

THE HOPE EXCHANGE



ANNUAL REPORT

2021 / 2022

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The Carpenter's Shop NPC Reg no: 1979/006154/08 trading as The Hope Exchange
NPO: 003-417 PBO: 18/11/13/2509 Tax exempt: Section 18A

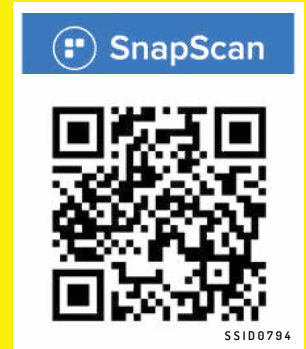
Executive Board: AS McLeod (Chairman), PR Solomon

Advisory Board: K De Lorenzo, A Kirke, W Conrad, R Hofmeyr, J Smith, I Veary

Patron: GJC Burton

14a Roeland Street, Cape Town, 8001 • t: +27 21 461 5508 • e: info@thehopeexchange.org

Should you wish to contribute to the valuable work we do, do not hesitate to contact us at 021 461 5508 / appeal@thehopeexchange.org visit our website www.thehopeexchange.org or use the SnapScan code below to donate.



Banking Details

The Carpenters Shop

Nedbank, Gardens

Branch code: 101 009

Account number: 101 007 604 3

Account type: Current account

Swift code: NEDSZAJJ

Every little gift helps us provide our homeless clients with dignity and hope.

CHAIRMAN'S REPORT

The slow release of our society from the vagaries of Covid has unfortunately not been mirrored in the lives of the homeless population of Cape Town. If anything, the impact of the pandemic is grinding greater numbers of people into a position of homelessness.

Over the past year we have seen more and more people living on the streets, more and more ragged individuals standing at our car windows begging for a few cents, more and more homes of plastic and cardboard in our parks and sidewalks.

These people are not there out of choice, they don't want to be living like that. The vast majority find themselves driven into that position by debilitating poverty, abusive homes and lack of opportunities. There is no doubt that many have made bad choices with alcohol and drug abuse and many of them suffer from mental health issues.

The difference in almost all cases, is that there is no safety net, nothing to stop these individuals from hitting rock bottom. Once they are there, clawing themselves up out of that position is incredibly difficult.

That is where you and I can hold out our hands and make a difference. The Hope Exchange, through your support, has helped hundreds of individuals over the past year.

Imagine the difference it made to Reggie who came to Geoff Burton House (GBH) in May 2021 with no identity documents and only a few remaining belongings.

His employer had sent him to rehab, but he kept relapsing and he faced losing his job. GBH helped him to reapply for an ID, counselled him and helped him formulate a personal development plan.

He attended the Cape Town Drug Counselling Centre outpatient rehab programme for two months and hasn't relapsed since.

He has kept his job, rebuilt his family relationships and the weekly life skills programme, has improved his knowledge and financial planning skills.

Reggie has saved money and secured his own accommodation and reintegrated back into society in January 2022.



Reggie is one of many who received help as shown on page 7.

Here are some of the other successes over the past year:



11 GBH residents received computer skills training on an 8-week course from Amathuba Collective.



124 Personal Development Plans were entered into with GBH clients.



11 GBH residents were reunified with family - an increase of 22%, year on year.



526 Ablutions clients and 15 GBH residents attended Life Skills education sessions.



33 Ablutions Clients were reunified with family, compared to 9 last year.



Our annual #Feed5000 Campaign served more than 10,000 meals over the year-end holiday period.

Operationally, we've been able to implement 24-hour security at our premises to further ensure the safety of our clients, staff and assets. We have renewed our lease agreement for an effective further 25 years with The School of Industry Trust at 14a Roeland Street that has been our home for more than 40 years.

Financially it has been a difficult year. You will see that we posted an Operating loss of R260,262. This was despite The Car Wash, our main social enterprise, and accommodation fees, another important source of self generated income, almost doubling over the 2020/2021 year.

These were pleasing results. The biggest driver of the reduction in revenue was the drop off in donations – we received a very big Covid grant from the City of Cape Town in the prior year and unfortunately no income from them in the current year.

We have recently met with city officials and are in consultation with them to provide a more sustainable level of support. The homeless problem in Cape Town is an issue to be dealt with on an ongoing basis. We appreciate the once-off support that we were given last year, but the problem has increased dramatically and the City needs to play their part.

I would like to thank those who did and continue to support us: the Department of Social Development of the Western Cape, businesses and individuals who made big donations, many who made small donations and those who supported our car wash. I would like to extend a particular word of thanks to our feeding partners, every meal that you served helped one of our clients face another day.

Peter Solomon and his team at The Hope Exchange need to be recognised and congratulated for everything that they do for our clients every day. Their dedication and hard work has helped thousands of people over the past year. Let us thank them on our clients' behalf – you have been stars.

Looking forward, we have one particularly exciting and large project that we are working on with the Western Cape Government to provide a first phase shelter and to expand our second phase shelter offering in a new venue in central Cape Town. This could increase the number of people that we house every night by more than 200%. I appeal for your support as we strive to bring this to fruition.

STUART MCLEOD Chairman



"The Hope Exchange is a **great place to be when you need a chance to heal, change and have peace.** It has helped me to be a better person. The staff have a big heart and are willing to listen to anyone's problem." - Anonymous

DIRECTOR'S REPORT

"Cape Town Mayor Hill-Lewis wants to shift the approach on homelessness from law enforcement to care intervention."

This is the headline of a recent article published in the Daily Maverick on 9 July 2022. The article further states, inter-alia, that "after becoming Cape Town's youngest mayor in November 2021, Geordin Hill-Lewis said his biggest challenge was to solve homelessness..."

In my previous report I raised the question, many others had asked too, on the City's punitive approach to homelessness and the disparity of its budgets for social development versus law enforcement. I therefore welcome Mayor Hill-Lewis' statement above that implies the law enforcement approach doesn't work.

Considering the permeating nature of homelessness and the challenges our homeless clients face with the authorities, these comments resonate continually with those of us who work daily in the sector. Stuart McLeod in his Chairman's Report refers to our engagement with the City of Cape Town after the above statements were made and while there is no panacea for homelessness, we are looking ahead with keen interest for positive outcomes from both the Mayor's promises and further constructive engagement with the City.

With further reference to the above headline, it is also fascinating to note the ending, "... care intervention." Social care epitomizes what we do day-in and day-out at The Hope Exchange.

Social care tops and tails all our activities - it's the gateway in and the doorway out of our wide and integrated basket of social services to the homeless.

The Hope Exchange helps the homeless to help themselves. We improve the lives of those who have no choice but to live on the streets - restoring dignity and facilitating personal growth.

Our aim is to reintegrate clients back into society or reunify them with family by providing holistic social care and driving awareness for the cause.

With the gradual easing of various levels of COVID-19 lockdown restrictions behind us, the drop in the rate of infections, the increase of people returning to work, the "Open for Business", "Welcome Back to Town" signs, the "new normal" and expectant economic buoyancy with perhaps less people living on the streets was wishful thinking, and there has been no magical return of funding either. The headwinds we face continue relentlessly.

This applies in all areas where funding is needed - resourcing, running costs and repairs and maintenance. The latter is a constant factor given the age of the historic premises we are fortunate to occupy.

While our income generating activities (from social enterprises and accommodation fees) have recovered well, the negative financial results for the past year has chiefly been from donation income that was not realized.

While the need for further vaccination has all but ended, demand for our services has not, as can be seen from the figures on Clothing Assistance provided and Visits to our Ablutions Facility on pages 7 & 9.

This is a clear indication of the seemingly never-ending increase in homelessness and the dire situation of those sleeping rough, which should serve as a further imperative for us all - public sector, private sector, social sector/non-government and all citizens - to work collectively towards preventing, reducing and ending homelessness.

All sectors of society need to partner to deal with the homeless challenge. This becomes ever more necessary in the context of the age of self-interest and greed we are living in. Former minister and widow of liberation struggle icon Ahmed Kathrada, Barbara Hogan, and South African Revenue Services Commissioner Edward Kieswetter decried the corrosion that plagues South African society.

They were recently speaking at the opening of the Ahmed Kathrada exhibition at Constitution Hill, an exhibition depicting

Kathrada's colourful political life. In summary Hogan said, "South Africa has become a corroded society."

She went on to further say that "the greed of those seeking power in South Africa was surely one of the most corroding values that has infiltrated our society'. We have become a society more divided and void of truth... characterised by greed, violence and corruption".

This is why we cannot wait for a political system or those in power for solutions needed for our vulnerable and defenceless clients. All sectors of society need to partner to deal with the homeless challenge.

One positive outcome of the pandemic was the increased need for services from our social enterprise, The Car Wash. As the lockdown restrictions eased and allowed for increased mobility, the demand for disinfecting and sanitizing vehicles increased and this additional service as well as the return of many regular customers helped to contribute to the recovery of revenue to above pre-pandemic levels.

We are hoping that as people continue to return to work in the city, increased demand for regular car wash services will help to compensate as the demand for sanitizing now decreases.



Towards the end of the past financial year, we began planning for an exciting new skills training venture in partnership with a former Geoff Burton House (GBH) resident, Mondli Mahamba, called the Heaven Hope Barista Training Programme.

After a successful reintegration from GBH in 2017, Mondli has owned and run Heaven Coffee - a coffee bar located at the Central Methodist Mission on Greenmarket Square. At the time of writing, this pilot training project will be ending and after a review and further planning, we hope to receive sufficient funding to continue and extend this programme and look forward to further positive reporting on this in future.

As a consequence of the above barista training as well as a desire to improve and expand our charity shop, Second Chance, we are planning the restructuring of our office premises to move the shop location to be street facing, more visible and easily accessible to the public and to incorporate a coffee bar and more comfortable amenities to serve car wash customers. The intention is for these improvements to increase awareness and revenue generation.

We have passed forty years of service to the homeless. Forty years of providing the homeless with hope, dignity and opportunities for change. We would not have prevailed without the help, financial support, volunteer support, friendship and encouragement from others outside of our service team on the ground.

Thus, as always, I wish to express my sincere gratitude for the ongoing support from funders, donors, partners, volunteers or friends, the sacrifice, drive and expertise of our Advisory Board and the dedication, forbearance, and commitment of our staff.

PETER SOLOMON Director



SOCIAL CARE IN NUMBERS

GEOFF BURTON HOUSE (SECOND PHASE SHELTER)

76 Referrals to shelters

72 Referrals to hospitals

478 Clothing assistance

145 Identity documents

589 Toiletry packs

94 Counselling

33 Family reunifications

526 Attended life skills education

73 Health clinic

263 Unique Individuals

93 Unique GBH Beneficiaries

124 Personal Development Plans compiled + reviews

313 Care bags / toiletries

174 Life skills education sessions

74 Food parcels

162 Counselling sessions

19 Reintegrated

11 Reunified

62 New Admissions

#FEED5000

11 DEC 2021 - 16 JAN 2022

10025 Meals served

86 Volunteers



SOCIAL CARE REPORT

At the heart of what we do is the conviction that hope allows people to approach problems with a mindset and strategy-set suitable to improve growth and development. As the pandemic continued to manifest in different variants, wreak havoc, shed jobs and negatively impact our economy, the social care team continued to do their work with diligence, professionalism and compassion.

Some extraordinary measures and innovative ways were introduced as the team continued to provide a wide and integrated range of psychosocial services to homeless individuals living on the streets in Cape Town CBD and employed men who are at risk of becoming homeless in Geoff Burton House (GBH).

Our aim is not to aggravate homelessness, but rather to give homeless people the chance to restore their dignity and create opportunities for change. The goal is to reintegrate homeless clients back into society and reunify them with their families.

Despite the challenges and uncertainties faced during the year, the positive impact of our services can be seen on page 7.

Furthermore, new developments were implemented to improve both our service delivery and the lives of our homeless clients.

"...I was hungry and you gave me food, I was thirsty and you gave me drink, I was a stranger and you took me in, I was naked and you clothed me, I was sick and you cared for me..."

- Matthew 25:35-36

- The first Covid-19 vaccination of our homeless clients successfully took place at our premises on the 6th of August 2021 in partnership with the Western Cape Department of Health. 138 homeless clients received their Johnson & Jonhson jab.
- The second vaccination roll-out was done again at our premises in November 2021.
- Booster shots were administered in March 2022 to our homeless clients by the Department of Health in partnership with the Pink Sisters.
- Monthly clinics by St John's Ambulance resumed towards the end of the year after Covid-19 vaccination roll-outs. The service has remained essential in improving the health, and enhancing knowledge and skills of our homeless clients as they receive basic health screenings, medication and health education.
- Weekly life skills education sessions for both our ablutions and GBH clients continued to improve our clients' knowledge and skills in various social aspects such as substance abuse, job readiness and financial management.
- The JoshGen church facilitated weekly bible studies which made a significant impact and helped immensely in meeting our clients' spiritual needs.
- To complement our social care services, new relationships were developed with Enable H, B Somebody SA and Girls with Wings, organisations that provide skills training and job opportunities to homeless clients. Four male ablutions clients successfully graduated in the Enable H carpentry skills programme and five ablutions female clients are working for Girls with Wings.
- We actively participated in the formation of the Homeless Action Coalition (HAC) and the writing of the HAC Constitution.
- Our partnership with UCT's Department of Social Development remained strong and 4 social work students successfully completed their fieldwork practice with The Hope Exchange. Their service was of great value in the rendering of social work services to our homeless clients.

Nevertheless, challenges continue in the daily running of our ablutions and GBH services which are among others:



Ablutions clients with mental health problems remained a challenge when using the facilities and in some cases required SAPS to assist with escorting clients to psychiatric hospitals.



Family reunifications and reintegration of GBH clients back into the society took longer to be effectively completed because of increased economic hardships brought about by salary cuts and job losses due to the lockdown.



Shortage of bed space in shelters continues to negatively impact access to shelter by the homeless people especially in winter, posing health challenges to many.

With dedication and passion, the Social Care Team will continue to provide quality services to all our homeless clients, reunifying them with their families and reintegrating them back into society. I wish to honour all the frontline workers for their passion and commitment to improving the lives of our clients including The Hope Exchange Team.

Many thanks to all our partners, donors, funders and everyone who supports our work, without which the Social Care Team will have much more difficulty fulfilling our mission.

201 759 Meals served with partners

26 952 Ablution visits

CHARITY POTE Social Work Manager

FINANCIAL REPORT

The past year was a difficult year from a financial point of view. Although the organisation was able to 'slowly get back to business as usual,' the overall result was that the year ended with a deficit of R221 203, compared to a surplus of R81 691 in the prior year. Our financial position has therefore deteriorated slightly in that our reserves at year end were only R1 576 348, which is 12.3% down on the prior financial year figure of R1 797 551.

The income statement shows a mixed bag of increases and decreases. Our car wash service has bounced back, and revenue nearly doubled from R539 895 in 2021 to R1 076 434 in 2022, which is much the same as it was in 2020. The car wash expenses were carefully controlled and only increased by 62% leaving the car wash with a positive net contribution.

Accommodation fees from Geoff Burton House also increased significantly from R258 889 in 2021 to R500 956 in the current year, but still a little behind the levels of 2020. Although income from donations decreased by 27% compared to 2021, we are fortunate in that we have the continued support from our regular donors.

In the current year we received a large donation specifically as a contribution to the costs of restoring the hall floor and this income has therefore been carried forward to be set off against the actual expenditure. Similarly, we received a contribution of R1.5 million from the Department of Social Development (DSD) as funding for a future project and this has also been carried forward to be matched against the anticipated expenditure.

Other income streams remained satisfactory and at more or less the same levels as in the prior year.

Although general expenditure increased by 11%, all categories of expenditure were professionally managed and constantly compared to budgets. Budgets are adjusted as necessary to reflect the changes in income flow during the year.

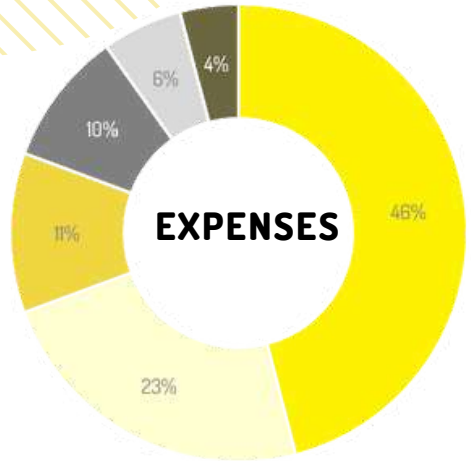
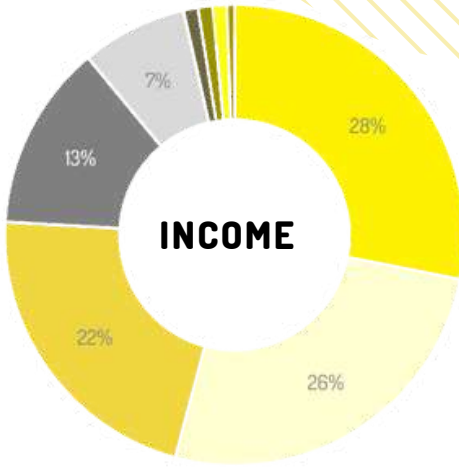
In summary, total income increased by 10% from R3 481 687 to R3 831 566 and total expenses increased by 19.2% from R3 399 996 to R4 052 769 during the year. As was the case in the prior year, we had budgeted for various necessary repairs and maintenance to be carried out on the buildings from which we provide our services to the homeless; however, these projects have been postponed until we have adequate financial reserves, or we obtain specific funding for the projects.

Fundraising remains a challenge and will continue to be a strategic focus area during the coming years.

We would like to express our appreciation to our auditors, Moore Cape Town Inc., for their continued support in completing the independent audit of our annual financial statements at reduced rates.

ROLY HOFMEYR Treasurer

FINANCIAL INDICATORS 2021 - 2022



	2022 Rand	2021 Rand
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH		
Assets		
Non-Current Assets	767 237	647 737
Property, plant and equipment	767 237	647 737
Current Assets	2 644 649	1 291 267
Trade and other receivables	231 548	143 432
Cash and cash equivalents	2 413 101	1 147 835
TOTAL ASSETS	3,411,886	1,939,004
Equity and Liabilities		
Equity	1 576 348	1 797 551
Retained income	1 576 348	1 797 551
Liabilities		
Current Liabilities	1 835 538	141 453
Trade and other payables	335 538	141 453
Deferred income	1 500 000	-
TOTAL EQUITY AND LIABILITIES	3 411 886	1 939 004

	2022	2021
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	1 115 294	555 935
Cost of sales	(897 179)	(554 097)
Gross profit	218 115	1 838
Other income	2 677 413	2 876 002
Operating expenses	(3 155 590)	(2 844 003)
Operating (loss) profit	(260 062)	33 837
Investment revenue	38 859	49 750
Finance costs	-	(1 896)
(Loss) profit for the year	(221,203)	81,691
Other comprehensive income	-	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	(221 203)	81 691

INCOME

- 28% Social Enterprise (Car Wash)
- 26% Donations
- 22% Government (DSD)
- 13% Shelter Fees (GBH)
- 7% Rental Income
- 1% Trusts
- 1% Sale of asset
- 1% Interest Received
- 1% Social Enterprise (Shop)

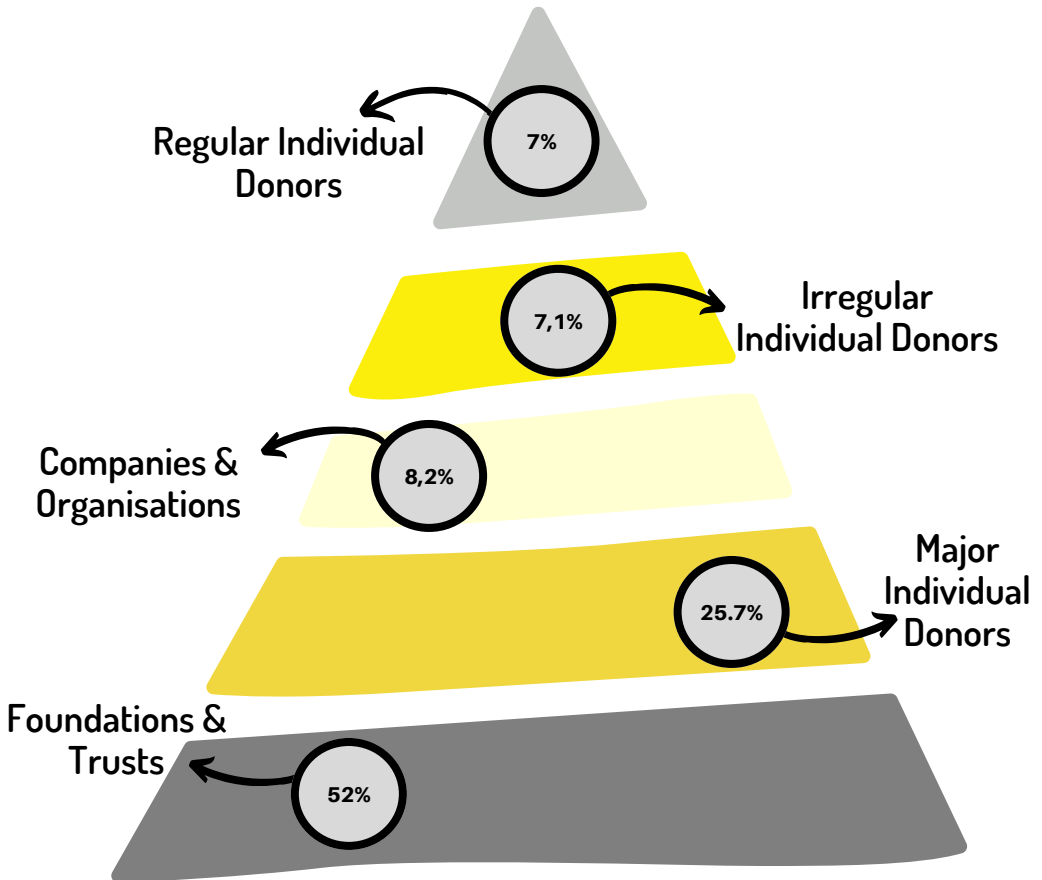
EXPENSES

- 46% Administration
- 23% Social Enterprise (Car Wash)
- 11% Shelter Residence (GBH)
- 10% Social Work
- 6% Reintegration and wellness
- 4% Marketing and fundraising

THANK YOU FOR YOUR SUPPORT IN THE PAST YEAR!

The Hope Exchange extends its deepest gratitude to our donors and supporters who help us restore dignity and hope to people who are homeless or at risk of becoming so.

The commitment of our donors—individuals, foundations, corporations, governments, non-governmental organizations and social enterprise customers—is what enables us to respond to the growing number of clients who make use of our facilities and services.



Donor Pyramid: segments of monetary donations received in the past year.

WE WANT TO DO MORE

Please help advocate our cause and vision by encouraging others to support us, so we can do more in the future:

- 1 Make a donation**
See the different payment options on our website under the menu option "Give Back".
- 2 Sponsor a project**
Contribute and assist with one of the exciting projects we have on our roadmap.
- 3 Volunteer**
We are always looking for extra help and people with different skill sets.
- 4 Collect for us**
Arrange collection drives for toiletries and second-hand clothing.
- 5 Own a #Feed5000 day**
Help us with providing meals for the homeless during the festive season.

For more information or to learn about other ways of getting involved, email us at appeal@thehopeexchange.org or call us at +27 21 461 5508.

"I arrived at The Hope Exchange beaten, broken and bruised. My physical, emotional and mental state was all but in tatters and I was ready to give up. Not having much knowledge of streetlife and shelters, I was expecting the worst.

But I was so wrong. From the minute I checked in **I was treated with kindness, dignity and respect**, and not just as another person seeking shelter. Charity and Nipolene were so friendly and made me feel right at home from the minute I got there.

The time here has allowed me to rebuild and repair the damage to my physical, emotional and mental state and, in that way, The Hope Exchange has "saved my life".

Thank you for making my stay here such a pleasurable and positive experience. This will forever be etched in my heart."

Former GBH resident,
December 2021

The Hope Exchange helps the
homeless to help themselves.
We improve the lives of those
who have no choice but to live
on the streets - restoring
dignity and facilitating
personal growth.

Our aim is to reintegrate
clients back into society or
reunify them with family by
providing holistic social care
and driving awareness
for the cause.



40 years in service of the homeless