

## **THRESHOLD**

**Annual Report and Financial Statements  
for the year ended  
31 December 2018**

**Power & Associates  
Chartered Certified Accountants  
Statutory Auditors  
1 Sussex Street  
Dun Laoghaire  
Co Dublin  
A96 C8N3**

## Contents

---

	<b>Page</b>
CHAIRPERSON'S STATEMENT	2 - 3
CHIEF EXECUTIVE'S STATEMENT	4 - 5
DIRECTORS' REPORT	6 - 21
LEGAL AND ADMINISTRATIVE INFORMATION	22
STATEMENT OF DIRECTORS' RESPONSIBILITIES	23
INDEPENDENT AUDITORS' REPORT	24 - 26
STATEMENT OF FINANCIAL ACTIVITIES	27
BALANCE SHEET	28
STATEMENT OF CASH FLOWS	29
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	30 - 42

## Chairperson's Statement

---

Ireland is following in the same direction as many Anglo-Saxon countries in recent decades with owner-occupation levels having fallen considerably from its peak of 80 per cent in the early 1990s, to below 70 per cent in 2016, as the private rented sector (PRS) doubles in size. Throughout Western Europe since the Global Financial Crisis in fact the trend has been away from homeownership and towards private renting.

In spite of the rise of private renting in Ireland Threshold's Tenant Sentiment Survey in 2018, the first of its type, revealed that the majority of our clients are not renting by choice. Of those surveyed, 71 per cent rent because they cannot afford to buy, they cannot get a mortgage or they cannot access social housing. Despite this government policy is aimed at increasing private renting for low income households through schemes such as the Housing Assistance Payment (HAP).

Government have acknowledged the need for Affordable Rental schemes to help those who cannot afford market rents but cannot afford to buy and cannot access social housing supports. But the reality remains that a very significant cohort of Irish families are trapped renting and not enough has been done to make the rental sector attractive, viable and secure in spite of recent legislative improvements.

Ireland's housing system has gone through a major transformation over the last decade and while Rebuilding Ireland, which sets out current housing strategy, has many positive aspects we are still dealing with the impacts of the economic crisis. We have significant issues with housing supply, housing affordability and the ability of our social housing sector to deliver housing in the numbers in which it is needed. The impacts of the fall in homeownership are real. A 'lost' decade for housing in Ireland following Ireland's property crash of 2008 has disrupted the aspirations of a whole generation of prospective homeowners. For example, if you were in your mid-30s at the time of the crash, a decade later you face tougher lending rules, a shorter loan repayment period, a shortage of supply and high competition for properties. Ironically many families excluded from home ownership are paying more in rent than they would in mortgage repayments. The rent on a 3 bed house to rent in Limerick city was €1,132 a month in Q4 2018 whereas a mortgage on the same property was €838 a month. The younger generation of Millennials also face an uphill struggle in a world of less secure employment, where the cost of renting makes it virtually impossible to save the deposit for a home. There are now attempts to introduce co-living developments on a large scale for this cohort as opposed to homes. There is a growing presence of institutional investors in buying and building housing in the Irish market to rent to tenants. Prospective home owners find themselves competing with institutional investors for limited properties. If we wish to limit this trend and provide secure affordable homes, either for rental or purchase, it can only be done with a much stronger role being played by the State. If rents were effectively regulated to a moderate level, not only would it make renting more attractive it would remove the excess profitability from the buy-to-let market. Better land management by the State and greater support for local authorities and social housing providers to provide affordable rental and affordable purchase options would also provide a more stable housing system and provide downward pressure on prices in the longer term. But these options will require that a much longer time frame is taken in devising housing policy in Ireland. We must move from the 'short termism' that has beset Irish housing policy historically to a better regulated and stable housing market. However more 'active' interference in the market must be planned and well thought through and should involve extensive consultation from all stakeholders while looking at international best practice.

In the meantime we are facing a housing system where Irish people will be renting indefinitely. Many people ask what's wrong with renting for the rest of your life? People in Germany and Austria do it all the time? The rental market in Ireland, though improving, is still insecure, unaffordable and of poor quality. Tenancies can still be ended for no reason under Section 34(b) of the Residential Tenancies Act, or if the landlord is selling. Moreover, rents grew 6.9 per cent nationally and; issues with standards and repair remain one of the main challenges faced by our clients in 2018.

The national average rent stood at €1,134 a month at the end of 2018, growing almost 25 per cent in the preceding decade. When asked about security, 47 per cent of our clients told us they do not feel secure in their tenancy. In 2018, 44 per cent of all Notices of Termination (NOTs) brought to the attention of Threshold advisors were issued on the grounds that the landlord was selling.

In the Tenant Sentiment survey, 96 per cent stated they struggled to find a home in the PRS in the first instance. When it came to matters of standards and repairs 38 per cent of tenants were living in situations with damp or mould or where there were structural issues in the home. Tenants cannot create a home or even desire a home in the PRS when they can be so easily evicted, when rents are beyond levels of affordability or when the quality of the home puts their health at risk. This is not a viable tenure choice.

## **Chairperson's Statement**

---

Even allowing for better measures to regulate rents and to ensure some measure of security of tenure, rents will historically rise over a person's lifetime. In 2018, 45 per cent of our clients reported paying more than a third of their take-home pay on rent. Unsurprisingly, given the on-going increases in rents, 14 per cent of our clients surveyed reported paying over half their take-home pay in rent. Such a rent burden has implications for those renting in older age, in terms of security and a need for higher pensions, already in Threshold we see the profile of our clients aging. The issues of affordability are driving reasonably well-paid key workers out further from their employment to more marginal regions. Rising rents will inevitably lead to calls for higher wages and ultimately significant costs for the state as the costs for schemes supporting low income households in the sector rises.

We celebrated 40 years of work by Threshold in 2018. Founded in 1978 by Fr. Donal O'Mahony, who sought to resolve the very issues of poor standards, unaffordability and insecurity in the PRS, we continue to seek resolutions to these issues at the macro and micro level. We are at a crucial point in our housing history and we must ask ourselves what we want for the future of housing in Ireland? Threshold's vision is an Ireland where everyone has access to affordable, secure, suitable and good quality housing. The PRS will always be an important part of our housing system, but it is not the solution for the housing needs of many who live in the sector. More imaginative and far reaching measures are needed to truly transform the rented sector but importantly the entire Irish housing system.

I would like as Chair to thank Threshold's Board and Staff for their tireless work throughout the year. I would also like to thank all of our funders both public and private without whose support we could not deliver our essential services. We acknowledge in particular and welcome our partnership with the Departments of Housing, Planning and Local Government and also Employment Affairs and Social Protection, the many Local Authorities throughout the country and the HSE whose support has enabled us to prevent homelessness at this difficult time in our country's history. I would also like to thank Pobal for their continued funding of our policy work, enabling Threshold to provide and advocate for evidence-based solutions to housing problems.

**Aideen Hayden**  
Chairperson

## Chief Executive's Statement

---

Threshold's unique focus on the Private Rented Sector and on advising and supporting tenants means we work at the heart of the housing crisis, assisting families and people who are renting and worried about losing their home. While many renters call for advice, an increasing amount of our time is being spent with more in-depth cases, working to protect tenancies clients at the Residential Tenancies Board (RTB).

Threshold carries out homeless prevention measures to stop homelessness from occurring in the first instance. In 2018, Threshold received over 76,000 calls from tenants who were in need of advice, advocacy or support via a single point of contact for all clients (1800 454 454). The number of calls in 2018 is an increase of 3.5% on the 73,526 calls received the year previous. Threshold advisors carried out almost 68,000 actions arising from those calls. In terms of the issues that tenants made contact with us about, tenancy terminations were the largest single issue, accounting for 38% of all types of queries presented to us in 2018. Tenancy terminations as a share of all issues increased by 6%, up from 32% in 2017. Rent Increases/Reviews accounted for 12% and Standards and Repairs 7%. Queries regarding the Housing Assistance Payment (HAP), Seeking accommodation and Deposit Retention each accounted for 5% of all action areas.

There are various scenarios whereby a landlord can legally end a tenancy and there is little recourse available to the tenant. In the event that a tenancy cannot be sustained, Threshold ensures tenants receive the full notice period to which they are entitled. Among the Notices of Termination brought to us by tenants in 2018, Sale of property accounted for the main single reason, as was the case the previous year. Due to an abject lack of affordable rented housing, tenants are at greater risk of homelessness, emergency accommodation or staying with friends and family than at times of greater supply. So trying to find solutions to housing problems while someone is in their tenancy is a priority.

That's why we have increased representation at the Residential Tenancies Board (RTB). We represented over 250 households at the RTB – that's almost three times the 90 cases we provided representation for in 2017. Dispute issues ranged from validity of notice, breach of landlord obligations and rent reviews, and there was an increase in tenants seeking support with mass eviction cases. For example, we represented tenants in Doughiska, Galway City, who were being evicted en masse; the adjudicator found in favour of the tenants.

Finding rented homes which are affordable became more difficult during 2018, especially for people eligible for the Housing Assistance Payment (HAP). Our advisors reported some tenants in receipt of HAP having to pay unaffordable "top-ups" to their landlords as a result of low HAP limits and high rents. In addition, there was an increase in cases of discrimination against tenants in receipt of HAP in 2018. We supported six households to take cases to the Workplace Relations Commission (WRC) as a result, with considerable compensation paid to tenants on a number of occasions.

In terms of the longer established rent supplement, we supported 84 households to benefit from an uplift in this payment using the Interim Tenancy Sustainment Protocol (ITSP) which operates in Counties Dublin, Meath, Kildare and Wicklow, Galway City and Cork City. Toward the end of 2018, the move from rent supplement to HAP was ramped up across the country. For some tenants transitioning from rent supplement to HAP, their rents are outside the HAP limits, putting them at risk of losing their homes. This is an issue that we will tackle on a case by case basis as well as a service and policy level to find a suitable solution.

During 2018 our Outreach clinics in various places throughout the country provided 300 consultations in the offices of Fingal County Council, Blanchardstown; 196 in the Balbriggan Citizen's Information Office; 50 in Ennis, Co Clare; and 42 Castlebar, Co. Mayo. Between September and December 2018 we piloted an Outreach clinic in Dublin City Council's Civic Offices, where we met 64 clients in total, and plan to continue in 2019. Another form of outreach planned in 2018 was to the deaf community. Funding from the ESB Energy for Generations Fund has enabled us to provide this service in 2019.

Threshold secured the support of both Union of Students in Ireland (USI) and Daft.ie to launch 'Scamwatch', an awareness campaign in August of 2018 to assist people who are trying to source rented accommodation. This initiative informed prospective tenants about ways to avoid falling victim to a rental scam.

Our Access Housing Unit (AHU), operating in Cork City, works with households who are homeless to secure housing in the private rented sector and in social housing. The AHU supported 33 households (including 44 dependents) to exit homelessness into their own rented home, and provided tenancy sustainment and support services to assist people to develop skills essential to remaining in their home.

## **Chief Executive's Statement**

---

Also based in Cork, Threshold owned and managed twelve houses and three apartments in Cork City in 2018 as an Approved Housing Body (AHB). Of these units, six were purchased in 2018 for people who are experiencing homelessness, in conjunction with providing attendant tenancy sustainment supports.

Thanks to funding from the Department of Housing, the Dublin Region Homeless Executive, Cork City and County Councils and Kerry County Councils, Galway City and County Councils, the HSE, the Department of Employment Affairs and Social Protection, Pobal's Scheme to Support National Organisations (SSNO) and the Citizen's Information Board, Threshold was able to respond to housing problems in a variety of different ways during 2018. Alongside our statutory funders, our donors and supporters continued their much needed generosity to enable us to respond to clients' needs in the rented sector. We re-commit to ensuring that the best use is made of the donations and grants given to Threshold so that we are best placed to respond appropriately and quickly to provide solutions to renters in housing need.

**John-Mark McCafferty**  
Chief Executive Officer

## Directors' Report

---

The directors present their report and audited financial statements for the year ended 31 December 2018.

### BACKGROUND

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 a Freephone Helpline (1800 454 454) which operates 9am to 9pm Monday to Friday.

#### Activities

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 and at our outreach services in various locations throughout 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 and various local Authorities, preventing rent supplement recipients from losing their home as a result of rent increases.

*(Up until 2017, we referred to the TPS and the Advice and Advocacy service as separate services. From 2018, we refer to all services operated by the advisors as Advice and TPS. Each advisor is equipped to and do provide information, advice and advocacy to tenants, responding to calls to the Freephone. Within Advice TPS a number of advisors operate the ITSP protocol.)*

- 3 The Access Housing Unit (AHU) in Cork sources accommodation for households experiencing homelessness or at risk of homelessness. The AHU also provides a Tenancy Support service to support tenants to sustain their tenancies.
- 4 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.
- 5 Threshold provides second tier supports to other frontline services ensuring access to quality advice and advocacy for tenants in the private rented sector.
- 6 The Policy and Legal team make appropriate submissions to Government and respond to legislative changes based on the experience of the clients using Threshold services.
- 7 As a registered AHB, Threshold is also a housing provider.

The Annual Report narrative sets out firstly Threshold's Vision, Mission and Values; our Strategic Objectives, and our performance, achievement and outcomes in 2018 against these objectives. The challenges we faced as well as our plans for the future are included. In 2018, Threshold celebrated its 40th Anniversary; an overview of the events to mark this is provided.

#### 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 support for those who are homeless or at risk of homelessness;
- iii) Influencing housing policy and practice.

Threshold's Values are based on securing a right to housing, making a leading contribution to national policy, being a trusted voice, establishing long-term solutions and delivering meaningful outcomes for individuals in housing need.

## Directors' Report

---

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

Our Strategic Objectives are:

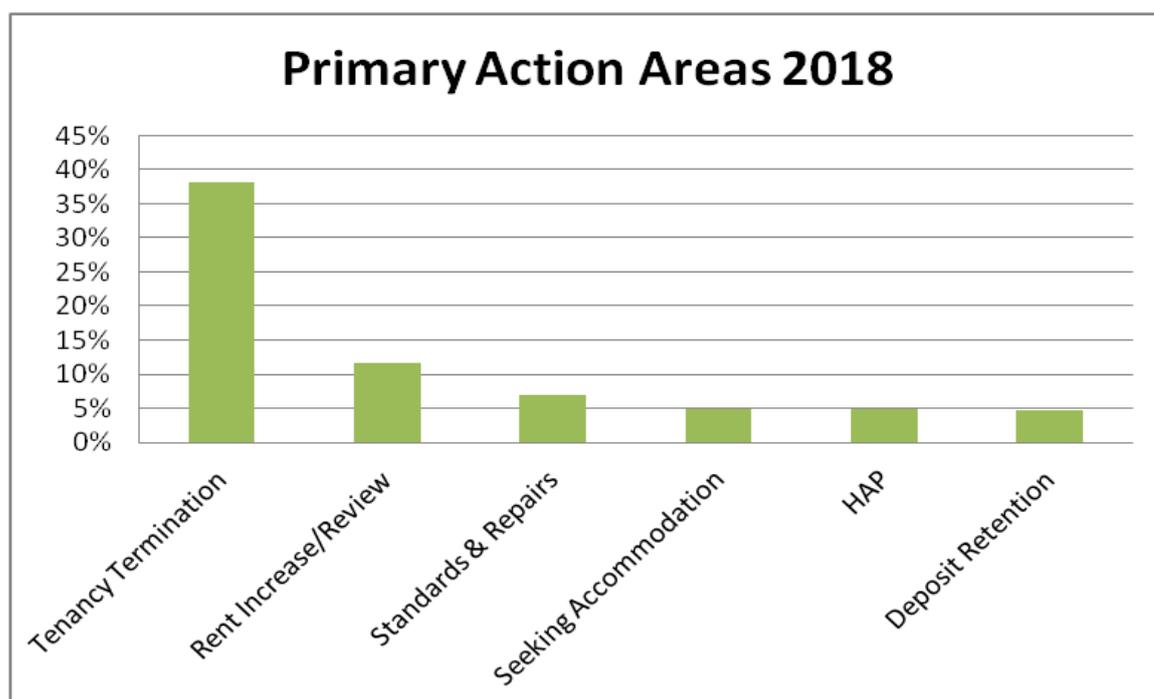
- 1 Prevent homelessness by providing independent advice, advocacy and support services;
- 2 Provide homes for vulnerable people who are homeless or at risk of becoming homeless;
- 3 Work towards a rights based approach to housing by engaging in research, lobbying for change and collaboration with like-minded organisations;
- 4 Support other frontline advice services to deliver housing advice by providing support and training;
- 5 Secure sustainable sources of funding to ensure continuity of services on offer.

#### Strategic Objective 1: Prevent homelessness by providing independent advice, advocacy and support services

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 occurring 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 when a tenant receives a Notice of Termination or an unaffordable rent increase. In Ireland, however, the majority of prevention services are tertiary in nature. Tertiary prevention measures aim to move people out of homelessness into housing and reduce the impact homelessness has on the person.

In 2018, Threshold received 76,010 calls in total from tenants who were in need of advice, advocacy and/or support. This is a 3.5% increase on the 73,526 calls received in 2017. This equates to 6,910 callers a month or 321 callers each day.

The Dublin Regional Homeless Executive undertook promotion of the Freephone number in July and October 2018 in Dublin. The impact of both campaigns was evident with increases in calls. July was the busiest month in 2018, with 7,513 calls, a 29% increase on calls received in June 2018. The increase in calls illustrates the need and demand for our services. Funding of such promotion on a national level is vital to ensure those who require assistance from Threshold are aware of the services on offer and how to avail of them. Tenants made contact with Threshold on a range of topics. In 2018, Threshold advisors carried out 67,710 actions across 15,878 individual cases. Queries regarding tenancy terminations dominated accounting for 38% of all issues brought to us in 2018. This is an increase of 6%, up from 32% in 2017. Rent Increases/Reviews accounted for 12% and Standards and Repairs 7%. Queries regarding HAP, Seeking accommodation and Deposit Retention accounted for 5% each.



## Directors' Report

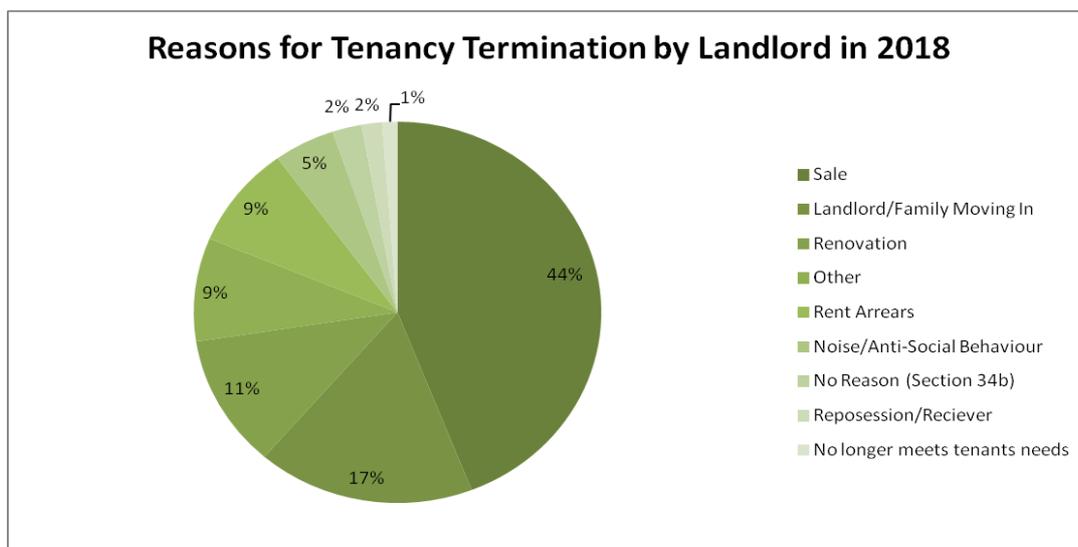
### Tenancy Terminations

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

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

Or

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



Each of these grounds for termination are challenges to creating a sustainable, secure and viable PRS. In such circumstances where the tenancy cannot be sustained Threshold first ensures the Notice of Termination (NOT) is valid and the tenants receive the full notice period they are entitled to. In 2018, we found the majority of NOTs brought to us to be invalid and supported the tenants to challenge these. In some cases this may prevent the tenancy being ended and in others simply buy more time for the tenant.

There was an increase in Notices of Termination on grounds of sale in 2018, making up 44% of the NOTs brought to us by tenants, compared to 32% in 2017. As in 2017, NOTs on the grounds of the landlord or family member moving in and for the purposes of renovation were high on the list of reasons people lost their homes. Of the reasons provided for the termination of the tenancies, 74% were “no fault” evictions, whereby there was no breach of obligations by the tenant.

The dominance of tenancy terminations for the purposes of sale is worrying as it indicates landlords are exiting the market. Unfortunately, if a landlord intends to sell a property, they are permitted to terminate the tenancy once they provide a statutory declaration stating their intention to sell within 3 months of the tenancy ending. Given the limited availability of affordable rental properties a tenant may find themselves homeless either in emergency accommodation or staying with friends and family.

### Arrears

In 2018, we worked on 2,256 cases of rent arrears. The amounts ranged from €50 to €31,000 and averaged a little over €2,000 a case. We have been successful in resolving arrears cases through engagement with both tenant and landlord. This demonstrates that tenancies can be saved with the right support and interventions. The reasons for arrears ranged across three main areas; affordability (job loss, rent increase), issues with administration of HAP or rent supplement and personal issues (illness or separation).

## Directors' Report

---

### Representation at the Residential Tenancies Board

Threshold advisors have expertise in housing law, in particular the Residential Tenancies Acts 2004-2016. They are highly knowledgeable and experienced in the various options available to tenants who require support to remain in their home. As the Residential Tenancies Act becomes increasingly complex, tenants require advice, support and guidance to navigate it and assert their rights. (*Judge Marie Baker (Court of Appeal) in Laura Farrell, Residential Tenancies, Bloombury Professional, 2018 p. v "the Act is more than just confusing. It is occasionally impenetrable"*)

In 2018, Threshold advisors represented 254 households at the Residential Tenancies Board (RTB). This is a marked increase on the 90 cases we provided representation for in 2017. Tenants lodged disputes with the RTB on the following matters: validity of notice, breach of landlord obligations and rent reviews. Challenging the validity of the notice was the primary matter we represented tenants on at the RTB. In one case, the tenant was awarded the maximum of €20,000 damages.

In 2018, there was an increase in tenants seeking support with mass eviction cases. We provided support, advice and representation at a number of RTB cases. A number are ongoing.

In November, advisors from the Dublin office represented seven tenants of a development in East Wall in Dublin. The landlord had sought to terminate the tenancy for the purposes of renovation. Threshold was successful in having these notices declared invalid at the subsequent RTB adjudication.

Advisors in the Western Region supported the tenants of Doughiska, Galway City, who were being evicted en masse; 13 households in total. The landlord issued the NOT on grounds of the Tyrellstown Amendment.

Section 35(8)(b) of the RTA provides that where a landlord proposes to sell ten or more units within a single multi-unit development within a period of six months, that sale will be subject to the existing Part 4 tenants remaining in situ. There is an exception to this new rule where: the market value of the property sold with the tenants in situ is 20% below the price which could be obtained for the property with vacant possession and the application of the rule would be unduly onerous or cause hardship to the landlord. This is known as the Tyrellstown Amendment.

We represented the tenants at the RTB case and the adjudicator found in favour of the tenants. To our knowledge this was the first case involving the Tyrellstown Amendment to have been brought to the RTB.

### Housing Assistance Payment (HAP) Tenants

Sourcing rental properties with affordable rents was an increasing challenge for tenants in 2018 as rents rose throughout the country. This challenge was felt keenly by those tenants eligible for HAP. The HAP limits are far below market rents and tenants report that many landlords are unwilling to accept HAP. Threshold advisors reported some tenants in receipt of HAP having to pay unaffordable "top-ups" to their landlords as a result of low HAP limits and high rents. Threshold began preliminary investigations into these matters in 2018 and plans to further investigate the issues facing HAP eligible tenants in 2019.

*HAP tenants can be permitted to pay an additional payment, a "top-up", to their landlord if deemed affordable by the Local Authority. Some however pay a further "top-up" to the landlord beyond what is deemed affordable.*

We saw an increase in cases of discrimination against tenants in receipt of HAP in 2018. Since legislation passed in 2015, a landlord cannot discriminate against people on the grounds that they are in receipt of rent supplement, HAP or other social welfare payments. Despite this, some landlords refuse to accept HAP or rent supplement preventing households from securing a home and forcing sitting tenants into extreme financial hardship and poverty. We were able to resolve many of the cases through direct contact with the landlords, assist to set up the HAP payment and protect the home. We supported six households to take cases to the Workplace Relations Commission (WRC). Tenants were awarded damages at the WRC up to €7,000. In some instances the cases were settled prior to the hearing - again with considerable compensation paid to the tenant. There was a high level of media attention on the issue which will hopefully serve as reminders to landlords that they may not discriminate against HAP tenants.

## **Directors' Report**

---

### **Interim Tenancy Sustainment Protocol**

In 2018, we supported 84 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 2014 and is a highly successful, effective and efficient prevention measure. The number of households in need of the ITSP uplift is decreasing as rent supplement recipients transition to HAP.

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. These households are at acute risk of homelessness given their limited incomes, the shortage of private rented accommodation and the high rents nationally. This challenge came to the fore toward the end of 2018 as the transition to HAP was ramped up across the country. This is a challenge for these tenants and one that we will tackle on a case by case basis as well as at a service and policy level to find a suitable solution.

### **Outreach Services**

We ran outreach clinics throughout the country in 2018, providing 300 consultations in the offices of Fingal County Council, Blanchardstown; 196 in the Balbriggan Citizen's Information Office; 50 in Ennis, Co Clare; and 42 Castlebar, Co. Mayo. We piloted an Outreach clinic in the Dublin City Council Civic Offices between September and December 2018, where we met 64 clients in total. We plan to continue this service into 2019.

Threshold plans to expand the outreach services to Kerry and Limerick due to the increasing numbers living in the PRS in these areas and the significant rent increases experienced by tenants in Limerick City. Work for this was underway in 2018 and a roll out is planned for 2019. Due to the high level of demand on the service in Blanchardstown, which only operates one afternoon a week, we hope to increase the service to a full day once a week.

To further reach out to those who may be in need of our services and to promote the work of Threshold, we participated in the Stoneybatter Festival in 2018. In conjunction with the Dublin Tenants Association we set up a stall in front of our premises to meet and greet members of the general public, raised awareness of our services and scheduled formal follow up with those in need of support.

### **Christmas On Call Service**

To ensure a service is available to tenants throughout the year we provide a Christmas On Call Service. We received 61 calls to this on call service in 2018, an increase of 74% on the previous year when we received 35 calls.

### **Online Advice and Information**

Tenants are using our online platforms for information and advice. The development of the website to make it device friendly and easier to navigate is on-going. With a small budget, Threshold developed a video to promote our Freephone helpline which was targeted at people under the age of 34 living outside the Greater Dublin area. We promote our Freephone Helpline and Outreach services on both Facebook and Twitter.

### **Services tailored to the Deaf community**

Threshold began work to make its services accessible to the deaf community. Threshold was awarded funding from the ESB Energy for Generations Fund to provide this service. In preparation for this service staff attended Deaf and Hearing Awareness Training, provided by Chime, The National Charity for Deafness and Hearing Loss, in 2018. In 2019, we will launch our dedicated service to clients who are deaf using the signing service of the Irish Remote Interpreting Service (IRIS).

### **Work with Students**

In August of 2018, Threshold secured the support of both the Union of Students in Ireland (USI) and Daft.ie, to launch an awareness campaign to help people seeking to secure rented accommodation. Entitled 'Scamwatch', this initiative provided a checklist for prospective tenants to help them to avoid falling victim to a rental scam. As part of the campaign, Threshold liaised with student unions throughout the country to provide assistance for students who encounter problems in their rented accommodation during the academic year. One of our Galway based advisors has been assigned a role as liaison with students in NUI Galway, Galway Mayo IT, Athlone IT and Sligo IT.

## Directors' Report

---

### 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), Local Authority Strategic Policy Committees (SPC), the Northwest Homeless Forum, Galway City's Voluntary Housing Group, the Cork Homeless Forum, the Cork Homeless Network, the Cork Social Housing Forum and the North Cork Homeless Forum. These groups are comprised of other NGOs and statutory bodies working in the area of housing, homelessness and homeless prevention. We raise awareness of the importance of prevention services and use the spaces for shared learning to improve upon and further develop effective homeless prevention services.

### Strategic Objective 2: Provide homes for vulnerable people who are homeless or at risk of becoming homeless

#### The Access Housing Unit

The main aim of the Access Housing Unit (AHU), operating in Cork City, is to support households who are homeless to secure housing. The AHU supports clients to secure housing in the PRS and also advocates on the behalf of households to try and secure alternative housing options e.g. social housing or supported housing, where appropriate, working closely with Cork City Council in this respect. The AHU works in partnership with other voluntary and statutory agencies including the new Homeless Place Finders service operated by Cork City and County Council, Cluid and Tuath Housing. In 2018, the Access Housing Unit (AHU) supported 33 households (including 44 dependents) to exit homelessness into their own home. These homes were secured in the PRS, via the Place Finders Service, via the Local Authority, AHBs, transitional housing projects and supported housing projects. The Pre-Tenancy Programme, formally put into place in 2017 by the AHU, has been a vital resource and support for these tenants, some of whom may have never held a tenancy before. 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 AHU provides a Tenancy Sustainment and Settlement Support service to people who have moved from homelessness into independent living and those who are currently in long-term housing who require support to sustain their tenancies. In 2018, this service provided support to 39 households (including 52 dependents). Tenants are assisted to develop skills essential to sustain their home.

The greatest challenges facing the AHU and the clients in need of the service are rising rents, lack of properties to rent, lack of social housing and discrimination by some landlords or estate agents against HAP applicants. Rents in Cork City rose over 8% in 2018, despite being designated a Rent Pressure Zone which caps rent increases at 4% a year. Even with an increase in the HAP payment, the HAP payment falls far short of market rent, in particular for single people. The rent on a one bed property is between €800 and €900, while Homeless HAP only pays €660. Threshold is examining ways in which access to the PRS for AHU clients could be increased.

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

As an Approved Housing Body (AHB), Threshold owned and managed 12 houses and 3 apartments in Cork City in 2018. 6 of these units were purchased in 2018 and are part of Threshold's plan to increase its housing units over a five year period. These homes are either designated as social housing through the Rental Accommodation Scheme (RAS) or are funded through the payment and availability agreements and Capital Advance and Lending Facility (CALF) loans.

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

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

## Directors' Report

---

### **Strategic Objective 3: Work towards a rights based approach to housing by engaging in research, lobbying for change and collaboration with like-minded organisations**

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

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

#### **Rent Pressure Zones and the Dwelling Specific Rent Register**

We campaigned throughout the year for the extension of Rent Pressure Zones (RPZs) nationally and the enforcement of the initiative. In the RPZs a landlord can only increase rent once a year and by a maximum of 4%. We drew particular attention to the rapidly increasing rents in areas such as Limerick, which was not designated an RPZ despite high rent increases. Our advisors in the Southern Region reported some tenants in Limerick were facing rent hikes of up to 50%.

Advisors observed that the RPZ restrictions were working well for sitting tenants but not for new tenants however, who were often charged rents which were increased beyond the permitted 4% per year. The lack of enforcement and a tenant's inability to verify the previous rent on a property has lead to "defacto" decontrolled rents between tenancies. To overcome this we continued our call for a dwelling specific rent register. Such a register is vital for new tenants as it would allow them to ensure the rent they are charged was set according to RPZ rules. The Minister for Housing, Planning and Local Government recognised our call for a rent register and pledged to investigate the manner in which this could be delivered.

#### **Security of Tenure**

Achieving real security of tenure and tenure neutrality are long standing priorities for Threshold. With each change to the Residential Tenancies Act we hope to move closer to achieving this.

The realisation of indefinite tenancies is a step toward such security. However, one element preventing the achievement of this is section 34(b) which allows a landlord to end a tenancy at the end of a set period (4 or 6) for no reason. The creation of indefinite tenancies is a goal in Rebuilding Ireland, but is yet to be acted on by Government. The existence of 34(b) has no place in a modern rental sector. It is a provision that can be easily abused. Unfortunately our advisors report instances in which tenants challenged invalid rent reviews, only to be issued a NOT under section 34(b). While a NOT cannot be issued for punitive reasons, a NOT on the grounds of 34(b) is legal and the punitive element can pose difficult to prove.

We will continue to campaign strongly for this change to create a secure, reliable rental sector and protect tenants from "no reason" evictions. We will have increased opportunity to advocate for this measure as legislation.

#### **Updated Draft Guidelines for Planning Authorities on Apartment Developments**

In January 2018, Threshold made a submission to the Department of Housing, Planning and Local Government on their Draft Guidelines for Planning Authorities on Apartment Developments. We highlighted that it is vital that the quality, affordability and sustainability of apartments is not undermined for the sake of profits and cutting costs. There can be no drop in standards as such action risks "slummification" and puts the wellbeing of tenants at risk. We stated there cannot be a continued over reliance on the PRS to supply housing nor on the private construction sector to build such. We continue to campaign for a NCT for Housing a legal definition of overcrowding, the need for minimum energy efficiency standards for the PRS and the requirement for such actions to be underpinned by real security of tenure and affordable rents.

*NCT for Housing would see the burden of proof for compliance with minimum standards rest with the landlord, who would be required to provide a certificate of fitness to the local authority.*

## Directors' Report

---

### Examining Local Authority Housing Waiting lists

Threshold made a submission to the Joint Oireachtas Committee on Housing, Planning and Local Government on Local Authority Waiting Lists. In this we highlighted the problems faced by many in accessing local authority housing and made a number of recommendations. We highlighted that there is no national standard in the methodology of assessing housing needs and the scheme of letting priorities, resulting in different outcomes for social housing applicants across the 31 local authority areas. Of concern is the disadvantage to HAP tenants, who are considered adequately housed once they secure a property in the PRS. These tenants have little to no security of tenure and in our estimation they cannot be deemed adequately housed in the same way as their counterparts in traditional social housing. We recommended a national policy for social housing assessments, the introduction of the Choice Based Lettings (CBL) system across all local authorities, a review of the income thresholds for eligibility for social housing, greater transparency in the allocation process and a reduction in the time to process a social housing application. The Committee adopted a number of our recommendations in their final report including; a review of the income thresholds, the adoption of CBL across all local authorities and consideration for priority to those HAP tenants on the transfer lists.

### The Residential Tenancies (Amendment) (No.2) Bill 2018

In summer 2018, Threshold made a presentation and submission to the Joint Oireachtas Committee on Housing, Planning & Local Government on the general scheme of the Residential Tenancies Bill 2018. The primary aim of the Residential Tenancies Bill 2018 is to enforce the Rent Pressure Zone legislation introduced in late 2016. Threshold broadly welcomed the proposed amendments and highlighted a number of areas which require greater scrutiny to ensure the best outcome for those living in the PRS.

The proposed Bill makes small changes which are steps toward increasing security of tenure but fall short of the changes Threshold have advocated. We again called for the grounds permitting “no reason evictions” to be removed to create indefinite tenancies. We sought the creation of dwelling specific rent register and promoted the role it can play to promote greater rent transparency. In addition to this we called for the definition of “substantial change” used by a landlord wishing to avail of an exemption to RPZ legislation. We continued our call that banks and receivers be included in the definition of a landlord to ensure greater security for tenants whose homes have been repossessed from the landlord.

The Bill was published in December 2018. A number of changes long sought by Threshold were included in the Bill, including an increase in the notice periods for tenancies between 6 months and 5 years, a definition of “substantial change”, clarification on the continuation of Part 4 tenancies, greater enforcement of the RPZ legislation and the creation of a rent register albeit not the dwelling specific register sought by Threshold. The Minister also made verbal commitments to ensuring tenants of student specific accommodation will be afforded the protection of the RPZ rules as they are currently excluded from these and are at risk of substantial rent increases.

We will engage with government on these matters and our other policy asks as the Bill moves through the Oireachtas in 2019 to ensure the best outcomes for tenants.

### Standards in Private Rental Accommodation

Threshold contributed to the Joint Oireachtas Committee on Housing, Planning & Local Government discussion on standards in the PRS with both an oral and written submission. We put forward a detailed account of our proposed NCT Certification system to improve standards in the PRS, highlighting the need for this through case studies from our clients.

Local Authorities are responsible for inspecting homes in the RPS to ensure they meet the minimum standards, as set out in legislation. Reports from the National Oversight and Audit Committee (a statutory body whose function is to scrutinise performance of local government bodies) provided startling statistics on the low rate of inspections, the high fail rate of those properties inspected and the low level of enforcement orders issued. We stressed to the Committee that tenants in the PRS should be afforded rights and protections in the same way they are afforded to consumers and employees, as the home is the focus of family life, of our identity and our belonging.

In 2018, we continued our online campaign in support of the NCT style certification system for housing standards in the PRS. The online petition has gathered over 10,000 signatures to date.

## Directors' Report

---

### Tenant Sentiment Survey

In April 2018, Threshold carried out a survey of 300 plus clients, the result of which was published in June 2018. The purpose of this survey was to learn more about tenants' experience of renting in the PRS. The key findings were:

- Only 29% of tenants rent by choice; the remainder do so as they cannot get a mortgage or social housing.
- 96% of tenants reported difficulty in sourcing a home in the PRS.
- 45% of tenants pay over a third of their take-home pay on rent.
- 14% pay over half their take-home pay on rent.
- 47% of tenants feel insecure in their tenancy.
- 20% of tenants left their previous accommodation as the landlord was selling.
- 82% said they would not have been able to resolve their tenancy problem without the support of Threshold.
- 78% said Threshold helped them secure their tenancy.

Threshold plans to carry out similar surveys on an annual basis. These surveys ensure we remain in step with the issues facing tenants in the PRS and they can alert us to emerging issues or shifts in trends. This Tenant Sentiment Survey received a high level of media attention as it revealed the level of insecurity and unaffordability experienced by tenants in the PRS.

### Pre-Budget Submissions

In 2018, Threshold made pre-Budget submissions to the Department of Employment Affairs and Social Protection (DEASP) and the Department of Housing, Planning and Local Government (DHPLG).

We stressed the vital role of, and necessity to ensure funding for, primary and secondary homeless prevention services such as the TPS to prevent people entering homelessness in the first instance.

Through the ITSP, an essential primary prevention service, we identified the need for rent supplement to continue as an alternative to the new social housing support, the Housing Assistance Payment, as it better meets the needs of some renters relying on such supports to afford their own home, due to its greater level of flexibility. We made this recommendation to the Department of Employment Affairs and Social Protection (DEASP). In addition, we have called for a protocol similar to the ITSP for HAP recipients and a commitment for greater flexibility in the application of HAP limits by the local authorities. These are matters we will continue to work on, liaising with the DEASP, DHPLG and the Dublin Regional Homeless Executive (DRHE) to avoid scenarios whereby rent supplement recipients find themselves without adequate supports resulting in financial hardship and possible homelessness.

To achieve greater affordability in the PRS we proposed a yearly registration of tenancies, reminded the Government of their commitment to a Deposit Protection Scheme and put forward the need for the legal definition of a deposit.

### Regulation of Short-Term Lets

Threshold has been vocal in calling for regulation of short-term lets, for example those available on platforms such as Air BnB. We led the way in 2017 in highlighting this issue and the need for action. In October 2018, the Minister for Housing, Planning and Local Government announced that such regulation would come into force in June 2019. We welcomed the Minister's statements and the broad parameters of the proposed scheme. We expressed our disappointment at the timeline and wait to see the details of the regulations to which we will submit our recommendations. Regulation of short-term lets has the potential to bring thousands of properties back into the rental market, particularly in areas of highest demand. We will continue to call for this regulation in 2019 and contribute to its development.

### Engagement with the Taoiseach on Homeless Prevention

The number of people experiencing homelessness continued to rise in 2018, reaching 9,753 (including 3,559 children) individuals accessing emergency accommodation in December 2018. Indications are that the majority of persons experiencing homelessness are doing so as a result of NOTs from the PRS or an inability to access affordable housing in the PRS. To tackle this growing number the Taoiseach invited the Threshold's Chief Executive Officer and Chief Executives from other national housing and homeless organisations to put forward solutions to the homeless crisis. This process will be further worked on in 2019.

## Directors' Report

---

### European Network for 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. Threshold chaired and presented 3 papers to the "Private Rented Market" workshop at the 2018 ENHR Conference;

- An analysis of the Threshold data on stated reasons for legal tenancy termination in Ireland.
- Assessing Risk of Homelessness in the PRS: Dublin Case Study.
- Role of private rented sector and the potential for a new affordable rented tenure in delivering successful mixed tenure communities in Ireland.

### Housing Options for Older People in the Private Rented Sector

Threshold identified that as the numbers of people owning their home decreases, the availability of social housing remains limited and as the numbers renting for longer increases there is a need to future proof the PRS for older people. Threshold and ALONE began analysis of this issue in 2018 to identify issues, resources and solutions. We will continue this work into 2019.

### Housing Assistance Payment (HAP) and Affordability

In 2018, our advisors reported that many HAP tenants were paying "top-ups" on their statutory rental contribution as their rents were increased beyond the HAP limits. As the final roll out of HAP takes place across the country we identified the need to address this issue and seek resolutions. A survey of HAP tenants will be undertaken in 2019 to determine the extent of these "top-ups" and the impact they have on households. A set of recommendations will be drawn from the findings.

### Strategic Objective 4: Support other frontline advice services to deliver housing advice by providing support and training

#### Working with the Citizen's Information Centres (CICs).

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

- 33% of the queries related to tenancy terminations.
- 15% related to rent reviews.
- 9% related to HAP.

This service has been operating since 2012 and last year dealt with 477 queries bringing the total to 3,710. Training was provided to a number of CICs including Cavan, Ballyfermot, Lucan/Clondalkin and Northside Citizen's Information Services.

#### Training and Information Sessions

Threshold provided a number of training and information sessions to other service providers and renters including Community Law and Mediation, Rathmines Library, Amen, Trinity, FLAC, DIT Student's Union, University of Limerick Student's Union, Athlone IT. In November 2018, Threshold was delighted to have the opportunity to participate in an "Advice for Renter" Town Hall session for the staff of Google.

### Strategic Objective 5: Secure sustainable sources of funding to ensure continuity of services on offer

The majority (77%) of Threshold's funding comes from State sources, principally:

- National grants from the Department of Housing, Planning and Local Government and the Citizen's Information Board;
- Regional and local funding from local authorities, Health Service Executive, Dublin Regional Homeless Executive and the Rental Accommodation Scheme; and
- Projects and schemes funded by the Department of Employment Affairs and Social Protection and Pobal.

## Directors' Report

---

23% of Threshold's annual income comes from private donations from both individuals and the corporate sector. Thanks to the generosity of a wide range of supporters, Threshold raised €643,855 to fund vital services in 2018. These funds were raised through our Direct Mail, Regular Giving, Corporate, Trust and Foundations Grants as well as Community Fundraising and the Charitable Donation Scheme. Our Christmas appeal 2018 was our most successful to date, and demonstrates the generosity of our supporters and the public support for Threshold's crucial services.

Threshold aims to generate sustainable and dependable income streams to fund our services. Continuing to invest in our fundraising activities and engaging our supporters and improving return on investment will enable us to grow our income in 2019 and beyond. Threshold will continue to make a compelling case for continued funding by demonstrating measurable outcomes both in terms of preventing and ending homelessness, in line with Government's stated priorities.

### 40th Anniversary

Founded by Fr. Donal O'Mahony in 1978, Threshold celebrated its 40th anniversary in 2018. The celebrations were opened with an event at the Mansion House in June with guest speakers including the Minister for Housing, Planning and Local Government Eoghan Murphy, Lord Mayor of Dublin Mícheál Mac Donncha and a client of Threshold who lost his home on the false grounds of sale of property. We were honoured with the presence of the UN Special Rapporteur on Adequate Housing, Leilani Farha who also spoke about the increasing financialisation of housing, the erosion of housing as a right and the preoccupation of housing as an asset rather than as a home. She stressed the need for us to return to the idea of housing as a basic Right; as a common good.

We ran a special online portal "Threshold @40" illustrating the numerous achievements, milestones and progressive steps taken by Threshold to achieve the vision of an Ireland where everyone has access to affordable, secure, suitable and good quality housing. Members of civil society, government, and academics contributed testimonials on our work, recognising Threshold's contribution to housing policy and tenants' rights in Ireland.

As part of our 40th celebrations, we ran a policy conference "Reimagining Ireland's Future – Housing, Wealth and Inequality". Speakers from Ireland and abroad, experts and respected voices in housing, spoke on a range of topics: "Generation Rent", the future of council housing, the cultural, social and human costs of Ireland's rental crisis and a living rent.

## Directors' Report

---

### REVIEW OF FINANCIAL OUTCOME 2018

The financial outcome for 2018 is set out in the 'Statement of Financial Activities'. Threshold's total income was €2,928,956 (2017: €2,899,906) in the year ended 31 December 2018, similar to the prior year. During 2018 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 2018 Threshold received €643,855 from this income stream - see note 4 to the financial statements. This represents a decrease of 7% when compared to 2017, due to a large one off legacy in 2017. During 2018 Direct Mail income and Regular Giving income continued to be the largest income streams included in donations, legacies and trusts.

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

Total expenditure, at €2,859,145 represents an 8% increase from the 2017 level of €2,644,715. This increase is primarily due to the extension of the Tenancy Protection Service. Expenditure on charitable activities in 2018 totalled €2,392,074, an 8% increase from 2017 levels. As can be seen in note 5, most of the increase resulted from the extension of the Tenancy Protection Service. The cost of raising funds totalled €467,071 in 2018, an increase of 9% due to continuing investment in the Regular Giving programme.

Threshold received a total of €2,278,443 in grants from State sources - see note 4 to the financial statements and below for analysis by donor. This represents a 5% increase from our 2017 levels. This increase is primarily due to the support for the Tenancy Protection Service as referred to above.

The total costs set out above in relation to charitable activities and raising funds include attributable governance and support costs. These support costs include the key services of programme management, technical support, finance, human resources, and information technology. These services play a crucial role in providing core organisational support to the delivery of our activities. Total governance and support costs for the year amounted to €311,595 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	2018	2017
Return on fundraising spend	1.40	1.81
State income as a percentage of total expenditure	80%	82%
Support costs as a percentage of total costs	11%	10%
Free reserves as a percentage of total income	21%	36%

- Return on fundraising spend essentially measures how much Threshold earns for each euro spent on fundraising. A lower return in 2018 spend reflects the increased investment to generate fundraising income in future years.
- State income as a percentage of total expenditure indicates the proportion of work which Threshold are funded without reliance on our fundraising efforts.
- Support costs as a percentage of total costs illustrates how much of total expenditure is absorbed by essential but non-core activities and functions.
- Free reserves as a percentage of total income indicates the resources on which the Charity can draw in order to continue its work in the event of a downturn in income. The level of unrestricted and undesignated reserves held at the end of 2018 has decreased due to investment in housing properties.

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

## Directors' Report

---

### 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 €3,338,963 at 31 December 2018 are detailed in note 15 to the financial statements and fall into two categories:

- Restricted funds (€19,140 Debit): these funds are tied to particular purposes, which arise because of restrictions on their use imposed by the donor at time of receipt or because the funds were collected in a public appeal to raise money for a particular purpose. It is the Charity's policy to fully apply such funds for the purposes for which they were donated as quickly as possible.
- Unrestricted funds (€3,358,103): these are of two types:
  - Designated funds (€2,752,171); 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 2018 funds had been designated for specific purposes as outlined in note 15 to the financial statements.
  - General unrestricted funds (€605,932); 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 2018 the level is 21% of total income due to the investment in housing properties.

### Investment Policy

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

### Going Concern

Set out above is a review of Threshold's financial performance and the general reserves position as at 31 December 2018. Based on the results for the year, the year end financial position and the approved 2019 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.

## Directors' Report

---

### 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 Trustees

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
- Patrick Gray
- Christine Heffernan
- Trocaire Joye
- Martini Molloy
- Brian Murphy
- Thora Mackey (resigned 14/04/2018)
- Mark Brangam (appointed 25/10/2018)

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

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

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

#### Company Secretary

On 14 April 2018 Thora Mackey resigned as company secretary and Liam Reid was appointed in her stead.

#### 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 (six times during 2018) 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.

## Directors' Report

---

Threshold is signed up to the voluntary Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland, the Voluntary Regulation Code for Approved Housing Bodies (AHBs) and Threshold is signed up to a charity code of practice called the Statement of Guiding Principles for Fundraising. Threshold is fully committed to achieving the standards contained within the Statement of Guiding Principles for Fundraising and believe 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;
- monitor the procedures on an on-going basis including assessing control effectiveness; and
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

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

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

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

### 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.

## Directors' Report

---

### Lobbying and Political Contributions

There were no political contributions in 2017 and 2018, 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.

### Accounting Records

The directors acknowledge their responsibilities under Sections 281 to 285, Companies Act, 2014, to keep proper accounting records for the company. The measures taken by the directors to ensure compliance with this section are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the Charity are maintained at 21 Stoneybatter, Dublin 7.

### Statement of Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- a) So far as each person who was a director of the company at the date of approving this Report is aware, there is no relevant audit information (being information needed by the auditor in connection with preparing the Audit Report) of which the auditor is unaware; and
- b) Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Power & Associates, Chartered Certified Accountants and Statutory Auditors, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

**Signed on behalf of the Board of Directors by:**

AIDEEN HAYDEN  
\_\_\_\_\_  
Aideen Hayden  
**Director (Chairperson)**

LIAM REID  
\_\_\_\_\_  
Liam Reid  
**Director and Secretary**

**Date:** 26 June 2019

## Legal and Administrative Information

---

<b>Directors</b>	Aideen Hayden Bernard Cronin Liam Reid Patrick Gray Christine Heffernan Trocaire Joye Martini Molloy Brian Murphy Mark Brangam Tom Dunne	(Chairperson) (Treasurer) (Secretary)       (appointed 25/10/2018) (appointed 29/01/2019)
<b>Company Secretary</b>	Liam Reid	
<b>Chief Executive Officer</b>	John-Mark McCafferty	
<b>Registered Office</b>	21 Stoneybatter Dublin 7 D07 KV61	
<b>Company Registration Number</b>	70660	
<b>Charity Regulatory Authority Number</b>	20011031	
<b>Charity Number</b>	CHY 6279	
<b>Principal Bankers</b>	Bank of Ireland 2 College Green Dublin 2 D02 VR66  AIB plc 66 South Mall Co. Cork T12 Y822  AIB plc 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	
<b>Auditors</b>	Power & Associates Chartered Certified Accountants Statutory Auditors 1 Sussex Street Dun Laoghaire Co Dublin A96 C8N3	

## Statement of Directors' Responsibilities

---

The directors are responsible for preparing the Directors' Report and Financial Statements in accordance with 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 Companies Act 2014 and the accounting standards issued by the Financial Reporting Council, including FRS 102, The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland).

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 company as at the financial year end date and of the surplus or deficit of the company 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 then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

**Signed on behalf of the Board of Directors by:**

AIDEEN HAYDEN  
\_\_\_\_\_  
Aideen Hayden  
**Director (Chairperson)**

LIAM REID  
\_\_\_\_\_  
Liam Reid  
**Director and Secretary**

**Date:** 26 June 2019

## **Independent Auditors' Report to the Members of Threshold**

---

### **Opinion**

We have audited the financial statements of Threshold for the year ended 31 December 2018.

The financial statements we have audited comprise the:

- Statement of Financial Activities;
- Balance Sheet;
- Statement of Cash Flows;
- Notes to the Financial Statements, including a summary of significant accounting policies set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 01 January 2015.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of the financial performance for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs Ireland) and applicable law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority (IASSA) Ethical Standard and the provisions available for small entities, in the circumstances set out in the notes to the financial statements. 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 Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements, other than the financial statements and our Auditors' 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.

## **Independent Auditors' Report to the Members of Threshold**

---

### **Matters on which we are required to report by the Companies Act 2014**

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

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited;
- the financial statements are in agreement with the accounting records;
- the information given in the Directors' Report is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Companies Act 2014.

### **Matters on which we are required to report by Exception**

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by Sections 305 to 312 of the Act have not been made. We have nothing to report arising from this responsibility.

### **Responsibilities of Directors for the Financial Statements**

As explained more fully in the Statement of Directors' Responsibilities on page 23, 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 the directors 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 Auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## **Independent Auditors' Report to the Members of Threshold**

---

### **Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' Report. However, future events or conditions may cause the Company 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 a true and fair view.

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.

### **The Purpose of our Audit Work and to Whom we Owe our Responsibilities**

This report is made solely to the company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state to them in the Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company or the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **STEPHEN POWER**

for and on behalf of:

### **POWER & ASSOCIATES**

Chartered Certified Accountants  
Statutory Auditors  
1 Sussex Street  
Dun Laoghaire  
Co Dublin  
A96 C8N3

**Date:** 26 June 2019

**Statement of Financial Activities**

	Notes	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total Funds 2018 €	Total Funds 2017 €
<b>INCOMING RESOURCES</b>					
Donations, legacies and trusts	4	632,655	11,200	643,855	691,811
Income from charitable activities	4	644,299	1,634,144	2,278,443	2,163,115
Other trading activities	4	6,224	-	6,224	44,279
Income from investments	4	434	-	434	701
<b>Total incoming resources</b>		<b>1,283,612</b>	<b>1,645,344</b>	<b>2,928,956</b>	<b>2,899,906</b>
<b>RESOURCES EXPENDED</b>					
Expenditure on raising funds	5	467,071	-	467,071	427,661
Expenditure on charitable activities	5	619,689	1,772,385	2,392,074	2,217,054
<b>Total resources expended</b>		<b>1,086,760</b>	<b>1,772,385</b>	<b>2,859,145</b>	<b>2,644,715</b>
<b>Net Incoming Resources</b>		<b>196,852</b>	<b>(127,041)</b>	<b>69,811</b>	<b>255,191</b>
Transfer between funds	15	(125,816)	125,816	-	-
Net movement in funds		71,036	(1,225)	69,811	255,191
Total funds at beginning of year	15	3,287,067	(17,915)	3,269,152	3,013,961
<b>Total funds at end of year</b>	15	<b>3,358,103</b>	<b>(19,140)</b>	<b>3,338,963</b>	<b>3,269,152</b>

A separate Statement of Total Comprehensive Income is not required as there are no other gains or losses other than those reflected above.

**Balance Sheet**

---

	Notes	2018 €	2017 €
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>2,682,346</u>	<u>2,192,810</u>
<b>CURRENT ASSETS</b>			
Debtors	11	147,126	14,580
Cash at bank and in hand		<u>1,650,092</u>	<u>1,506,077</u>
Creditors (amounts falling due within one year)	12	<u>1,797,218</u> <u>(213,073)</u>	<u>1,520,657</u> <u>(159,076)</u>
<b>NET CURRENT ASSETS</b>		<u>1,584,145</u>	<u>1,361,581</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,266,491	3,554,391
Creditors (amounts falling due after more than one year)	13	<u>(927,528)</u>	<u>(285,239)</u>
<b>NET ASSETS</b>		<u>3,338,963</u>	<u>3,269,152</u>
<b>FUNDS</b>			
Unrestricted funds	15	3,358,103	3,287,067
Restricted funds	15	<u>(19,140)</u>	<u>(17,915)</u>
<b>Total funds</b>		<u>3,338,963</u>	<u>3,269,152</u>

The financial statements were approved by the directors on 26 June 2019 and authorised for issue on the same date. They are signed on behalf of the Board of Directors by:

AIDEEN HAYDEN  
Aideen Hayden  
Director (Chairperson)

LIAM REID  
Liam Reid  
Director and Secretary

**Statement of Cash Flows**

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net incoming resources for the year	69,811	255,191
Depreciation	120,082	109,085
Deposit interest received	(434)	(701)
Loan interest paid	13,426	3,127
Movement in debtors	(132,546)	47,588
Movement in creditors	21,928	6,382
	<u>92,267</u>	<u>420,672</u>
<b>Net cash flows from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit interest received	434	701
Purchase of tangible fixed assets	(609,618)	(404,488)
	<u>(609,184)</u>	<u>(403,787)</u>
<b>Net cash flows from investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan received from Clann Credo CLG	-	239,195
Loan received from Housing Finance Agency	454,350	-
Capital Advanced Leasing Facility (CALF) loan received	232,900	56,100
Loan repayments	(12,892)	(1,958)
Loan interest paid	(13,426)	(3,127)
	<u>660,932</u>	<u>290,210</u>
<b>Net cash flows from financing activities</b>		
	144,015	307,095
<b>Net increase in cash</b>		
Cash at bank and in hand at beginning of year	<u>1,506,077</u>	<u>1,198,982</u>
<b>Cash at bank and in hand at end of year</b>	<u><u>1,650,092</u></u>	<u><u>1,506,077</u></u>

## Notes forming part of the Financial Statements

---

### 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.

## Notes forming part of the Financial Statements

---

### 2 ACCOUNTING POLICIES (Continued)

#### c) Incoming Resources (continued)

- **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.

- **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.

## Notes forming part of the Financial Statements

---

### 2 ACCOUNTING POLICIES (CONTINUED)

#### f) Employee Benefits (continued)

- **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.

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

- **Cost**

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
- Shop fixtures and fittings	20% 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.

## Notes forming part of the Financial Statements

---

### 2 ACCOUNTING POLICIES (CONTINUED)

#### h) Tangible Fixed Assets and Depreciation (continued)

- **Impairment (continued)**

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.

#### 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.

## Notes forming part of the Financial Statements

---

### 2 ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.

**Notes forming part of the Financial Statements**

**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 2018 €</b>	<b>Restricted Funds 2018 €</b>	<b>Total Funds 2018 €</b>	<b>Total Funds 2017 €</b>
<b>Income from donations, legacies and trusts</b>				
General donations	610,155	-	610,155	573,811
Legacies and trusts	22,500	11,200	33,700	118,000
	<u>632,655</u>	<u>11,200</u>	<u>643,855</u>	<u>691,811</u>
<b>Income from charitable activities</b>				
Dublin Region Homeless Executive	-	519,800	519,800	519,800
Department of Social Protection - CE Scheme	-	129,741	129,741	138,032
Department of Social Protection - Jobplus Incentive	32,813	-	32,813	31,562
Department of Housing, Planning, Community and Local Government - Grant in Aid	388,000	-	388,000	375,000
Department of Housing, Planning, Community and Local Government - National TPS	-	412,000	412,000	324,583
Health Services Executive	-	61,104	61,104	62,704
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	-	5,000	5,000	15,165
Citizens Information Board	47,000	-	47,000	47,000
Rental and payment and availability income	126,486	-	126,486	88,188
Pobal-Scheme to Support National Organisations	-	83,039	83,039	87,621
	<u>644,299</u>	<u>1,634,144</u>	<u>2,278,443</u>	<u>2,163,115</u>
<b>Income from other trading activities</b>				
Charity shop	1,720	-	1,720	28,197
Fundraising activities	-	-	-	10,134
Rent book income and royalties	2,329	-	2,329	3,036
Training income	1,525	-	1,525	1,000
Other income	650	-	650	1,912
	<u>6,224</u>	<u>-</u>	<u>6,224</u>	<u>44,279</u>
<b>Income from investments</b>				
Bank interest	434	-	434	701
<b>Total incoming resources</b>	<b><u>1,283,612</u></b>	<b><u>1,645,344</u></b>	<b><u>2,928,956</u></b>	<b><u>2,899,906</u></b>
<b>Allocated as follows:</b>				
Tenancy Protection Service	-	1,153,260	1,153,260	1,065,843
Advice & Advocacy Services	1,157,126	257,045	1,414,171	1,491,089
Access Housing Unit	-	152,000	152,000	167,165
Policy & Research Activities	-	83,039	83,039	87,621
Housing Activity	126,486	-	126,486	88,188
<b>Total incoming resources</b>	<b><u>1,283,612</u></b>	<b><u>1,645,344</u></b>	<b><u>2,928,956</u></b>	<b><u>2,899,906</u></b>

**Notes forming part of the Financial Statements**

**5 RESOURCES EXPENDED**

	Unrestricted Funds 2018 €	Restricted Funds 2018 €	Total Funds 2018 €	Total Funds 2017 €
<b>Expenditure on raising funds</b>				
Fundraising expenses and salaries	421,085	-	421,085	343,530
Charity shop	-	-	-	46,373
Support costs	45,986	-	45,986	37,758
	<u>467,071</u>	<u>-</u>	<u>467,071</u>	<u>427,661</u>
<b>Expenditure on charitable activities</b>				
Tenancy Protection Service	-	1,195,198	1,195,198	1,050,874
Advice & Advocacy services	451,438	255,921	707,359	710,451
Access Housing Unit	-	169,278	169,278	174,197
Policy & Research activities	-	151,988	151,988	149,436
Housing activity	168,251	-	168,251	132,096
	<u>619,689</u>	<u>1,772,385</u>	<u>2,392,074</u>	<u>2,217,054</u>
<b>Total resources expended</b>	<b><u>1,086,760</u></b>	<b><u>1,772,385</u></b>	<b><u>2,859,145</u></b>	<b><u>2,644,715</u></b>

Expenditure on charitable activities is analysed as follows:

	Tenancy Protection Service €	Advice & Advocacy Services €	Access Housing Unit €	Policy & Research Activities €	Housing Activity €	Total €
Salaries	810,016	341,884	118,894	62,350	67,526	1,400,670
DSP CES salaries and costs	-	139,817	-	-	-	139,817
Other HR	36,884	29,219	4,335	2,598	2,461	75,497
Rent, rates, light, heat & insurance	39,586	14,393	2,726	2,532	1,572	60,809
Travel expenses	6,043	5,811	8,263	1,845	2,789	24,751
Printing, postage and stationery	11,859	7,767	1,505	1,570	241	22,942
Telephone	95,974	11,993	2,639	1,050	197	111,853
Computer software and maintenance	17,239	16,355	5,656	2,850	461	42,561
Depreciation	31,977	42,478	3,208	2,833	33,708	114,204
Research and conferences	-	-	-	7,355	-	7,355
Maintenance	22,978	15,694	2,347	2,793	16,353	60,165
Education	7,602	3,476	501	2,169	409	14,157
Information leaflets and videos	556	384	85	4,330	-	5,355
Professional fees	7,864	3,492	474	318	8,244	20,392
Other costs	4,338	3,203	859	411	833	9,644
Loan interest	-	-	-	-	16,293	16,293
Support costs	102,282	71,393	17,786	56,984	17,164	265,609
	<u>1,195,198</u>	<u>707,359</u>	<u>169,278</u>	<u>151,988</u>	<u>168,251</u>	<u>2,392,074</u>

## Notes forming part of the Financial Statements

### 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	7,278	36,604	1,348	756	45,986
Tenancy Protection Service	15,527	82,267	2,876	1,612	102,282
Advice & Advocacy services	10,857	57,398	2,011	1,127	71,393
Access Housing Unit	2,729	14,268	506	283	17,786
Policy & Research activities	9,098	45,257	1,685	944	56,984
Housing activity	2,729	13,646	506	283	17,164
	<u>48,218</u>	<u>249,440</u>	<u>8,932</u>	<u>5,005</u>	<u>311,595</u>

### 7 STATUTORY INFORMATION

	2018 €	2017 €
<b>Net incoming resources for the year is arrived at after charging/(crediting):</b>		
Directors' remuneration	-	-
Auditors' remuneration	8,364	8,364
Depreciation of tangible fixed assets	120,082	109,085
Operating leases - equipment	2,895	2,317
Deposit interest	(434)	(701)
Loan interest	16,293	3,127
Bank interest and charges	<u>2,382</u>	<u>3,568</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 €10,195 (2017: €15,175).

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.

**Notes forming part of the Financial Statements**

**9 EMPLOYEE INFORMATION**

<b>a) Average Number of employees</b>	<b>2018</b>	<b>2017</b>
Charitable activities service delivery	42	42
Raising funds and support services	7	7
	<u>49</u>	<u>49</u>
<b>b) Total staff costs</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Wages and salaries	1,681,495	1,634,490
Social welfare costs	176,405	161,487
Pension contributions	61,184	49,698
Other staff costs	2,080	45,527
	<u>1,921,164</u>	<u>1,891,202</u>
<b>c) Senior staff remuneration</b>	<b>2018</b>	<b>2017</b>
The number of staff earning salaries over €70,000 is:		
Band €70,000 to €79,999	-	-
Band €80,000 to €89,999	1	1
Band €90,000 and greater	-	-
	<u>1</u>	<u>1</u>
<b>d) Key management remuneration</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Salaries	<u>397,947</u>	<u>390,418</u>

The remuneration committee has the responsibility for the approval of all elements of pay and conditions for staff. CEO, John-Mark McCafferty, received a salary €85,000 in 2018. 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.

**Notes forming part of the Financial Statements**

**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 2018	250,761	204,723	1,349,473	1,528,088	3,333,045
Additions	17,504	8,285	583,829		609,618
Disposals	(25,412)	-	-	-	(25,412)
31 December 2018	<u>242,853</u>	<u>213,008</u>	<u>1,933,302</u>	<u>1,528,088</u>	<u>3,917,251</u>
<b>Accumulated Depreciation</b>					
01 January 2018	187,521	87,002	84,946	780,766	1,140,235
Charge	36,875	20,169	32,476	30,562	120,082
On disposals	(25,412)	-	-	-	(25,412)
31 December 2018	<u>198,984</u>	<u>107,171</u>	<u>117,422</u>	<u>811,328</u>	<u>1,234,905</u>
<b>Net Book Amount</b>					
31 December 2018	<u>43,869</u>	<u>105,837</u>	<u>1,815,880</u>	<u>716,760</u>	<u>2,682,346</u>
31 December 2017	<u>63,240</u>	<u>117,721</u>	<u>1,264,527</u>	<u>747,322</u>	<u>2,192,810</u>

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

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

**11 DEBTORS**

	<b>2018</b>	<b>2017</b>
	€	€
<b>Amounts falling due within one year:</b>		
Monies held by solicitor	108,984	-
Other grants receivable	9,000	-
Prepayments and accrued income	<u>29,142</u>	<u>14,580</u>
	<u>147,126</u>	<u>14,580</u>

**Notes forming part of the Financial Statements**

<b>12 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Creditors and accruals	89,262	88,028
Loan repayments due within one year	40,167	8,098
Deferred income	37,737	27,188
Payroll taxes	45,907	35,762
	<u>213,073</u>	<u>159,076</u>

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

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

<b>13 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Capital Advanced Leasing Facility (CALF)	289,000	56,100
Loan repayments due after one year	638,528	229,139
	<u>927,528</u>	<u>285,239</u>

**14 DETAILS OF BORROWINGS**

<b>Maturity Analysis</b>	<b>Repayable within one year</b>	<b>Repayable between one and two years</b>	<b>Repayable between two and five years</b>	<b>Repayable after five years</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b><u>Repayable other than by instalments</u></b>					
Capital Advanced Leasing Facility (CALF)	-	-	-	289,000	289,000
<b><u>Repayable by instalments</u></b>					
Clann Credo CLG	17,541	17,541	52,622	140,773	228,477
Housing Finance Agency	22,626	22,626	67,878	337,088	450,218
	<u>40,167</u>	<u>40,167</u>	<u>120,500</u>	<u>766,861</u>	<u>967,695</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.

**Notes forming part of the Financial Statements**

15 FUNDS	Balance at 01/01/2018 €	Incoming Resources €	Resources Expended €	Fund Transfers €	Balance at 31/12/2018 €
<b><u>Unrestricted Funds</u></b>					
General	1,034,465	1,283,612	(966,678)	(745,467)	605,932
Designated property asset	2,192,810	-	(120,082)	609,618	2,682,346
Designated building maintenance	59,792	-	-	10,033	69,825
<b>Total unrestricted funds</b>	<b>3,287,067</b>	<b>1,283,612</b>	<b>(1,086,760)</b>	<b>(125,816)</b>	<b>3,358,103</b>
<b><u>Restricted Funds</u></b>					
Loreto Foundation Fund	-	6,000	-	(6,000)	-
ESB Energy for Generations Fund	1,170	5,200	-	(2,222)	4,148
Tenancy Protection Service	-	1,153,260	(1,195,198)	41,938	-
Access Housing Service	-	152,000	(169,278)	17,278	-
Advice Service	-	116,104	(116,104)	-	-
Department of Social Protection - CE Scheme	(16,667)	129,741	(139,817)	10,000	(16,743)
Pobal Scheme to Support - National Organisations	(2,418)	83,039	(151,988)	64,822	(6,545)
<b>Total restricted funds</b>	<b>(17,915)</b>	<b>1,645,344</b>	<b>(1,772,385)</b>	<b>125,816</b>	<b>(19,140)</b>
<b>Total funds</b>	<b>3,269,152</b>	<b>2,928,956</b>	<b>(2,859,145)</b>	<b>-</b>	<b>3,338,963</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 ESB Energy for Generations Fund**  
This fund relates to monies donated by ESB Energy for Generations fund for the refurbishment of client, reception and waiting areas in Threshold's Dublin office as well as the provision of a dedicated advice service for the Deaf community.
- **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. €28,815 of this grant was deferred at the year end.
- **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.

**Notes forming part of the Financial Statements**

---

**15 FUNDS (Continued)**

Analysis of Net Assets Between Funds is as follows:

	General Fund €	Designated Funds €	Restricted Funds €	Total Funds 2018 €
Tangible fixed assets	-	2,682,346	-	2,682,346
Debtors	123,441	22,685	1,000	147,126
Cash at bank and in hand	655,397	1,014,835	(20,140)	1,650,092
Creditors (amounts falling due within one year)	(172,906)	(40,167)	-	(213,073)
Creditors (amounts falling due after one year)	-	(927,528)	-	(927,528)
<b>Total</b>	<u>605,932</u>	<u>2,752,171</u>	<u>(19,140)</u>	<u>3,338,963</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	<u>247,000</u>
	<u>507,000</u>

**17 CAPITAL COMMITMENT**

Threshold have authorised the purchase of a property in Cork city at a cost of €129,000.

**18 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.