

Charity Registration No. 1161801

Company Registration No. 08648338 (England and Wales)

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Jessica Brown Miss Guraman (Aman) Johal Mr Stephen Miller Mr Edmund Papworth Mr Wyndham Plumtre
Charity number	1161801
Company number	08648338
Registered office	53-63 East Street London SE17 2DJ
Accountants	GBAC Limited Old Linen Court 83-85 Shambles Street Barnsley South Yorkshire S70 2SB
Independent examiner	Hugh Swainson, ACA Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc 186 Streatham High Road Streatham London SW16 1BE

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

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HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The Board of Trustees (the Trustees), who act as directors for the purposes of the company law, present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The legal and administrative details on page 3 forms part of this report.

Public benefit statement

The Board confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Further information regarding the Charity's activities, public benefit and impact are presented in its Annual Impact Review, which is available on its website: www.hatchenterprise.org

Our Purpose

Hatch Enterprise (the Charity) provides community-based entrepreneurship programmes to emerging entrepreneurs, through an ecosystem of support that includes the provision of knowledge, mentorship and workspace. Our mission is to build a fairer society by supporting diverse and impact founders into business.

Our work continues to drive social impact and transform disadvantaged communities around London and the UK. Since launching in 2014, over 500 entrepreneurs were supported through Hatch Enterprise's core programmes (Launchpad, Incubator, Accelerator) and an additional 3,000 founders through Hatch's community programme and events.

Objectives and activities

The charity's objects are:

- (1) Act as a resource for young people under 30 in London by providing advice, assistance and organising educational programmes or other activities as a means of:
 - a) helping young people develop the skills, capacities and capabilities needed to participate in society as independent, mature and responsible individuals;
 - b) advancing education; and
 - c) relieving unemployment.
- (2) Promote sustainable development for the benefit of the public by:
 - a) the preservation, conservation and the protection of the environment and the prudent use of resources;
 - b) the relief of poverty and the improvement of living conditions in socially and economically disadvantaged communities; and
 - c) the promotion of sustainable means of achieving economic growth and regeneration.

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

CEO Statement

2020, a year that will be burned into the collective memory of humanity. Things were going well, plans were made and people had high hopes for the year. Fast forward a few months and society and the planet are hardly recognisable. This was the year where businesses had to show what they're made of. Were they able to adapt and change or die trying? At Hatch we faced the same situation, mothball ourselves and 'ride-out' the pandemic or batten down the hatches, tighten our belts and be the enterprise support organisation that will double down on its mission to level the playing field for diverse and impact founders. At the beginning of the pandemic, it was pretty clear, it will be tough for many of our founders. Many lost most or all their income overnight, especially those with physical spaces and those in the leisure, sport and hospitality industry. We received calls, messages and emails to support our community and we answered their call!

We have been thoroughly amazed by our founders at the same time as they've been challenged. Many pivoted their businesses, developed digital offerings from zoom classes to selling online. Our impact founders especially answered the call to support especially vulnerable community members through the pandemic. BikeWorks became a food & medication delivery agency, LoveWelcome partnered up with Banksy to address the refugee crisis that was happening in the Mediterranean, our food waste businesses delivered fresh food in their neighbourhoods and we saw people come together to provide critical support throughout the crisis. This made us really proud as we've supported many of these founders over the years and their resilience, grit and sheer optimism was a clear indication that, with the right support, businesses can be a huge force for good.

2020 had another pivotal moment in summer where the inequalities and racial injustices were demonstrated and lobbied against through the BlackLivesMatter movement. We joined this cause when we founded Hatch in 2013, supporting especially black and brown founders in South London but in 2020 we went 'national' with our support programmes, considering we could now deliver anywhere in the UK. We launched a new BAME Female Founders programme thanks to the unwavering support of our funders and partners and have also started to build the kind of ecosystem we think we need to make sure that progress on racial justice doesn't just stay in 2020 but will be mission-critical going forward.

My biggest thanks goes to the Hatch Team. Without their commitment & dedication to the cause, we would not have been able to impact so many founders in what can only be described as the biggest rollercoaster of a year we've ever lived through in our generation.

Upwards and onwards

Dirk Bischof
CEO

Activities and achievements

In 2019/2020, Hatch Enterprise launched the UK's first incubator for women of colour to go alongside our roster of programmes. The **Female Founders Incubator** aims to support startups led by women from minority groups through these challenging times and double their annual revenue within 12 months. The programme offers 2 months of personal coaching from Google's dedicated learning space in addition to 3 months of mentoring from industry experts at Natwest and Ebay.

2019 also saw the launch of the **Impact Accelerator**, which served as a pilot project to test our redesigned curriculum for social enterprises. Our other Incubator and Launchpad programmes continued to gather pace with each currently supporting up to 60 applicants a year, thanks to the players of the PostCode Lottery.

Across all our programmes and since 2014, we have now supported over 500 founders through in-depth and long-term enterprise programmes (Launchpad, Incubator, Accelerator) and over 3,000 founders through light-touch initiatives such as mentoring, coaching and our events.

Our interventions help entrepreneurs to test, start and grow their business ideas. We focus our support on entrepreneurs from disadvantaged backgrounds and minority groups, as well as on those starting an impact business or social enterprise. Every new venture we help to grow has the potential to transform the lives of its founders, staff and their communities.

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Main programmes

Hatch Launchpad for entrepreneurs looking to start new ventures had a mostly female cohort (65%) join us on our 6-week programme this year. More than 250 workshop hours and 300 coaching hours helped to inspire 165 new business ideas since 2015 (33/ year). The Launchpad is a test-bed of new ideas for people who are looking to validate their business or social business ideas.

Hatch Incubator for young startups recruited a diverse cohort of entrepreneurial talent, with 63% from ethnic minorities, 65% female and half of recruits under 30. The Hatch Incubator focuses on start-up stage founders who have been up and running with their business for 6 - 12 months and are looking to grow it. The Hatch Incubator is our longest-standing programme, opening its doors to its first founders in 2014 and supporting 183 founders since then (30/ year)) with Graduates from the 14-week programme have now raised over £4.8 million in investment and grant funding. Annual revenues have also grown 15% from a year ago to £4.3 million and 216 new jobs were created within the local community.

Hatch Accelerator for established ventures who are looking to grow and scale their businesses. Since launching our first Accelerator in 2017, 56 female entrepreneurs have joined our innovative 6-month business and leadership programme to support scaling businesses and social enterprises. Combined startup earnings exceeded £4 million and created another 149 new jobs. We did not deliver a Female Founders Accelerator in 2019, but took stock of the programme and redesigned it for 2020, where we will support new female founders via our ongoing collaboration with J.P.Morgan Chase Foundation for the coming 2 years, which will see us support another 50 growth-scale female founders.

Hatch Community continued to run regular meetups, events and conferences to support our growing community of entrepreneurs. 2019 saw the return of Beyond Good Business (www.beyondgoodbusiness) to showcase the amazing work of the UK's social enterprise sector and build bridges between supporters and social investors. Over 400 people attended our sold-out unconference. This year's event was made available online and reached over 100,000 across our networks. Hatch Social Club also provided monthly guest speakers for its growing audience looking to share knowledge and resources. Across these light-touch initiatives, this now brings the total supported to just over 3,000 people since 2014 (500/ year). We are looking to grow this more as we scale our digital provision.

Hatch Space (55 East) has partnered with over 20 local organisations and delivered over 400 events in our local community, becoming a place for people to meet, share their journeys and develop new ideas and projects that support the local community. We have delivered events to well over 2,000 people since we launched 55 East in November 2017. Despite closing its doors earlier this year due to Covid-19, the team hope to reopen soon and resume its work as a thriving community hub.

Priority groups

Our **young enterprise** initiative focuses on entrepreneurs aged 18-30. We support 24 young people every year to test their ideas and start a business that will provide the means for self-sufficiency. We work with young people from **diverse** and disadvantaged backgrounds that often require holistic support from our partners in addition to our Launchpad and Incubator programmes.

Given the rising demand for places in recent months, we are working with new funders to boost our capacity. Since launch, 138 young entrepreneurs have completed our programmes. Over 50% of businesses are still active after 3 years, with another 30% of graduates in gainful employment.

Hatch Impact programmes for **social enterprises** has supported 143 impact founders to help their communities since 2015, through our 3-year pilot programme with Deutsche Bank. Social Enterprise UK reported in 2019 that social enterprises contribute £60 billion to the UK economy and employ 2 million people. Despite this, 71% of impact businesses struggle with finding sustainable revenue streams.

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

In 2019, Hatch Enterprise addressed this problem by partnering with City Bridge Trust, SIB, Big Issue Invest and Peabody to create the Impact Incubator and Impact Accelerator programmes. The aim was to help businesses access funding and scale their social impact. 38 impact founders with a turnover of up to £50,000 for the Incubator and up to £250,000 for the Accelerator participated in the programmes (2 Accelerators and 1 Incubator).

"I am a huge fan and admirer of Hatch, they have been consistently supportive of my social enterprise and me, and it's my opinion that they do everything in their power to do exactly the same for every single entrepreneur they welcome into their network." Ruth, founder of Canvas Café

The first Impact Accelerator launched in May and served as a pilot project to test our redesigned curriculum that blended insights from alumni, research focus groups, industry best practice, and our own experience. After 12 months of refinement, the combination of inclusive workshops, legal support and masterclasses enabled participants to increase their turnover by 67% from the start of the programme. Funding from the Postcode Innovation Trust has allowed the programmes to be rolled out over the next 18 months. The remaining Impact Incubator and Accelerator programmes launched in February 2020. Their outcomes will be published in our next Impact Report.

"The Hatch Impact programme is a lifeline for small social enterprises who can easily feel quite alone. It's been great for motivation, feeling supported and sharing vital resources. Thank you, Janine and Hatch!" Abi, founder of Love Welcomes.

"The programme has been amazing... wish it could continue for another 12 months! Hatch has helped the club be more resilient to the financial pressure we're in right now. We're confident in our numbers because of the training we've had on things like financial modelling and cash flow forecasts. Before Hatch those types of things were alien to us and we were just focussed on coaching and teaching classes. So, it would have been difficult for us to get on top of the business aspect of running the club when Covid came along and we were forced to close our physical spaces. We've also tapped into Hatch's fantastic network including legal and financial advice and the sharing of funding streams." Andrew, founder of Southwark Gymnastics Club

Hatch Enterprise launched its first programme to support **female founders** in 2017 in response to reports from HM Treasury that only 5.6% of UK women run their own businesses. The **Female Founders Accelerator** caters for established businesses that want to scale. The programme has been designed to deal with specific problems faced by women entrepreneurs. Reports from British Business Bank in 2018 showed that less than 3% of venture capital funding went to female founders. Without support, only 1 in 20 businesses started by women survive past 3 years. The aim of the Accelerator is to help women build sustainable businesses and improve success rates by 70%.

During 2019, the Female Founders Incubator and Launchpad programmes became the first of its kind to cater exclusively for women from minority groups. Support from Natwest and Ebay enabled these programmes to help diverse entrepreneurs such as Sahra Mohamed build her ethical skincare company. Sahra started Skin Mama to create a sustainable living for female farmers in Somalia. The Female Founders Incubator matched Sahra with a former director at Boots pharmacy to help develop her company into a beauty brand that is sold online and in stores.

"My experience on the incubator has been absolutely incredible! The knowledge, support and networks I have gained have been invaluable to the re-branding and structuring of my business. It was a great experience to be surrounded by confident, successful and hardworking BAME women from all walks of life and with whom I could share this experience and build my business alongside."
Sahra Mohamed, founder of Skin Mama

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Award Winning Programmes

	2020	Hatch has been recognised as one of the Top 100 social enterprises in the UK in the NatWest SE100 Index 2020! We are very excited to share the stage with so many organisations who are a force for good to be reckoned with.
	2019	Dirk Bischof (Hatch's CEO) voted among Top 10 UK Social Entrepreneurs 2019 - The UBS UK Social Entrepreneur Index is a celebration of entrepreneurs running businesses with social purposes, with the aim of providing recognition for social entrepreneurs, act as a benchmark for good practice and inspire the next generation. (Link)
	2019	Hatch has been named SE100 Finalist 2019 - NatWest SE100 celebrates the growth, impact and resilience of social ventures in the UK – Hatch is among the Top 100 social enterprises of the year in the Index (Link).
	2017	Hatch Enterprise won the Enterprising Britain Awards in the "Building Enterprise Skills" Category for their Flagship Programme the "Hatch Incubator", an intensive 12-week programme, followed by an additional 12-weeks of Alumni support. The awards are sponsored by the Department for Business, Energy & Industrial Strategy (BEIS).
	2017	Hatch Enterprise received a £10,000 "Changemaker" Award from Santander for our work in the local community with 55 East, leading to over 200 events with over 100 participants.
	2017	Hatch Enterprise was shortlisted for the 30th Lord Mayor's Dragon Awards "Community Partner" Category for our work with Deutsche Bank supporting over 50 mission driven businesses in South London since 2015 and for <i>Beyond Good Business</i> Conference: www.beyondgoodbusiness.co.uk , helping to drive engagement and collaboration in the sector.
	2016	Hatch was shortlisted as "Trailblazing Newcomer" for the (NatWest) Social Business Awards for our work supporting entrepreneurs into business.

HATCH ENTERPRISE

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The Trustees consider the results as disclosed on the following pages to be satisfactory but are looking to expand the range of sources from which we secure income during the current year.

The Charity's work is entirely reliant on grants, donations and income from fundraising events. Total income in 2020 was £527,113 (2019: £291,345) with modest growth. The cash flow of the organisation is closely monitored on a monthly basis. Total expenditure was £422,112 (2019: £402,842).

At 31 March 2020, the Charity had total funds of £134,309 (2019: £29,309). This is an increase from the prior year. Restricted funds were £125,415 at 31 March 2020 (2019: £2,236) and unrestricted funds were £8,894 (2019: £27,073). Unrestricted funds are still below the desired level and the Trustees intention is to grow reserves through fundraising in 2020/21.

55 East, the wholly owned subsidiary of Hatch Enterprise, was closed down in March 2020 and all assets and liabilities transferred to Hatch Enterprise.

These accounts are prepared on a going concern basis. At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Reserves Policy

It is the policy of the Charity to maintain a proportion of its reserves in a readily realisable form to ensure that its core activity could continue during a period of unforeseen difficulty. The Trustees consider readily realisable reserves to be the amount of reserves that are easily converted into cash without the need to dispose of any of its properties.

The Trustees assess the required level of reserves on an annual basis alongside its operating budget. This assessment takes into account the risks associated with each stream of income and expenditure varying from budget, its planned activity level, commitments to repay the loans secured on its properties and the need to keep sufficient bank balances to be able to manage the day-to-day fluctuations of receipts and payments.

In 2020 the Trustees re-assessed its operating budget and cashflow forecast in light of the COVID-19 pandemic and agreed to maintain free reserves equivalent to 2 months cashflow.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure and consequences of key risks. In particular, the charity has identified the key risks in relation to the changing fundraising landscape and need to diversify our income streams, as well as a need to control expenditures by increasing efficiencies in our operating model.

To mitigate the risks around fundraising and sources of income, the charity has broadened its funder base from the previous year and improved its fundraising capabilities by bringing on a full-time member of staff to support corporate partnerships. Systems and processes are continually being reviewed to improve to streamline and identify efficiencies in our operations.

We undertook a full risk review in March 2020 to assess our situation in light of the COVID-19 pandemic. We engaged in scenario planning from March 2020 - July 2020, including mapping out fundraising and operational risks and mitigation strategies. We considered scenarios including a full mothballing of services but have been able to secure income to not only move all our delivery online, but also to increase our income through the pandemic period to provide an increased range of services for founders struggling at this time.

Structure, governance and management

The charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association (as amended), which provide for one third of the Trustees to retire at each Annual General Meeting. Trustees retire at AGM and offer themselves for re-election. The minimum number as set out in the Memorandum and Articles of Association is three and the quorum is set at two Trustees.

**HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees are the administrative and governing body and meet four times a year, ensuring and monitoring that the Charity is performing well, solvent and complies with all its obligations. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs Jessica Brown
Miss Guraman (Aman) Johal
Mr Stephen Miller
Mr Edmund Papworth
Mr Wyndham Plumtre

The charity is required to have a minimum of three directors, and seeks to have five with a range of skills, expertise and professional connections to steward and support the charity. Trustees are appointed by election at the AGM, and may also be co-opted by the board. New trustees are recruited actively (through advertising on platforms for voluntary roles) and passively (through networking platforms such as LinkedIn). Potential trustees are interviewed by current trustees (with support where required from senior management personnel) prior to recommendation for election.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Organisational structure and decision making

The Trustees are responsible for the policy and strategy of the Charity, ensuring the long-term sustainability of the organisation along with its financial and legal probity. The Chief Executive, Dirk Bischof, is responsible for implementing policies and strategies that have been approved by the Trustees and for progressing organisational objectives. The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Key management personnel

The Trustees consider that the key management personnel of the charity comprise of themselves, Dirk Bischof (CEO), Janine Carpenter (Hatch Impact Programmes), Joanna Hamer (Female Founders Programme Manager), Timi Merriman-Johnson (Operations Manager). The key management personnel are paid at a rate that is set by the Trustees. This is reviewed annually and is set at market rates.

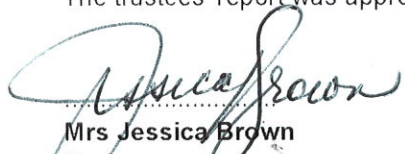
Disclosure of Information to Independent Examiner

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the examination, but of which the examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the examiner is aware of such information.

Independent Examiner

A resolution proposing the reappointment of Buzzacott LLP will be put to the next Annual General Meeting.

The trustees' report was approved by the Board of Trustees.


Mrs Jessica Brown
Trustee
Dated: 16-12-2020
16.12.2020

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of Hatch Enterprise for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF HATCH ENTERPRISE**

I report to the trustees on my examination of the financial statements of Hatch Enterprise (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Hugh Swainson, ACA
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Dated: 27.1.2021.....

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations	3	15,388	-	15,388	856	35,846	36,702
Charitable activities	4	90,685	420,985	511,670	19,540	235,084	254,624
Investments	5	55	-	55	19	-	19
Total income		106,128	420,985	527,113	20,415	270,930	291,345
Expenditure on:							
Raising funds	6	6,213	-	6,213	5,975	-	5,975
Charitable activities	7	414	415,485	415,899	757	396,110	396,867
Total expenditure		6,627	415,485	422,112	6,732	396,110	402,842
Net gains/(losses) on investments	11	(1)	-	(1)	-	-	-
Net income/ (expenditure) before transfers		99,500	5,500	105,000	13,683	(125,180)	(111,497)
Gross transfers between funds	19	(117,679)	117,679	-	(8,756)	8,756	-
Net movement in funds		(18,179)	123,179	105,000	4,927	(116,424)	(111,497)
Fund balances at 1 April 2019		27,073	2,236	29,309	22,146	118,660	140,806
Fund balances at 31 March 2020		8,894	125,415	134,309	27,073	2,236	29,309

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Property, plant and equipment	13		8,894		446
Investments	14		-		1
			<u>8,894</u>		<u>447</u>
Current assets					
Trade and other receivables	15	9,815		23,629	
Cash at bank and in hand		126,196		36,646	
		<u>136,011</u>		<u>60,275</u>	
Current liabilities	16	(10,596)		(31,413)	
Net current assets			125,415		28,862
Total assets less current liabilities			<u>134,309</u>		<u>29,309</u>
Income funds					
Restricted funds	19		125,415		2,236
Unrestricted funds			8,894		27,073
			<u>134,309</u>		<u>29,309</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16-12-2020
16.12.2020


Mrs Jessica Brown
Trustee

Company Registration No. 08648338

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		98,356		(81,341)
Investing activities					
Purchase of property, plant and equipment		(8,861)		-	
Interest received		55		19	
Net cash (used in)/generated from investing activities			(8,806)		19
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			89,550		(81,322)
Cash and cash equivalents at beginning of year			36,646		117,968
Cash and cash equivalents at end of year			126,196		36,646

HATCH ENTERPRISE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Hatch Enterprise is a private company limited by guarantee incorporated in England and Wales. The registered office is 53-63 East Street, London, SE17 2DJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

COVID-19 has had a significant impact on all businesses. Hatch conducted a full review and scenario planning process during March to July 2020 looking at our operational delivery and income prospects. We maintain a rolling 18 month cashflow forecast and based on the cash at the bank, contracts held, and fundraising activities underway and planned the Trustees are confident that Hatch Enterprise has been able to adapt its working procedures to ensure the charity is able to continue trading for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is included in the statement of financial activities on an accrual basis, inclusive of value added tax and is allocated between expenditure incurred in promoting the activities and objectives of the charity (expenditure on raising funds) and expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities). Support costs are allocated to charitable activities.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% per annum on a straight line basis
Computers	20% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

The investment in the subsidiary entity, 55 East CIC, is measured at cost less impairment. The subsidiary is controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Grants policy

The organisation gives grants out of Restricted Funds that further its charitable objects and meet any restrictions imposed by the source of the funds into the charity. Grants are made from time to time at the discretion of the Trustees when it is considered that this represents an effective way of delivering on the charity's commitments and operational objectives, furthers the charity's purposes for the public benefit, and is in the charity's best interests.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. In addition there is a need to estimate future income and expenditure flows for the purposes of assessing going concern (see 1.2 above). The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Bad debt provision

A number of outstanding debtors were being actively pursued so that their invoices could be settled or (if appropriate) written off. It was assumed that balances that were outstanding for 90 days + at the year end would convert to bad debt in the next financial year.

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3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	15,388	-	15,388	856	35,846	36,702

4 Charitable activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Workshop income	27,793	10,017	37,810	19,540	-	19,540
Corporations	45,392	175,968	221,360	-	110,782	110,782
Trust and foundations	17,500	235,000	252,500	-	124,302	124,302
Total	90,685	420,985	511,670	19,540	235,084	254,624

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Interest receivable	55	-	55	19	-	19

6 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
<u>Fundraising and publicity</u>						
General fundraising	6,213	-	6,213	5,975	-	5,975

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

7 Charitable activities

	2020	2019
	£	£
Staff costs	263,249	206,242
Other staff related costs	4,196	2,799
Depreciation and impairment	414	756
Training and workshops	74,914	117,949
Premise costs	16,017	10,537
Marketing	6,722	6,683
Accounting service	8,815	7,003
Bank charges	469	605
Other support costs	20,014	14,367
Bad debts	662	672
	<u>395,472</u>	<u>367,613</u>
Grant funding of activities (see note 8)	<u>20,427</u>	<u>29,254</u>
	<u><u>415,899</u></u>	<u><u>396,867</u></u>
Analysis by fund		
Unrestricted funds	414	757
Restricted funds	<u>415,485</u>	<u>396,110</u>
	<u><u>415,899</u></u>	<u><u>396,867</u></u>

Support costs include independent examiner's fee of £1,470 for 2019 (2019 £1,440). Charitable activities represent the cost of provision of the core activities of the charity.

Net income for the year is stated after charging depreciation of £414 (2019 £756).

8 Grants payable

	Training and workshops	Training and workshops
	2020	2019
	£	£
Grants to institutions:		
55 East C.I.C	<u>20,427</u>	<u>29,254</u>

The grant was provided to run a community and enterprise hub, promoting and supporting entrepreneurs and entrepreneurship, which is in support of the charity's objects to reduce financial hardship through provision of support to increase skills and confidence.

HATCH ENTERPRISE
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FOR THE YEAR ENDED 31 MARCH 2020

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, or had any expenses reimbursed (2019 £nil).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Promotion of entrepreneurship	8	5
Administrative staff	2	3
	<u>10</u>	<u>8</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	243,919	194,381
Social security costs	18,755	14,177
Other pension costs	6,548	3,297
	<u>269,222</u>	<u>211,855</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds	Total
	2020	2019
	£	£
Revaluation of investments	(1)	-
	<u></u>	<u></u>

12 Taxation

Hatch Enterprise is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

HATCH ENTERPRISE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

13 Property, plant and equipment

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2019	2,331	7,386	9,717
Additions	5,226	3,635	8,861
	<u>7,557</u>	<u>11,021</u>	<u>18,578</u>
At 31 March 2020			
Depreciation and impairment			
At 1 April 2019	2,331	6,939	9,270
Depreciation charged in the year	-	414	414
	<u>2,331</u>	<u>7,353</u>	<u>9,684</u>
At 31 March 2020			
Carrying amount			
At 31 March 2020	5,226	3,668	8,894
	<u>-</u>	<u>446</u>	<u>446</u>
At 31 March 2019			

14 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Impairment	
At 1 April 2019	-
Impairment losses	1
	<u>1</u>
At 31 March 2020	
Carrying amount	
At 31 March 2020	-
	<u>1</u>
At 31 March 2019	

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	22	-	1

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15 Trade and other receivables

	2020	2019
	£	£
Amounts falling due within one year:		
Trade receivables	6,996	996
Other receivables	275	21,830
Prepayments and accrued income	2,544	803
	<u>9,815</u>	<u>23,629</u>

16 Current liabilities

	2020	2019
	£	£
Trade payables	1,592	3,999
Other payables	-	706
Accruals and deferred income	9,004	26,708
	<u>10,596</u>	<u>31,413</u>

17 Deferred income

	2020	2019
	£	£
Deferred income brought forward	17,500	-
Deferred during the year	-	17,500
Released during the year	(17,500)	-
	<u>-</u>	<u>17,500</u>

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £6,548 (2019 - £3,297).

**HATCH ENTERPRISE
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FOR THE YEAR ENDED 31 MARCH 2020**

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2018 £	Movement in funds			Balance at 1 April 2019 £	Movement in funds			Balance at 31 March 2020 £
		Income £	Expenditure £	Transfers £		Income £	Expenditure £	Transfers £	
Hatch Programmes	118,660	35,302	(102,241)	(51,721)	-	-	-	-	-
Diverse Founders	-	110,782	(131,841)	21,059	-	167,251	(136,272)	35,902	66,881
Hatch Impact	-	-	(36,156)	36,156	-	160,359	(177,747)	75,922	58,534
Young Enterprise	-	82,346	(85,608)	3,262	-	1,048	(1,048)	-	-
City Bridge Trust	-	24,000	(21,764)	-	2,236	26,000	(17,428)	(10,808)	-
Reach Social Investment Business Grant	-	18,500	(18,500)	-	-	-	-	-	-
Doing Good Locally	-	-	-	-	-	66,327	(82,990)	16,663	-
	118,660	270,930	(396,110)	8,756	2,236	420,985	(415,485)	117,679	125,415

The restricted funds represent monies received from donors for the Hatch activities described in more detail in the trustees' report.

In the 2020 financial year we operated three restricted funds for the charities three main groups of beneficiaries:

- Hatch Impact - for work with social entrepreneurs
- Diverse Founders - for work with women and people from ethnic minority backgrounds
- Young Enterprise - for work with young people.

FOR THE YEAR ENDED 31 MARCH 2020

20 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Property, plant and equipment	8,894	-	8,894	446	-	446
Investments	-	-	-	1	-	1
Current assets	-	125,415	125,415	26,626	2,236	28,862
	<u>8,894</u>	<u>125,415</u>	<u>134,309</u>	<u>27,073</u>	<u>2,236</u>	<u>29,309</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	150,562	150,993

The key management personnel include Dirk Bischof, Andrew Ormerod, Lisa Wilson, Neila Romdane and Janine Carpenter.

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Sale of services		Purchase of services	
	2020	2019	2020	2019
	£	£	£	£
55 East CIC	-	-	12,000	9,000
	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>9,000</u>
	-	-	12,000	9,000
	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>9,000</u>

Grants payable

	2020 £	2019 £
55 East CIC	20,427	29,254
	<u>20,427</u>	<u>29,254</u>

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FOR THE YEAR ENDED 31 MARCH 2020

21 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2020 Balance £	2019 Balance £
55 East CIC	-	21,830
	-	21,830

Donations totalling £nil were received from the trustees during the year (2019 £900).

22 Subsidiaries

These financial statements are separate charity financial statements for Hatch Enterprise.

No consolidated financial statements have been prepared as they comprise a small group.

Details of the charity's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
55 East C.I.C.	England and Wales	Unlicensed cafe and multi-purpose event space	Ordinary shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
55 East C.I.C.	19,844	2,144

55 East CIC ceased to trade on 31 March 2020.

23 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10.

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FOR THE YEAR ENDED 31 MARCH 2020

24	Cash generated from operations	2020	2019
		£	£
	Surplus/(deficit) for the year	105,000	(111,497)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(55)	(19)
	Fair value gains and losses on investments	1	-
	Depreciation and impairment of property, plant and equipment	414	756
	Movements in working capital:		
	Decrease in trade and other receivables	13,814	2,808
	(Decrease)/increase in trade and other payables	(20,818)	26,611
	Cash generated from/(absorbed by) operations	98,356	(81,341)
25	Analysis of changes in net funds		
		At 1 April 2019	Cash flowsAt 31 March 2020
		£	£
	Cash at bank and in hand	36,646	89,550
		<u>36,646</u>	<u>89,550</u>
		<u>36,646</u>	<u>126,196</u>
	The charity had no debt during the year.		