has failed to reimburse the tenants the overpaid rent. This case has ran for over one year and Threshold will stick by the tenants until it is resolved.”*

## Interim Tenancy Sustainment Protocol

In 2020, we supported 36 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 homeless prevention measure. The number of households in need of the ITSP uplift is decreasing as rent supplement recipients transition to HAP. Since its establishment in 2014, Threshold have been able to use the ITSP to protect the homes of 6,375 households (9,767 adults and 10,717 children).

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

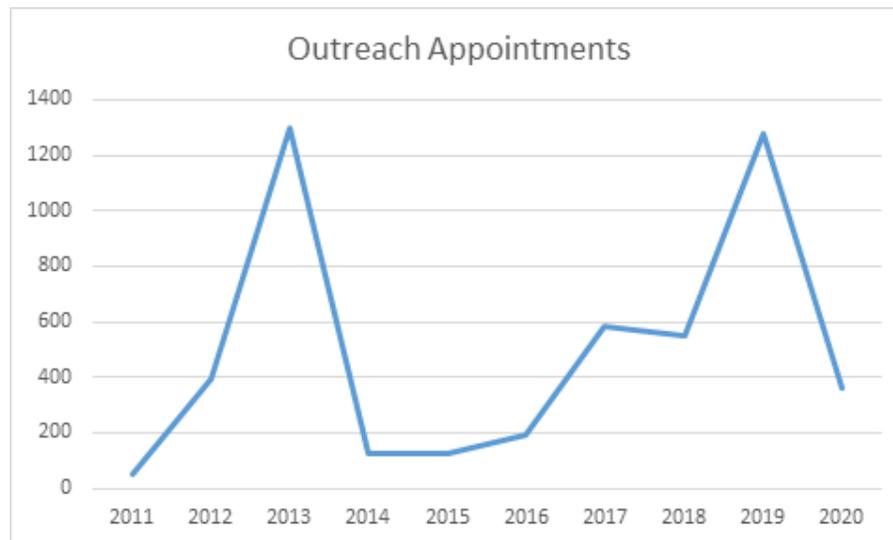
However, as recipients of rent supplement move to HAP, our ITSP advisors have identified that a proportion of these tenants' rents are outside the HAP limits, putting them at risk of losing their homes. This is often because of the shortage of private rented accommodation, the high rents nationally and their limited incomes. 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 a Tenancy Sustainment Protocol for HAP.

## Outreach Services

Threshold's Outreach clinics operated across the country until the public health restrictions were introduced in March 2020. Prior to the suspension of the Outreach clinics, Threshold advisors provided clinic appointments to:

- 69 private renters in Fingal County Council in Blanchardstown
- 35 in the Balbriggan Citizen's Information Centre, Co. Dublin
- 8 in Ennis Citizen's Information Centre, Co Clare
- 12 in Castlebar Citizen's Information Centre, Co. Mayo
- 46 in Limerick City
- 37 in Tralee, Co. Kerry
- 116 in the Dublin City Council Civic Offices
- 36 in the Homeless Section of Dublin City Council.

Despite the cessation of the Outreach clinics, Threshold advisors continue to liaise closely with the Local Authorities to receive referrals and provide supports.



*"Stephen is an older man living on his own. He attended a Threshold Outreach Clinic as he received two notices of termination from his landlord. Both notices were invalid. A Threshold advisor advocated on behalf of Stephen to prevent the eviction and to keep him in his home. The landlord eventually issued a valid notice of termination. Due to the moratoriums on evictions which were in operation through much of 2020, Stephen does not have to move out until Summer 2021. This has given him sufficient time to source a new home."*

## Working with Single People

In December 2019, Threshold commenced a pilot service for single persons and couples without dependent children, in Dublin who are renting and at risk of becoming homeless. Due to Covid-19 health restrictions, the project operated remotely from mid-March 2020.

A small number of clients were living in emergency accommodation or staying with family and friends. In total, 360 households have been supported through this service. Due to the protections provided by the various legislative amendments throughout 2020, many of the cases dealt carried over into 2021 with only 179 cases closed during the year. Of the cases closed, the Pilot project prevented 93 clients from entering homelessness.

Demand for the service increased at the outset of the Covid-19 pandemic, and referrals increased by 129% from April to May 2020, making May 2020 the busiest month to date. As the service had to move to remote working, clients could not be accompanied to viewings. Nevertheless, the outcomes of the closed cases, with only 3% of at-risk clients entering homelessness, clearly demonstrate the success and impact of the Single Person Homelessness Pilot.

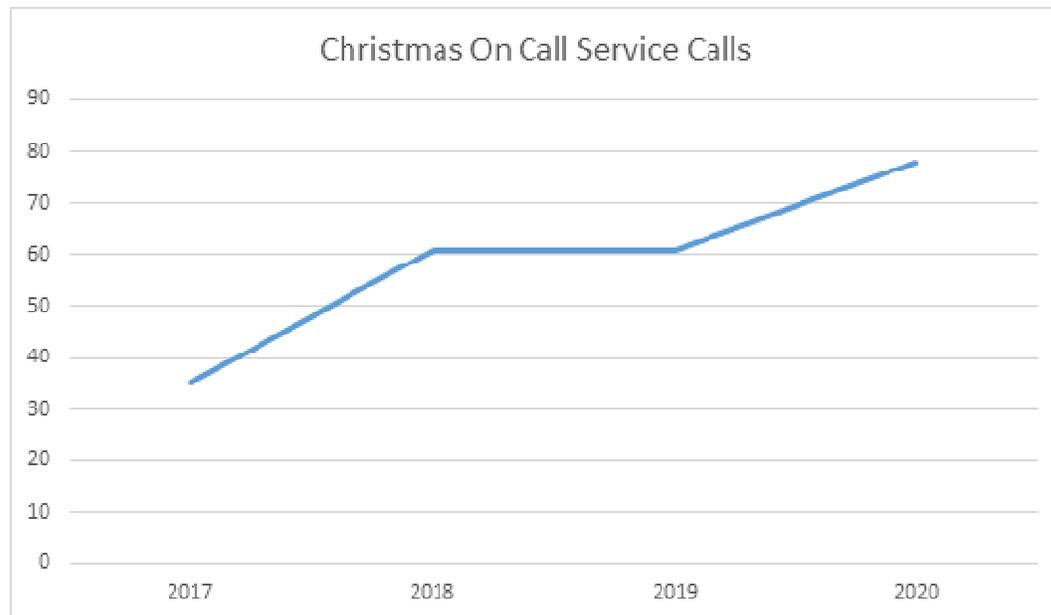
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*“Frank was illegally evicted from his rented home. He was unable to find a new home to rent and was couchsurfing, moving from one friend’s house to another. Frank got in touch with Threshold when he attended the Single Persons Outreach clinic in Dublin City Council’s Homeless Section. Threshold immediately got to work assisting Frank to access Homeless HAP and find a new rented home. Frank is a vulnerable person with some health issues; this unfortunately made finding a new home more challenging for him. Frank eventually found a rented home that suited his needs with a landlord who was willing to accept HAP. However, at the last minute the landlord got cold feet and wasn’t willing to wait for the HAP payments to go through for Frank to move in. It looked like Frank was going to lose the property. Luckily, the Threshold advisor was able to secure assurances from the HAP section that the payment would be made without delay and reassure the landlord of this. The landlord agreed to Frank moving in. After over a year of homelessness, Frank now has a home he feels safe and secure in.”*

### Christmas On Call Service

To ensure a service is available to tenants throughout the year, we provide a Christmas On Call Service. We received 78 calls to the Christmas on call service in 2020. There has been a steady increase in demand for this service since 2017. In 2020, 26% of queries were in relation to tenancy termination.



### Working with Students

Threshold has continued to build upon its longstanding, positive working relationship with students from undergraduates, postgraduates to international students.

In 2020, Threshold provided training to the students of Maynooth University in collaboration with the Free Legal Aid Centres (FLAC), and annual training to all Student Unions officers across the country. In the summer of 2020, Threshold conducted a survey on students’ experience of Covid-19, and a press release was issued in partnership with the Union of Students of Ireland.

### 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 City PPN), 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. 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 these 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 second 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:

- 25% of the queries related to tenancy terminations

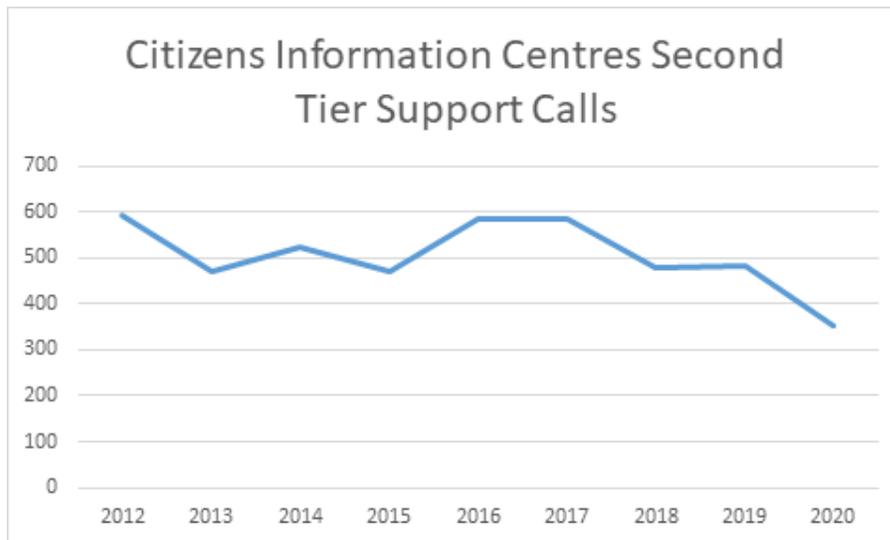
## Threshold DIRECTORS REPORT

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- 12% related to advice on lease
- 11% related to HAP and rent supplement.

This service has been operating since 2012 and in 2020 Threshold assisted staff of the CICs to support 351 clients with their queries, a decrease on the 486 client queries in 2019. The figures reflect the impact of the Covid-19 pandemic and the various protections introduced to protect tenants during this time. The total number of unique queries responded to since 2012 is 4,544.

Whilst many of the queries in 2020 were understandably related to Covid-19 in terms of general termination and advice on lease, broadly speaking the most common types of queries dealt with by the liaison officer have remained similar year on year. These are tenancy terminations, rent reviews, deposit retention as well as standards and repairs.



We delivered in-person training sessions to the staff of the CICs before the Covid-19 public health restrictions were put in place. We were also able to deliver a number of online sessions later in the year.

During the year, we provided CICs with periodic updates on Threshold services as well as on the following key legal and operational issues:

- Covid-19 and renting
- Designated RPZ areas updates
- Emergency Period Updates
- Budget 2021 updates

It is expected that we will continue to operate remotely for a considerable part of 2021 and that the measures protecting tenancies will have to be extended further. This will continue to have an impact upon the service.

We will continue to link in with CIC's and keep them updated on any legislative amendments and offer info update sessions and training to each centre as required.

### Training and Information Sessions

Threshold delivered training sessions to Dublin City Council, Pavee Point, the Migrant Rights Centre Ireland, the Trinity College Accommodation Office and the Trinity Global Room. We delivered eight sessions to the staff of MABS as part of their new role in assisting with tenants whose income was affected by Covid-19.

### 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.*

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Threshold is the leading agency influencing legislation and policy to protect and support tenants in the Private Rented Sector (PRS) to 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 homeless 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, including those mentioned above in the section 'Homeless Prevention and Engagement with Public Bodies'. We respond 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.

## **The Impact of the Covid-19 Pandemic in 2020**

The Covid-19 pandemic had an impact on our policy, research and legal work in 2020. The Tenant Sentiment Survey, which was underway in February 2020, 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. The need to influence the legislation to protect renters during the pandemic took precedence and required intense work in a quick turnaround. There was a greater demand for in-staff training on the legislation as it frequently changed during the year.

Plans to publish research, conduct research and launch reports were delayed by a few months. The launch events were conducted online in webinar format. 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 fall out of Covid-19 is shaping our policy, advocacy and legal work as private renters were disproportionately impacted by Covid-19 related income and job losses. The pandemic also laid bare the precarity of the PRS as a housing tenure.

## **General Election 2020**

The General Election was held on February 8<sup>th</sup> 2020 with less than 5 weeks' notice. Threshold published "A Platform for Action on Housing" in advance of the election and sought all parties' commitment to the key asks it contained. These were:

- The introduction of indefinite tenancies
- The incentivisation and promotion of long term lease agreements
- The introduction of a property-specific Rent Register
- A review of Rent Pressure Zone measures to establish whether further rent certainty measures are necessary
- The establishment of a custodial Deposit Protection Scheme and the definition of a deposit as the equivalent of one month's rent
- An amendment of the legal definition of landlord to include banks and receivers
- An overhaul of the current standards inspection system and the appropriate resourcing of an effective and efficient inspection system
- Consideration to be given to abolishing the category of licensee and replacing it with a set of circumscribed tenancy rights
- The provision of the necessary resources to Local Authorities to enforce the regulation of short-term lets.

Threshold held meetings with a number of elected representatives following the election to discuss how to advance these key asks.

## **The Future of the Private Rented Sector in Ireland and the Programme for Government**

In June 2020, Threshold submitted a detailed document on the future of the private rented sector to the political parties engaged in negotiating Government formation. The document included short-, medium- and long-term measures to transform the PRS into a viable tenure of choice, in light of the impact of the Covid-19 pandemic on society and the economy. Threshold launched this document via a webinar in July 2020.

## **High Level Homeless Taskforce**

Threshold's CEO was invited to join the Minister for Housing's high-level homeless taskforce. The taskforce attended by the CEOs of a number of homeless organisations provides an opportunity to input on the implementation of the commitments on homelessness in the Programme for Government. It is overseen by the Minister and his officials.

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## **Dublin Lord Mayor Homeless Taskforce**

In November 2020, Threshold presented to the Dublin Lord Mayor's homeless taskforce. Threshold stressed the importance and value of services, such as Threshold's Tenancy Protection Service, in preventing homelessness before it occurs.

## **The Right to Housing**

In 2019, Threshold joined the "Home for Good" coalition which is campaigning for a referendum to insert a right to housing in the Constitution. The coalition 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.

In 2020, the Government included, in the Programme for Government, a commitment to a referendum on housing. Home for Good continues the campaign to ensure such a referendum is held as well as influence the wording for 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.

## **Legislative Changes**

A number of pieces of legislation related to the impact of Covid-19 were introduced in 2020.

In March 2020, the "Emergency Measures in the Public Interest (COVID-19) Act" was introduced. This Act included a three-month moratorium on evictions and rent increases in the PRS. It was extended for a further two months ending on the 31<sup>st</sup> of July 2020.

In August 2020, the "Residential Tenancies and Valuation Act 2020" was passed. This provided protections from evictions for arrears for renters who lost income as a result of the Covid-19 restrictions. The Act set out a number of criteria that must be satisfied for a renter to avail of the protections. These protections were set to run until January 2021.

In October, the "Residential Tenancies Act 2020" was passed. This Act specifically triggers a moratorium on evictions when the Minister of Health puts in place a 5km restriction on movement in response to the Covid-19 pandemic. This triggered a moratorium on evictions which ran from 24<sup>th</sup> October to the 1<sup>st</sup> December and again from the 31<sup>st</sup> December to the 12<sup>th</sup> April.

In December, the "Planning and Development, and Residential Tenancies Act 2020" was passed. This Act extends the protections afforded to private renters by the "Residential Tenancies and Valuation Act 2020" as these were to end in January 2021. This new Act extended these protections to April 2021 with some changes to eligibility for protection.

Threshold engaged with the Government and the Legislature on each of these pieces of legislation as they passed through the Oireachtas to ensure the best outcome for private renters. The "Residential Tenancies and Valuation Act 2020" and the "Planning and Development, and Residential Tenancies Act 2020" are incredibly complex pieces of legislation. Threshold believes it is because of this complexity that there has been little take up of the protections they provide. Threshold has advocated that the moratorium on evictions be decoupled from the 5km restriction on movement. We have proposed that it be put in place for a minimum of 6 months with the possibility of further extensions depending on the threat of Covid-19 to public health. Alternatively, we have proposed that the moratorium be triggered when the country is at Level 3 restrictions or higher.

## **The Ban on Co-living**

Threshold has voiced concerns about proposal for co-living developments in Ireland. These proposals have been controversial, and a number were given planning permission in 2019. In some of the proposed developments, it was envisaged that many residents would share a communal kitchen, and the only private space for residents would be a very small en-suite bedroom. It was expected that residents would be given licence agreements meaning they would not have the protections of the Residential Tenancies Act. In addition, they would be expected to pay premium rents for such spaces. We advised that investment needs to be made in long-term sustainable housing options, which co-living is not.

In December 2020, the Minister for Housing made the necessary legislative changes to prevent further development of co-living complexes, which had not yet received planning permission. While a number of projects had received planning permission prior to this change, they not have yet come to market.

## **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. The 2020 conference was postponed to 2021 due Covid-19 restrictions. Threshold plans to participate in the conference and host an ENHR workshop in 2021.

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## **Pre-Budget Submission 2020**

In September 2020, Threshold launched its Pre-Budget Submission calling for ten key measures to strengthen the PRS in the short- to long-term, alleviate the impact of Covid-19 on private renters and expand social housing provision.

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 increases 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 Housing Assistance Payment (HAP) and a number of recommendations to enhance the experience of Threshold's Community Employment participants.

## **Irish Research Council New Foundations Grant Scheme**

In 2019, Threshold signed up as the NGO partner on research by UCD's Dr. Michael Byrne into tenant agency, funded by the Irish Research Council New Foundations Scheme. Threshold advisors and staff were interviewed by Dr. Byrne and assisted in the recruitment of interviewees among our client group. Threshold published and launched the final research paper "Security and Agency in the Irish Private Rental Sector" in July 2020.

In 2020, Threshold signed up as NGO partner on Dr. Carla Kayanan's (UCD) research into the impact of the tech sector on housing in key areas in Dublin. Dr. Kayanan amended the line of enquiry to account for the increase in remote working on foot of Covid-19 restrictions. The research began in 2020 and will conclude in 2021. The project is also funded through the Irish Research Council New Foundation scheme.

## **Tenant Sentiment Survey**

Threshold began its annual Tenant Sentiment Survey in February 2020. It was decided to suspend the survey at the outset of the Covid-19 pandemic as there was great uncertainty for private renters at the time. We resumed the survey in July 2020. Additional questions on the impact of Covid-19 were added to the survey. We published the findings on the 11<sup>th</sup> of November. This was the third year of the Threshold Tenant Sentiment Survey.

## **Research Committee**

Threshold established a Research Committee in January 2020. The committee meets on a regular basis to support the research function of Threshold.

## **Submissions to Joint Oireachtas Committees**

In December 2020, Threshold was invited to speak to the Joint Oireachtas Committee on Housing on research entitled "HAP: making the right impact?" which we published in partnership with the Society of St. Vincent de Paul. Threshold presented alongside the Society of St. Vincent de Paul, putting forward our key recommendations from the report. The Committee undertook to investigate what changes to the Housing Assistance Payment scheme could be made in the short-term to improve its shortcomings and ensure it is working for private renters who rely on it.

## **Public Consultation "Removing Barriers to Energy Efficiency in the Rental Sector by Addressing the Split-Incentive Problem"**

In 2020, Threshold responded to the Department of Communications, Climate Action and Energy's public consultation on "Removing Barriers to Energy Efficiency in the Rental Sector by Addressing the Split-Incentive Problem". The consultation document contained a series of proposals on overcoming policy challenges in this area. Threshold was supportive of a number of policy proposals which, if designed well on foot of good engagement with landlords and tenants, could make a significant contribution to this policy.

## **Irish Homeless Policy Group**

Threshold is a member of an informal grouping of homeless organisations, The Irish Homeless Policy Group (IHPG). In 2019, IHPG was granted funding by the Irish Human Rights and Equality Commission to research the utilisation of the public sector duty to tackle concerns around discrimination in the housing and homelessness sector and to produce a guidance document from this work. As part of this project, Threshold participated in a roundtable event, provided data for analysis and was a member of the oversight group.

The final document "Ensuring Homes For All" was completed in October 2020. It is hoped that it will support public authorities responsible for housing and homeless services to implement the public sector equality and human rights duty and to provide a platform for civil society participation and collaboration in this process.

## **Work with Law Firm Arthur Cox**

During 2020, Threshold continued its pro bono relationship with Arthur Cox. This arrangement has proved beneficial to both Threshold and Arthur Cox. The relationship has two parts. The first involves Arthur Cox providing legal support to vulnerable clients of Threshold who require representation before the courts. This resulted in a number of Threshold clients being taken on as Arthur Cox clients during 2020. The second limb of the arrangement is the placement of legal interns with Threshold. During 2020, Threshold benefited from the placement of two legal interns

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in our Galway Office. The placement of legal interns has proved very successful, both in assisting Threshold with its work and in providing valuable and varied experience for the interns in question. Another legal intern will begin work in May 2021 and we hope to continue this arrangement in the years to come.

## **Intern from the National University of Ireland, Galway**

Threshold hosted two student interns from NUI Galway in 2020. A student intern from the Law and Business Degree course in NUI Galway worked with our Galway Office from September 2020 to April 2021. This arrangement will continue during 2021. A student intern from the Bachelor of Applied Social Science course worked with our Policy Officer from January to May 2020. This was the first year Threshold hosted a student from NUI Galway.

## **Centre for Effective Services Intern**

An intern, completing the graduate programme with Centre for Effective Services (CES), worked alongside our Policy and Legal team from June to August 2020. The programme gives the participant specialist experience of implementing evidence informed services, and the translation of evidence into policy and practice to improve outcomes. This is the second year Threshold has hosted a CES intern.

## **Future Plans and Challenges**

### **Legislative Changes**

A number of Threshold's 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, the recognition of lending institutions and receivers as landlords and the definition of a deposit as the equivalent of one month's rent.

These are changes Threshold has advocated for some time and will continue to advocate for. We had anticipated a Bill at the end of 2019 to address some of these matters, however it was not published. The current Minister indicates he plans to publish such a Bill in 2021.

### **Deposit Protection Scheme**

Threshold has advocated for a Deposit Protection Scheme for over ten years. The scheme was legislation for in 2015 but never enacted. The current Government has committed to the establishment of the scheme, in the Programme for Government. Threshold will continue to campaign for the scheme and work with the Government on its establishment.

### **Submission to "Housing for All"**

The Government will publish its housing plan "Housing for All" in the summer of 2021. Threshold will make a submission advocating for the necessary measures to make the private rented sector a viable tenure of choice.

### **Rent Pressure Zone Legislation**

The Rent Pressure Zone (RPZ) legislation falls in December 2021. This ensured that annual rent increases in designated areas, RPZs, could not exceed 4%. This was introduced in 2016 to moderate high rent increases. While the legislation had a moderating effect on rents, rents continued to grow and remain the highest they have ever been. For this reason, some form of rent regulation will still be required from 2022 until such a time as there is an adequate supply of affordable housing to rent or buy. Threshold will put forward recommendations to the Minister for Housing on this issue and are supportive of indications that future rent increase will be linked to the Consumer Price Index.

### **The Future of the Private Rented Sector**

The Covid-19 pandemic laid bare the failings of the PRS as a viable tenure choice. The moratorium on evictions demonstrated the effectiveness of one key intervention in reducing homelessness. The responsiveness of the Government in introducing the moratorium on evictions and rent increases and the relaxing of the rent supplement rules demonstrated what interventions are possible when there is political will. Threshold will advocate for these interventions to be built on, alongside other key measures, to achieve the vision of an Ireland where everyone has access to affordable, secure, suitable and good quality housing.

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## **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 2020, the Access Housing Unit (AHU) supported 27 households (including 34 adults and 32 children) 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 Resettlement and Tenancy Sustainment Support Team 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 2020, this service provided support to 49 households (57 adults and 63 children).

In addition, the AHU offers Tenancy Sustainment Support to those who require additional support within an existing tenancy. In 2020, 14 households (including 16 children) were supported by the Tenancy Sustainment worker.

### **The Impact of Covid-19 in 2020**

Covid-19 presented a number of challenges for the Access Housing Unit in 2020. The most significant change for the AHU emerged when the restrictions were announced on March 27<sup>th</sup>, instructing all non-essential services to close and work remotely where possible. Landlords and Estate Agents were advised to cease operating which prevented staff at the AHU from arranging property viewings for a number of weeks. In addition, the cost of rent rose in Cork in 2020 despite the RPZs being in place. The availability of properties also declined.

However, there was a brief window of increased opportunity to secure housing as student accommodation and short-term lets became available due to colleges working remotely and the reduction of tourism in Ireland.

The inability to meet clients face to face was challenging but support continued to be provided to all clients via phone, email, advocacy, interagency work, conference calls with utility providers/key workers and socially distanced outdoor meetings. These measures were implemented to safeguard staff and clients and adhere to public health advice.

The Visiting Support element of the roles at the AHU could not take place due to government guidelines. This required new and innovative thinking to address tenancy issues. Staff and clients adapted well to addressing any issues which presented.

It was difficult to adequately assess new clients referred to the service with the absence of face to face meetings. The allocation of clients to various properties which became available was more challenging. Setting up utility accounts by telephone and communicating on tenancy issues presented challenges for this service.

Clients showed huge resilience during this difficult time and responded well to support provided by staff of the AHU. The pandemic has required organisations to adapt to new working arrangements and consider alternative means of supporting people. Staff continued to monitor our clients' mental health, addiction issues, child protection concerns and rent/ bill payments on a daily basis.

Completing necessary documentation with clients where a language barrier presented was challenging for the service while working remotely. The support of Key Workers in emergency services was paramount in carrying out this task as access to interpreters was not an option.

There was a reduction of Resettlement and Tenancy Sustainment referrals received by the AHU in 2020 due to COVID-19. This reduction was the result of residential services having to prioritise the safeguarding of their clients and focus on issues such as self-isolation. The reduction of Tenancy Sustainment referrals was also a result of a change in work practices for Local Authorities and AHBs.

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The AHU Assistant Manager attended regular HSE Teleconferences and meetings with all services affiliated with the Social Inclusion Team in Cork. The Social Inclusion Team designed a Standard Operating Procedure to monitor all clients self-isolating in residential services and in the community. Staff were required to record and submit data on all individuals self-isolating and monitor cases on a daily basis. Social Inclusion Team were also informed of clients leaving self-isolation.

### **Plans for the future**

The AHU will continue to source much needed homes for individuals and families in the Cork region in 2021. The need for a secure and safe place to call home has never been so important since the emergence of Covid-19. The AHU distributed leaflets via email to a large number of Estate Agents in Cork City and County with the hope of attracting new landlords to work with the service.

The AHU is hopeful that the forthcoming Government housing plan "Housing for All" will carefully consider reviewing HAP limits nationwide to increase clients' chances of securing a property, prevent rent arrears due to top-up payments and reduce the length of time people live in emergency accommodation.

Promoting the Tenancy Sustainment Service with Cork County Council and AHBs in Cork will be a priority for the AHU in 2021.

### **Approved Housing Body and Delivery of Social Housing**

As an Approved Housing Body (AHB), Threshold owned and managed 13 houses and 5 apartments in Cork City in 2020. Despite the challenges of Covid-19, one of these units was let for the first time to tenants in 2020 and three units were re-let to new tenants, with two of those being upgraded. Threshold has a 5-year plan where new 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 administered by the Department of Housing, Local Government & Heritage.

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

### **Future Plans and Challenges**

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, Local Government and Heritage 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 Impact of COVID-19 on Housing Provision and Management**

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 is not possible to view potential properties. We hope to buy more properties in 2021.

### **REVIEW OF FINANCIAL OUTCOME 2020**

The financial outcome for 2020 is set out in the 'Statement of Financial Activities'. Threshold's total income was €3,484,986 (2019: €3,118,976) in the year ended 31 December 2020, an increase of 12% on the prior year. During 2020 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 2020 Threshold received €974,334 from this income stream - see note 4 to the financial statements. This represents an increase of 41% when compared to 2019, due to Covid 19 donor appeals and availability of trust and corporate partnership Covid 19 supports. During 2020 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 €3,137,243 represents a 7% increase from the 2019 level of €2,931,521. Expenditure on charitable activities in 2020 totalled €2,556,356, an increase of 4% from 2020 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 €580,887 in 2020, an increase of 24% due to the continuing investment in the Direct Mail programme.

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

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 €286,907 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	2020	2019
Return on fundraising spend	1.70	1.50
State income as a percentage of total expenditure	80%	82%
Support costs as a percentage of total costs	9%	10%
Free reserves as a percentage of total income	22%	20%

- Return on fundraising spend essentially measures how much Threshold earns for each euro spent on fundraising. A higher return in 2020 reflects the larger income from Covid 19 appeals and supports in the year.
- State income as a percentage of total expenditure indicates the proportion of work for which Threshold is 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 2020 has increased due to greater fundraising income earned in the year.

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

## 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 €3,874,161 at 31 December 2020 are detailed in note 15 to the financial statements and fall into two categories:

- Restricted funds (€24,549): 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 (€3,849,612): these are of two types:
  - Designated funds (€3,074,838); 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 2020 funds had been designated for specific purposes as outlined in note 15 to the financial statements.
  - General unrestricted funds (€774,774); 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 2020 the level is 22% 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.

# Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

## Going Concern

Set out above is a review of Threshold's financial performance and the general reserves position as at 31 December 2020. Based on the results for the year, the year end financial position and the approved 2021 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:

Aideen Hayden	(Chairperson)
Bernard Cronin	(Treasurer)
Liam Reid	(Secretary)
Patrick Gray	
Trocaire Joye	
Martini Molloy	
Brian Murphy	
Mark Brangam	
Patricia Sheehy-Skeffington	
Martin Whelan	
Geoff Byrne	

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;
- Meeting with management and staff of Threshold's operations to experience first-hand the services being offered.

### 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 (eight times during 2020) 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 DIRECTORS REPORT**

for the financial year ended 31 December 2020

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 also 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](http://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;
- monitoring of 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 Regulator 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.

### **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 2019 and 2020, 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.

## Threshold DIRECTORS REPORT

for the financial year ended 31 December 2020

### 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

The auditors, Whelan Dowling & Associates, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

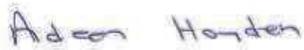
### Statement on Relevant Audit Information

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 23<sup>rd</sup> June 2021 and signed on its behalf by:



**Aideen Hayden**  
Chairperson



**Liam Reid**  
Director

## **Threshold DIRECTORS' RESPONSIBILITIES STATEMENT**

for the financial year ended 31 December 2020

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 23<sup>rd</sup> June 2021 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 2020 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 2020 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

**23<sup>rd</sup> June 2021**

## Threshold STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)  
for the financial year ended 31 December 2020

	Notes	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total Funds 2020 €	Total Funds 2019 €
<b>INCOMING RESOURCES</b>					
Donations, legacies and trusts	4	879,997	94,337	974,334	690,284
Income from charitable activities	4	721,641	1,782,722	2,504,363	2,420,721
Other trading activities	4	6,087	-	6,087	7,823
Income from investments	4	202	-	202	148
<b>Total incoming resources</b>		<b>1,607,927</b>	<b>1,877,059</b>	<b>3,484,986</b>	<b>3,118,976</b>
<b>RESOURCES EXPENDED</b>					
Expenditure on raising funds	5	580,887	-	580,887	468,244
Expenditure on charitable activities	5	637,949	1,918,407	2,556,356	2,463,277
<b>Total resources expended</b>		<b>1,218,836</b>	<b>1,918,407</b>	<b>3,137,243</b>	<b>2,931,521</b>
<b>Net Incoming Resources</b>		<b>389,091</b>	<b>(41,348)</b>	<b>347,743</b>	<b>187,455</b>
Transfer between funds	15	(78,954)	78,954	-	-
Net movement in funds		310,137	37,606	347,743	187,455
Total funds at beginning of year	15	3,539,475	(13,057)	3,526,418	3,338,963
<b>Total funds at end of year</b>	<b>15</b>	<b>3,849,612</b>	<b>24,549</b>	<b>3,874,161</b>	<b>3,526,418</b>

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 23<sup>rd</sup> June 2021 and signed on its behalf by:



Aideen Hayden



Liam Reid

# Threshold BALANCE SHEET

as at 31 December 2020

	Notes	2020 €	2019 €
<b>Fixed Assets</b>			
Tangible assets	10	<u>2,979,839</u>	<u>2,850,226</u>
<b>Current Assets</b>			
Debtors	11	275,336	182,096
Cash at bank and in hand		<u>2,202,847</u>	<u>1,776,461</u>
		<u>2,478,183</u>	<u>1,958,557</u>
Creditors: Amounts falling due within one year	12	<u>(278,700)</u>	<u>(257,986)</u>
<b>Net Current Assets</b>		<u>2,199,483</u>	<u>1,700,571</u>
<b>Total Assets less Current Liabilities</b>		<u>5,179,322</u>	<u>4,550,797</u>
Creditors (amounts falling due after more than	13	<u>(1,305,161)</u>	<u>(1,024,379)</u>
<b>Net Assets</b>		<u><u>3,874,161</u></u>	<u><u>3,526,418</u></u>
<b>Funds</b>			
Board Designated funds	15	3,849,612	3,539,475
Restricted funds	15	24,549	(13,057)
<b>Total funds</b>		<u><u>3,874,161</u></u>	<u><u>3,526,418</u></u>

Approved by the Board of Directors and authorised for issue on 23<sup>rd</sup> June 2021 and signed on its behalf by



Aideen Hayden



Liam Reid

**Threshold**  
**STATEMENT OF CASH FLOWS**  
for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
<b>Cash flows from operating activities</b>			
Net incoming resources for the year		347,743	187,455
Depreciation		130,611	130,749
Deposit interest received		(202)	(148)
Loan interest paid		28,367	27,873
Movement in debtors		(93,240)	(34,970)
Movement in creditors		7,146	39,097
		<u>420,425</u>	<u>350,056</u>
<b>Net cash flows from operating activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Deposit interest received		202	148
Purchase of tangible fixed assets		(260,224)	(298,629)
		<u>(260,022)</u>	<u>(298,481)</u>
<b>Net cash flows from investing activities</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan received from Clann Credo CLG		-	3,236
Loan received from Housing Finance Agency		259,107	-
Capital Advanced Leasing Facility (CALF) loan received		68,087	130,357
Loan repayments		(32,844)	(30,926)
Loan interest paid		(28,367)	(27,873)
		<u>265,983</u>	<u>74,794</u>
<b>Net cash flows from financing activities</b>			
		<u>426,386</u>	126,369
<b>Net increase in cash</b>			
Cash at bank and in hand at beginning of year		<u>1,776,461</u>	1,650,092
<b>Cash at bank and in hand at end of year</b>		<u><u>2,202,847</u></u>	<u><u>1,776,461</u></u>

# Threshold

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

### 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 2020

## 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

for the financial year ended 31 December 2020

continued

## 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

for the financial year ended 31 December 2020

continued

## 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

for the financial year ended 31 December 2020

continued

## 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:

	<b>Unrestricted Funds 2020 €</b>	<b>Restricted Funds 2020 €</b>	<b>Total Funds 2020 €</b>	<b>Total Funds 2019 €</b>
<b>Income from donations, legacies and trusts</b>				
General donations	844,997	-	844,997	614,383
Legacies and trusts	35,000	94,337	129,337	75,901
	<u>879,997</u>	<u>94,337</u>	<u>974,334</u>	<u>690,284</u>
<b>Income from charitable activities</b>				
Dublin Region Homeless Executive	-	643,138	643,138	602,848
Department of Social Protection – CE Scheme	-	159,732	159,732	138,055
Department of Social Protection – Jobplus Incentive	13,750	-	13,750	13,229
Department of Housing, Planning, and Local Government - Grant in Aid	400,000	-	400,000	388,000
Department of Housing, Planning, and Local Government - National TPS	-	400,000	400,000	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	-	5,288	5,288	21,151
Citizens Information Board	47,000	-	47,000	47,000
Rental and payment and availability income	210,891	-	210,891	176,880
Pobal-Scheme to Support National Organisations	-	90,000	90,000	86,994
	<u>721,641</u>	<u>1,782,722</u>	<u>2,504,363</u>	<u>2,420,721</u>

**Threshold**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2020

continued

**4 INCOMING RESOURCES (continued)**

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total Funds 2020 €	Total Funds 2019 €
<b>Income from other trading activities</b>				
Rent book income and royalties	2,519	-	2,519	2,905
Training income	505	-	505	1,670
Other income	3,063	-	3,063	3,248
	<u>6,087</u>	<u>-</u>	<u>6,087</u>	<u>7,823</u>
<b>Income from investments</b>				
Bank interest	202	-	202	148
<b>Total incoming resources</b>	<u><b>1,607,927</b></u>	<u><b>1,877,059</b></u>	<u><b>3,484,986</b></u>	<u><b>3,118,976</b></u>
<b>Allocated as follows:</b>				
Tenancy Protection Service	-	1,253,622	1,253,622	1,225,332
Advice & Advocacy Services	1,397,036	381,437	1,778,473	1,477,770
Access Housing Unit	-	152,000	152,000	152,000
Policy & Research Activities	-	90,000	90,000	86,994
Housing Activity	210,891	-	210,891	176,880
<b>Total incoming resources</b>	<u><b>1,607,927</b></u>	<u><b>1,877,059</b></u>	<u><b>3,484,986</b></u>	<u><b>3,118,976</b></u>

**5 RESOURCES EXPENDED**

	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total Funds 2020 €	Total Funds 2019 €
<b>Expenditure on raising funds</b>				
Fundraising expenses and salaries	538,479	-	538,479	426,993
Support costs	42,408	-	42,408	41,251
	<u>580,887</u>	<u>-</u>	<u>580,887</u>	<u>468,244</u>
<b>Expenditure on charitable activities</b>				
Tenancy Protection Service	-	1,300,479	1,300,479	1,219,015
Advice & Advocacy services	423,295	293,217	716,512	725,176
Access Housing Unit	-	178,454	178,454	170,215
Policy & Research activities	-	146,257	146,257	153,275
Housing activity	214,654	-	214,654	195,596
	<u>637,949</u>	<u>1,918,407</u>	<u>2,556,356</u>	<u>2,463,277</u>
<b>Total resources expended</b>	<u><b>1,218,836</b></u>	<u><b>1,918,407</b></u>	<u><b>3,137,243</b></u>	<u><b>2,931,521</b></u>

# Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

## 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	916,042	373,604	131,470	73,601	67,829	1,562,546
DSP CES salaries & costs	-	165,849	-	-	-	165,849
Other HR	35,018	15,854	4,761	2,767	2,443	60,843
Rent, rates, light, heat & insurance	52,573	23,275	2,663	3,735	1,496	83,742
Travel expenses	2,038	980	5,706	333	415	9,472
Printing, postage & stationery	5,275	3,004	570	495	219	9,563
Telephone	106,827	14,888	3,362	1,016	637	126,730
Computer software & maintenance	18,225	10,969	2,115	1,127	530	32,966
Depreciation	39,009	26,069	7,550	2,733	48,884	124,245
Research & conferences	-	-	-	1,578	-	1,578
Maintenance	21,620	13,012	2,943	1,538	31,058	70,171
Education	4,629	586	445	111	259	6,030
Information leaflets & videos	-	-	-	4,403	-	4,403
Professional fees	1,527	927	-	-	9,613	12,067
Other costs	3,540	1,931	480	270	808	7,029
Loan interest	-	-	-	-	34,623	34,623
Support costs	94,156	65,564	16,389	52,550	15,840	244,499
	<u>1,300,479</u>	<u>716,512</u>	<u>178,454</u>	<u>146,257</u>	<u>214,654</u>	<u>2,556,356</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	4,677	36,030	1,400	301	42,408
Tenancy Protection Service	9,980	80,548	2,986	642	94,156
Advice & Advocacy services	6,977	56,050	2,088	449	65,564
Access Housing Unit	1,754	13,997	525	113	16,389
Policy & Research activities	5,847	44,577	1,750	376	52,550
Housing activity	1,754	13,448	525	113	15,840
	<u>30,989</u>	<u>244,650</u>	<u>9,274</u>	<u>1,994</u>	<u>286,907</u>

# Threshold NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

## 7 STATUTORY INFORMATION

	2020	2019
	€	€
<b>Net incoming resources for the year is arrived at after charging/(crediting):</b>		
Directors' remuneration	-	-
Auditors' remuneration	10,963	10,963
Depreciation of tangible fixed assets	130,611	130,749
Operating leases - equipment	2,869	2,869
Deposit interest	(202)	(148)
Loan interest	34,623	33,127
Bank interest and charges	<u>2,295</u>	<u>2,169</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 €1,953 (2019: €4,236).

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

<b>a) Average Number of employees</b>	<b>2020</b>	<b>2019</b>
Charitable activities service delivery	48	42
Raising funds and support services	<u>7</u>	<u>7</u>
	<u>55</u>	<u>49</u>
<b>b) Total staff costs</b>	<b>2020</b>	<b>2019</b>
	€	€
Wages and salaries	1,898,788	1,752,565
Social welfare costs	198,074	182,928
Pension contributions	67,404	69,837
Other staff costs	<u>2,095</u>	<u>9,032</u>
	<u>2,166,361</u>	<u>2,014,362</u>
<b>c) Senior staff remuneration</b>	<b>2020</b>	<b>2019</b>
The number of staff earning salaries over €70,000 is:		
Band €70,000 to €79,999	-	-
Band €80,000 to €89,999	-	1
Band €90,000 and greater	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

**Threshold**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

**9 EMPLOYEE INFORMATION (Continued)**

<b>d) Key management remuneration</b>	<b>2020</b>	<b>2019</b>
	€	€
Salaries	<u>449,241</u>	<u>409,605</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 €90,172 in 2020. 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**

	<b>Fixtures, Fittings and Computers</b>	<b>Leasehold Improvements</b>	<b>Housing Buildings</b>	<b>Office Buildings</b>	<b>Total</b>
	€				
<b>Cost</b>					
01 January 2020	249,993	221,274	2,204,476	1,528,088	4,203,831
Additions	50,167	-	210,057		260,224
Disposals	(4,724)	-	-	-	(4,724)
31 December 2020	<u>295,436</u>	<u>221,274</u>	<u>2,414,533</u>	<u>1,528,088</u>	<u>4,459,331</u>
<b>Accumulated Depreciation</b>					
01 January 2020	221,208	128,995	161,512	841,890	1,353,605
Charge	29,934	21,824	48,291	30,562	130,611
On disposals	(4,724)	-	-	-	(4,724)
31 December 2020	<u>246,418</u>	<u>150,819</u>	<u>209,803</u>	<u>872,452</u>	<u>1,479,492</u>
<b>Net Book Amount</b>					
31 December 2020	<u>49,018</u>	<u>70,455</u>	<u>2,204,730</u>	<u>655,636</u>	<u>2,979,839</u>
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>

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.

<b>11 DEBTORS</b>	<b>2020</b>	<b>2019</b>
	€	€
<b>Amounts falling due within one year:</b>		
Monies held by solicitor	<b>182,105</b>	122,526
Other grants receivable	<b>48,700</b>	31,700
Prepayments and accrued income	<u>44,531</u>	<u>27,870</u>
	<u><b>275,336</b></u>	<u>182,096</u>

# Threshold

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

12 CREDITORS	2020	2019
	€	€
Creditors and accruals	124,775	153,667
Loan repayments due within one year	59,551	45,983
Deferred income	45,980	17,798
Payroll taxes	48,394	40,538
	<u>278,700</u>	<u>257,986</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 €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)	2020	2019
	€	€
Capital Advanced Leasing Facility (CALF)	360,323	292,236
Loan repayments due after one year	944,838	732,143
	<u>1,305,161</u>	<u>1,024,379</u>

### 14 DETAILS OF BORROWINGS

Maturity Analysis	Repayable within one year	Repayable between one & two years	Repayable between two & five years	Repayable after five years	Total
	€	€	€	€	€
<b><u>Repayable other than by instalments</u></b>					
Capital Advanced Leasing Facility (CALF)	-	-	-	360,323	360,323
<b><u>Repayable by instalments</u></b>					
Clann Credo CLG	14,712	14,712	44,136	255,837	329,397
Housing Finance Agency	44,839	44,839	134,517	450,797	674,992
	<u>59,551</u>	<u>59,551</u>	<u>178,653</u>	<u>1,066,957</u>	<u>1,364,712</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

continued

for the financial year ended 31 December 2020

15 FUNDS	Balance at 01/01/2020 €	Incoming Resources €	Resources Expended €	Fund Transfers €	Balance at 31/12/2020 €
<b><u>Unrestricted Funds</u></b>					
General	607,688	1,571,927	(1,088,225)	(316,616)	774,774
Designated property asset	2,850,226	-	(130,611)	260,224	2,979,839
Legacies and trusts	-	36,000	-	(36,000)	-
Designated building maintenance	81,561	-	-	13,438	94,999
<b>Total unrestricted funds</b>	<b>3,539,475</b>	<b>1,607,927</b>	<b>(1,218,836)</b>	<b>(78,954)</b>	<b>3,849,612</b>
<b><u>Restricted Funds</u></b>					
Loreto Foundation Fund	-	5,600	-	(5,600)	-
ESB Energy for Generations Fund	7,129	88,737	-	(51,028)	44,838
Tenancy Protection Service	-	1,253,622	(1,300,479)	46,857	-
Access Housing Service	-	152,000	(178,454)	26,454	-
Advice Service	-	127,368	(127,368)	-	-
Department of Social Protection - CE Scheme	(18,621)	159,732	(165,849)	3,929	(20,809)
Pobal Scheme to Support - National Organisations	(1,565)	90,000	(146,257)	58,342	520
<b>Total restricted funds</b>	<b>(13,057)</b>	<b>1,877,059</b>	<b>(1,918,407)</b>	<b>78,954</b>	<b>24,549</b>
<b>Total funds</b>	<b>3,526,418</b>	<b>3,484,986</b>	<b>(3,137,243)</b>	<b>-</b>	<b>3,874,161</b>

## 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 Trusts & Legacies Funds**  
Restricted trusts and legacies are included in restricted funds when they are declared by the donor for a specific operating purpose when making the donation. Such funds are segregated, and the charity may only lawfully use those funds for the specific purpose.
- **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. €10,259 of this grant was deferred at the yearend.

**Threshold**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

**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:**

	<b>General Fund</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>
Tangible fixed assets	-	2,979,839	-	2,979,839
Debtors	182,105	44,531	48,700	275,336
Cash at bank and in hand	801,559	1,415,180	(13,892)	2,202,847
Creditors (amounts falling due within one year)	(208,890)	(59,551)	(10,259)	(278,700)
Creditors (amounts falling due after one year)	-	(1,305,161)	-	(1,305,161)
<b>Total</b>	<u>774,774</u>	<u>3,074,838</u>	<u>24,549</u>	<u>3,874,161</u>

**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	143,000
	<u>403,000</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**

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

**19 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on **23<sup>rd</sup> June 2021**.

