



Annual Report & Financial Statements

for the year ended 31 March 2022

Charity Registration No. 1161801
Company Registration No. 08648338
(England and Wales)



Hatch

Legal And Administrative Information

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Trustees' Report

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 2022.

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



CEO Statement

This year was an important year for Hatch in so many ways. It marked the second year of our 5-year strategic plan, alongside a global pandemic that was still in full swing, with many of Hatch's founders still heavily impacted by lockdowns, and, during Spring of 2022, with the cost of living crisis beginning. A challenging set of current and future economic, social and environmental circumstances.



Hatch continued to support underrepresented entrepreneurs to imagine, launch and grow sustainable and impactful businesses, with an ever growing number of founders wanting to set up social enterprises and impact-driven businesses. We supported founders by providing access to online programmes and resources, continuing to increase our geographic reach across the UK and improving access to our programmes, especially for founders with caring responsibilities and for those for whom transport or cost were a real barrier to participation previously. We have piloted a return to some face-to-face engagement with founders and will continue to experiment with a blended approach to programme delivery.

Hatch Impact

Since 2014, Hatch has supported more than 1,000 founders through our cohort-based enterprise support programmes and more than 6,700 founders through our community initiatives including events and 1-2-1 support, with ever more founders getting the right help and support they need. In 2021/22, we delivered enterprise support to 744 underrepresented founders, focusing more on in-depth delivery via our Hatch Launchpad, Hatch Incubator and Hatch Accelerator programmes versus supporting people through one-off events, masterclasses or other shorter-term activities. We delivered 19 in-depth, cohort based programmes to 230 founders, almost 50% more than in 2020-21.

We were really fortunate to do our bit to bring the social sector leadership and social enterprise support sector together via the Collective Leadership Group, composed now of over 45 members, who are delivering support to impact founders and their ventures. It is becoming ever more important that we come together as providers to ensure we're talking with one voice, measuring the same data, sharing best practices and doing a better job of supporting founders, collectively. We continued to build strong partnerships with our strategic partners to build relevant and scalable enterprise support, including piloting the delivery of patient finance to our graduate community of founders.

Hatch Fund

We will be launching the Hatch Fund in autumn 2022, to respond to the ongoing access to finance challenges for so many of our founders. We will pilot delivery of patient finance in the form of grants and loans to Hatch graduates, alongside our partner-investors. In the first year we look to support founders to access £1m of grants and patient loans, with the ambition to grow the fund with partners to £10m by 2025/26. This will allow more founders to get access to early-stage, patient finance to improve their resilience, build their capacity and grow their impact.


Organisation

Thanks to the generous support of our partners, funders and investors, Hatch doubled its income and we grew our team to deliver our ambitious plans, becoming one of the busiest enterprise support providers in the country. We launched new partnerships whilst also being able to invest more time with existing partners to ensure we deliver impactful, relevant and timely programmes to so many more founders. One of the most exciting things for me personally was to work with so many highly skilled and ambitious people on the Hatch team and board, people who are passionate about levelling the playing field for underrepresented founders. We're heavily investing into the team through training and development opportunities, enabling the team to take volunteer days, introducing wellbeing days and we've now made all holidays (including bank holidays) fully flexible. We want to structure work around people's busy lives, remaining an agile learning organisation, able to respond to a fast-paced external environment, whilst building and contributing to an inclusive enterprise support ecosystem.

Preparedness

Looking ahead, the economy is looking unsteady again, with a recession on the horizon and with more pain to come for small businesses, especially those run by underrepresented founders. We're now planning our recession response around our programmatic activities as we believe that being prepared is critical. We are not alone in this. Many of our partners, investors, funders and founders are in the process of preparing themselves for economic and other headwinds for the coming years. We truly believe in the "if you want to go fast, go alone, if you want to go far, go together" mentality as we continue to build the most inclusive and holistic enterprise support ecosystems in the UK. We hope that we can contribute to addressing some of the harder challenges such as the climate crisis or wealth inequality, through the power of entrepreneurship.

Do join us on our journey and please have a look at our Annual Report for more information.



Dirk Bischof

Our Mission

Empower underrepresented entrepreneurs to imagine, launch and grow sustainable and impactful businesses through tailored support, community and partnerships.

Inputs



Funding and Partnerships



Community and Networks



Expertise

Activities



Cohort Programmes

- Hackathons
- Launchpads
- Incubators
- Accelerators



Community Support

- Mentoring and expert consulting
- Peer networking
- Events
- One-to-one Skilled volunteering
- Clinics
- Creation and sharing of resources

Outcomes



Entrepreneur

- Strengthened business and management skills
- Confidence in the future, resilience and self-care
- Improved connections and access to resources and support



Enterprise

- Business growth and sustainability
- Increase in impactful businesses
- Improved employment opportunities
- Increase in representation, diversity and inclusion



Eco-system

- Increased understanding of community needs
- Increase in accessible and effective enterprise support
- Change in policies, attitudes and behaviours across wider network



Our Vision

An inclusive ecosystem where everyone has access to the power of entrepreneurship to create a fair economy, strong communities, and a better world.

Our Activities in 2021-22

Over the course of 2021-22, across 3,100 support hours, we supported 744 underrepresented founders from the UK across both our longer-term cohort programmes and community support programmes. Founders on a cohort programme came from right across the length and breadth of the UK, from Edinburgh and Kingston Upon Hull, to Didworthy in South Devon and Bognor Regis. For our cohort-based programmes, 70% came from London, showing that Hatch is making good progress at delivering more support to non-London based founders.

Hatch supports founders who are often furthest away from realising their entrepreneurial ambitions or are coming up against hard challenges and barriers to start or grow their businesses and social enterprises. We believe in actively championing the work of founders who are more underrepresented than other groups in the general public. In the last year, the majority (8/10) of founders on our cohort-based programmes were female, with 7 in 10 (71%) from minority ethnic groups.

In light of the ongoing global pandemic across 2021 and into 2022, delivery to founders continued to be through digital means. It meant we could continue building on the foundations set in 2020-21 of our offering to brand new audiences and graduates alike, reaching those who were previously limited by geography, cost, time, travel, had caring responsibilities, or physical access needs, ensuring that everyone could benefit from the Hatch community. This made accessing Hatch's programmes easier and contributed to our ability to offer programmes to founders who really benefited from them.

Across all of our support programmes, when we asked founders about the areas of knowledge and expertise that they felt had seen the biggest improvements before and after completing a Hatch programme, these were:

^ 120%

Their ability to manage their wellbeing, up by 120%

^ 115%

Having the skills and ability to lead their organisation effectively, up by 115%

^ 77%

Having the skills and knowledge to measure and communicate their organisation's impact, which saw an increase of 77%

We continue to implement more rigorous monitoring activities and will continue to invest into our capabilities to measure and report impact better, alongside benchmarking our work against peers in the sector. In 2021/22 we realigned our Theory of Change to better capture activities and how these deliver against our mission and vision. We now have a dedicated team member overseeing Impact, Evidence & Learning at Hatch to improve how we measure and report our impact. This work is ongoing as we benchmark with other organisations in the sector and continue to test and learn from our ongoing work.

2021-22 marked a major milestone in the charity's history. We doubled our income to £1.8m (£876K in the previous year), owing to strong stewardship and strategic partnerships with a number of existing partners including UBS, the Postcode Innovation Trust, YUM! (Pizza Hut), Peabody, Bloomberg, and the eBay Foundation. We also built new partnerships with disability lifestyle brand Parallel, the Opening Up The Outdoors (OUTO) group comprising seven of the most recognisable outdoor brands, the Collective Leadership Group (CLG), and our first retail partnership with beauty brand Glossier.

In response to demand from founders for programmes, underpinned by strong partnerships, the Hatch team grew to 26 staff members. We are currently forecasting additional team growth in 2022/2023, in order to deliver against our programme activities for hundreds of founders this year. As the team has grown, so have our efforts to become a better, more progressive, more attractive employer. We're a London Living Wage employer and in February 2022 we became a Disability Confident level 1 Employer, meaning we're committed to being inclusive towards those living with a disability. We are working towards attaining the next stage of accreditation as an employer. Internally, we set up a number of working groups comprising Hatch staff across all departments and all levels to tackle common challenges we faced as an organisation, ranging from workload, improving internal communications, and justice, equity, diversity and inclusion.

What's more, we're developing new ways to support more disabled and neurodiverse founders through our programmes, launching our 'Purple Socks' campaign in partnership with disability lifestyle brand and social enterprise Parallel in December 2022. We raised nearly £15,000, forming the basis of a new fund to support disabled founders in the UK and are working with ambassadors (primarily founders and expert speakers with a disability) to help us improve our accessibility, and attract and support more disabled and neurodiverse entrepreneurs. Across the year, one in every eight (13%) founders we supported through our cohort programmes told us they lived with a disability.

We continue to work on the launch of the Hatch Fund coming online in autumn 2022. With many years in the making, we shared our plans to launch a fund first in our impact report in 2015/16, we've now collaborated with a number of progressive partners to deliver the first £1m of grants and patient loans to graduate founders from our cohort programmes. This is the important first step to deliver on our promise to improve access to finance for our founders. We are now seeking aligned partners with whom we can grow this to £10m by 2025/26. This will allow so many more founders to get access to early-stage, patient capital to improve their resilience, build their capacity, create employment and grow their impact.



Increasing our reach to support more founders

Cohort programmes

Over the year we were able to support 230 founders through Hatch's cohort programmes, which comprise Hackathons, Launchpads, Incubators, and Accelerators. In all, we delivered 19 cohort programmes to underrepresented founders, almost 50% more than in 2020-21. The majority of founders on our cohort programmes - nearly 8 in ten - were women or another marginalised gender, with over 60% coming from an ethnic minority background. One in four founders (27%) supported through cohort programmes were based outside of London.

Change and improvement were at the heart of the team's activities, one of the most significant of which was moving to an annual cycle of programmes. As of January 2022 we started running all levels of cohort programmes in January, May, and September cycles, making it easier and clearer for applicants to plan when it will best suit them to attend, and to see clearly that the next round of support is only ever a few months away. Running multiple cohorts at the same time was new for the team, as was securing funding for our first Deep Dive programme, which is aimed at Accelerator level founders and explores one topic in more depth. The first of these, around impact investment, starts in June 2022.

We also merged the two streams of support we previously offered - Future Founders and Impact (for those businesses with a social or environmental mission) programmes - realising that the majority of entrepreneurs we support are both underrepresented and working on an idea or business that aims to have a positive impact in the world. Now all of Hatch's programmes support founders who face structural barriers to starting and growing their business, and have a social or environmental mission. By streamlining the two programmes in this way, not only is it a clearer support offering to founders, we believe it helps make sure all our programmes are working towards the same Hatch mission of building a better world through entrepreneurship.

The businesses that we were able to support included a company using the power of play to diversify health and wellness, a mobile pop-up bar serving alcohol-free drinks to sober or sober curious people in a safe location, a platform that connects tailors and seamstresses to local customers, and a provider of workshops on black British female history for schools. The year also saw us actively seek out and work with a broader range of experts and facilitators to broaden and deepen the expert content we deliver to founders. We launched our first ever Hackathons, new pre-Launchpad 'taster sessions' for people to shape and help define what their business idea could be. These programmes are now firmly a part of the Hatch offering to founders. Growing our offering to early-stage founders through peer mentoring also meant the chance to talk to and learn from our more experienced entrepreneurs who are further down the line and happy to share their knowledge and give back. In all, we were able to support more than 120 founders through both our peer mentoring and skilled volunteering programmes.

Important partnerships that started in the year include UBS and our multi-year partnership with the YUM! Foundation and Pizza Hut, which took off with a pilot for the joint New Founder programme in May 2021 through Hatch Launchpads and Hackathons, followed by Hatch Incubators later in the year.

After 2020, when a lot of people in the UK took the leap and started their own businesses, we saw a distinctly different trend in 2021, with fewer people starting but more people growing and needing the support to take their side business to the next stage and into a full time activity. Delivering 50% more cohort based programmes than the year before brought about new challenges. Scaling our recruitment for both cohort and community programmes proved to be one of the year's biggest challenges, especially with a rapidly growing team that itself is still bedding into their new roles.

We built our insights around qualitative measures that we could easily test. We knew that once a founder had found out about the Hatch programmes, there was little standing in the way for them to participate. We also knew that word of mouth was our strongest referral route as we knew that people who refer us had value from participating in a programme. But getting in front of more founders who we knew were out there, but were harder to reach, was something we had to consciously address. We did so by running a number of experiments to improve our reach, and in the process, build Hatch's brand and awareness. We started trialling using paid advertising across our social media channels as one method of reaching new audiences, a practice that is continuing into the 2022-23 year. We also overhauled our existing recruitment communications content and assets, firmed up and refreshed Hatch's brand and grew the communication team's capacity and expertise through a new PR & Communications Manager and a Digital Marketing Manager. This will further develop Hatch's foray into digital marketing and telling better stories about our founders.

“ Being on Launchpad [Hatch idea stage programme] was really effective because I actually ended up pivoting to a different business idea, one that is now 100% aligned with me, and I couldn't have got there without Hatch. That first session was so important in teasing out of me what I actually wanted my business to do. I'd say I've definitely gained confidence and belief in myself having gone through this process. I didn't think I could do it. I didn't have a support network, people helping me, and some amazing mentors who were pushing me at the same time.



Yasmin Spark, founder of Align Events and participant in Hatch's Launchpad and Incubator in 2022

“ The session around vision, mission and purpose was the most useful task and actually it was going through that session that prompted me to think through and change what it was I actually wanted to do as a business. There was a really broad group of founders in my cohort, some had very clear ideas and had started their businesses, whilst others hadn't fully fleshed it out. That was useful for me, as it made me feel okay that I wasn't fully there yet and there were others in the same situation.’



Hollie Andrews, founder of Rewired and participant in Hatch's Launchpad in January 2022

“ ‘Since the Launchpad finished, I’ve been signing up to Hatch’s events and webinars, like the recent finance one, which I made a new contact from to add to my network. Our group of founders is still very much in touch and connected, which is really useful. We have an active WhatsApp group and have all connected on LinkedIn. What’s more I now have a business buddy, who I meet every Friday, talk about work and say what we’re going to do next week. It’s a good push and a way to hold ourselves accountable for what we want to do.’



Basia Giezek, founder of Basia G and participant in Hatch's Launchpad in January 2022

Cohort programmes: Future plans

The cohort programme team's capacity will grow over 2022-23 with several new members joining in coordinator roles that will support the programme managers' activity. The focus will remain on continuing to improve the impact of programmes, with the first of the new Deep Dive programmes starting in June 2022 as an Impact Business Growth Academy. The team will also be testing out new ways of engaging with founders through technology, alongside efforts to continue attracting more disabled and neurodiverse founders to cohort programmes.



Community programmes and events

Our community programme has developed beyond recognition from its beginnings as a direct response to the first national lockdown in April 2020. This year was about listening to our founders' needs a year on and expanding the programme to match those issues and challenges they faced. Whether that's sustainability, access to finance, or equitable business practices, our expanded community offering is increasingly a support 'wraparound' for founders. It has evolved into a busy mix of mentoring and skilled volunteering for Hatch's founders, plus events, talks, and workshops, all of which are freely accessible to any founder in the UK and beyond, encompassing those in Hatch's existing community and those coming to Hatch for the very first time.

Of the 514 people we supported through our community events and activities, 340 founders found advice and support through the 30 events we delivered over the year, in addition to the 13 clinics in support of the cohort programmes.

Moving our delivery online meant that we were able to open up our offering to whole new audiences, reaching those who were previously limited by geography or access, ensuring that everyone could benefit from the Hatch community. As well as founders from across the UK, we are now able to support those who faced barriers such as the cost or availability of transport, caring responsibilities, or were prevented from accessing in-person activities due to anxiety or physical health needs.

A key event that was hosted digitally was Hatch's first Black Business Fair during black history month in which we brought together black business owners with other founders, possible future clients, big corporations, sponsors, donors and investors. This was all hosted in a digital space which vastly increased accessibility as well as the number and range of attendees who were able to accept the invitation. Attendees were invited to check out the virtual booths where founders showcased their products and services, interact with vendors, and give feedback. The fair supported both founders and attendees to discover, celebrate, and back black-owned businesses, while making meaningful connections, bringing huge value to our founders and corporate partners alike.

“The mentoring sessions have been massively helpful and insightful. My mentor Catherine shared a couple of spreadsheets about profit that I'm now able to use, so I've got takeaways that I use for my business. I wouldn't have been able to put them together easily myself. She's given me something that has really helped me work out some really important stuff, like if I can pay myself, and looking at my profit margins in a much simpler format. So definitely, I've got a lot of use out of these sessions.’



Kate Stewart, founder of I Know This Girl, Hatch graduate and mentee on Hatch's peer to peer mentoring programme

Community programmes and events: Future plans

The community programme team's capacity will grow over 2022-23 with several new members joining over the coming months. We are coordinating more activities with partners to align more broadly on what is being delivered across a number of geographic locations and on a whole range of topics and variety of formats, eventually blending online learning and events in person again. We will remain responsive to the evolving and changing needs of founders and organisations.

Our wider work in the ecosystem to support businesses

2021 saw the launch of Hatch's multi-year partnership with Pizza Hut through the New Founder programme, which kicked off with a Launchpad in May 2021, followed by Hackathons and Hatch Incubators since then. We continue to work closely with the UK Pizza Hut team in terms of digital marketing and branding for the programme. In August 2021, David Gibbs, CEO of Yum! Brands (Pizza Hut, KFC, Taco Bell), met with three of our early stage Launchpad founders to hear about their businesses, share his insights and give advice. This was an amazing opportunity to chat with someone with deep knowledge and experience about finance, strategy, culture and business development.

The year also saw us broaden our support to UK changemakers helping people from ethnic minority backgrounds to access the outdoors. At the end of 2021 we worked alongside eight of the largest outdoor brands including Patagonia, The North Face and Vivobarefoot, to develop and build a new programme known as Opening Up The Outdoors (OUTO). This new programme is currently supporting 10 diverse founders through Hatch's Launchpads and Incubators, with the new offering of the possibility of additional grant funding once they complete the programme. The aim is to grow this from a £100,000 partnership to a £500,000 partnership over the next financial year.

We know securing finance is one of the biggest challenges facing any entrepreneur, especially for those from an underrepresented background. As a result, we are launching the Hatch Fund in autumn 2022, a £1 million grant opportunity that is allowing founders to actively invest in their capacity building, resilience and growth. We're working with partners and investors to build a £10m venture philanthropy fund that delivers patient finance into Hatch's growing graduate community.

“I'm so happy I was able to be a part of this. The gravitas of this opportunity only hit me when I saw David [Gibbs] and his incredible CEO-level Zoom backdrop! It really was a pinch-me moment when I realised I was talking to the chief executive of all of these mega brands. I had the opportunity to pitch my business idea that was just living in my head a few months ago to David Gibbs. What an opportunity and thank you for letting me be part of it. Hatch truly feels like the gift that just keeps on giving.”



**Amarie Cassidy,
founder of Volleyball,
on the New Founder
Launchpad**

Offering opportunities for partner organisations to engage in skilled volunteering has increased engagement with funders and connected corporate businesses directly to the work that we are doing and the needs of those we support. Hatch funders over the last year include the YUM! Foundation, BlackRock, UBS, NatWest, Postcode Innovation Trust, and Bloomberg. All have employee engagement and community at the heart of their giving and we are able to meet that need through the remote delivery of our programmes and opportunities for direct involvement in our community programme.

Another milestone during the year was our first retail partnership, joining with beauty brand Glossier as charity partner of their flagship store in central London. Not only did we benefit from the sales of certain products, but strong social media and press coverage across national and consumer publications meant exposing Hatch to new audiences, attracting more founders and interest to the charity. The leveraging of partnerships like this one will be something that the fundraising team continues to pursue in the coming years.

In the previous year, the pandemic made us increasingly aware that to make a bigger impact, we needed to do more with our partners and peers working in social enterprise support, leading to setting up the Collective Leadership Group (CLG). Bringing together more than 45 UK organisations including UnLtd, The School for Social Entrepreneurs and TERN, the aim is to have a collective where we can openly share best practice and act as a group voice when it comes to speaking out about issues that jointly affect UK founders and entrepreneurs. The potential of this network is huge, and momentum and engagement has been steadily growing over the course of this first year of the CLG's existence, thanks to the efforts of a dedicated CLG Lead role led by Hatch who is steadily unearthing ways we can all work more together.

Prove and Improve

Doubling the charity's income to £1.8 million in 2021-22 not only gives us a strong financial foundation, but allows us to continue on our ambitious trajectory to expand our programmes and diversify our reach in terms of geography, types of founders as well as providing new ways to support them.

One major aim for the year was to diversify our income, and investing in the team's capacity was the first step in realising this. Having started the financial year as a team of two (Hatch's CEO and a Head of Corporate Partnerships), the fundraising team now encompasses four full-time fundraisers, including the new roles of Director of Development, Head of Philanthropy, Head of Corporate Partnerships and a Fundraising Coordinator.

Having this resilience built in has also allowed the fundraising team to be more strategic in partnership decisions and negotiations, pursue partnerships with organisations that are keen to support and strongly align with Hatch's values and mission. A bigger team has also meant being able to build internal frameworks that help us identify and engage with good partners and often co-design new programme interventions. The team developed better ways to build meaningful relationships with existing partners, a critical component to deliver strategic and impactful work together that touches the lives of hundreds of founders every year, in spite of the challenges and barriers that exist.

This year our Finance Manager also led a process to move our finance function in-house. This is now fully operational and producing monthly management reports. This move took place alongside several other substantial changes within the finance function, including establishing a finance committee in April 2022 in order to provide greater scrutiny to Hatch's finances and create more time in Board meetings to focus on strategic matters. We also upgraded our finance policies and procedures and produced a comprehensive forecast view that covers the period through to 2025. This is updated quarterly with input from across the team to ensure we are staying on top of our current and future financial position. During this year significant progress has been made to reduce or remove financial risks from our risk register which is regularly reviewed by the team and the finance committee. As this is the first year that Hatch's income exceeded £1 million, we will be going through our first full audit of the accounts.

Outside of finance and fundraising, we also invested in our capacity to measure and communicate the impact we're having with the founders we support. Our Impact, Evidence and Learning Manager joined in September 2021 and has revised and published our Theory of Change, reviewed and streamlined the measures we track and overhauled tools we use to gather them. She's working on mapping and developing our internal systems that will help provide us with more efficient and accurate reporting across all of our programmes over the longer-term, so we can continue to improve the type and depth of support we offer to founders, and better communicate the impact we have to external audiences.

The communications team took a similar approach to mapping the myriad of complex customer journeys that bring our various stakeholders to Hatch, whether that's through the website, social media, newsletter or word of mouth. This prefaces a longer term body of work that will look at building our understanding of Hatch's recruitment funnel for cohort and community programmes. The aim is that this will help us understand the channels, times and engagement opportunities that prove the most successful in both re-engaging Hatch graduates and attracting new founders to Hatch.

All of this reflects a wider move across the whole organisation to improve our collation and use of data and insights to inform our work and strategy. We have invested time in developing systems to track our progress against the KPIs and milestones in our strategy and to create a regular reporting cycle in the team and to Hatch's board of trustees to ensure we all have a clear and transparent picture of our progress towards our goals - increasingly important as the organisation continues to grow. In support of this we've rolled out a quarterly objectives and key results (OKR) process across the whole of the organisation to support team members to hold themselves accountable to the contribution they make individually and within teams to the achievement of Hatch's strategic goals.

Prove and Improve: Future plans

During the year ahead we will be overhauling our customer relationship management (CRM) and project management systems to improve how we track, manage and report on all areas of our work. This will support us to both operationally manage and also to monitor and evaluate the impact of each of our programmes as a means to developing greater understanding of and growing our impact as an organisation.

Prioritising People

To support the growth in team numbers, we've overhauled our recruitment and selection processes, including how we develop and advertise new roles and how we manage accountabilities and responsibilities within the team using a responsibility assignment matrix (RACI) framework. We have adopted inclusive selection principles based on BeApplied's open source research and tools and have fully reviewed our onboarding process and materials for new joiners. Feedback from new joiners suggests this investment has been valuable. Broadly speaking, Hatch's cause and purpose, culture and the individual's role within Hatch were the main reasons for staff saying yes to the offer of employment from Hatch. New joiners at Hatch found the onboarding process a very positive one on the whole, with new staff agreeing that they felt welcomed (100%), had a good understanding of where their role fitted into the organisation's goals (100%), and that they had access to the tools and processes they needed to do their job (83%). Once in their roles, happiness levels were good too, the majority of staff (more than 83%) who took part in the survey agreeing that they felt supported, valued and had the opportunities to develop themselves at the charity.

The scale and speed of growth has seen a number of internal changes too. Our programmes team alone has grown from 4 team members to 12, and we restructured the team to reflect our reorganised portfolios of programmes that support our founders.

We have also formed a Senior Leadership Group for the first time at Hatch, bringing together the most senior members of each team to provide greater connectivity and communication between departments, and increased leadership and strategic direction for Hatch as we move into our next stage of growth.

As we grow, we've been looking at the culture at Hatch and the type of organisation we want to be. A starting point for this was developing a new set of organisational values for Hatch, with support from the Future Kind Collective, that better reflected the type of organisation we are now and want to be in the future. We also undertook a full external and internal review of our people and human resource (HR) functions to ensure we were supporting the team and the organisation appropriately as we grow rapidly, and doing so in a manageable way in a rapidly changing recruitment environment. Findings from engagement surveys completed as part of this process show that 86% of the team would recommend Hatch as a great place to work and 93% feel they add value at Hatch.

As a result of these engagement surveys, a number of internal working groups were set up to progress key themes raised in the review, including ones looking at justice, equality, diversity & inclusion, our internal rituals and pay and benefits across the organisation. This review of our people and HR function has in turn fed into the development and defining of Hatch's Employee Value Proposition, as well as the development of a new People and HR strategy for 2022-23. To support this work, we've appointed Unleashed, a people and culture organisation who specialise in working with scale-ups and startups, to work alongside the Senior Leadership Group and the wider staff team over a period of four months.

Prioritising People Future plans

Unleashed will complete their review of the Hatch team and processes in the first quarter of 2022-23 and provide a roadmap of activities that'll help us develop our People & HR function. We'll also be appointing a Head of People to take this body of work to the next stage, to develop Hatch's Employee Value Proposition and to work with the comms team on building Hatch's brand and reputation as an attractive employer. Hatch has already started and will continue the journey to becoming a fully Disability Confident Employer, being already a Living Wage employer and signatory of both the Halo pledge and the Show the Salary pledge.



Financial review

The Trustees consider the results as disclosed on the following pages to show the organisation ending the year in a positive financial position, but nevertheless are looking to expand the range of sources from which we secure income during the current year. The charity's work is reliant on grants, donations and a small amount of earned income. Total income in 2022 was £1,796,286 (2021: £875,970). Total expenditure was £1,065,410 (2021: £658,263). The cash flow of the organisation is monitored on a monthly basis.

At 31 March 2022, the Charity had total funds of £1,082,892 (2021: £352,016). This is an increase from the prior year. Restricted funds were £375,188 at 31 March 2022 (2021: £152,101) and unrestricted funds were £707,704 (2021: £199,915). The Trustees intention is to continue to grow unrestricted funds and achieve reserves policy target of 3 months' full operating costs to support the long-term sustainability of the charity.

At the time of approving the financial statements, the trustees believe the charity has adequate resources to continue operating for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Reserves Policy

Hatch has developed a Reserves Policy in this year. It is Hatch Policy to maintain a general Reserve fund equivalent to 3 months' full operating cost.

The Reserve serves two main purposes;

- to cover short term shortfalls in income, for example if funding for a particular programme ends
- to cover unbudgeted expenditure considered to be in the strategic interests of Hatch

The reserves fund is intended to ensure that Hatch can manage either of these eventualities without immediately having to cut back services. In the event of loss of expected income or increased expenditure, it gives Hatch a period in which to seek to remedy the situation by securing additional funds or to plan a reduction of expenditure commitments.

The Finance Committee assesses the required level of reserves on an annual basis. This assessment considers the risks associated with each stream of income and expenditure, its planned activity level, and the need to keep sufficient bank balances to be able to manage the day-to-day fluctuations of receipts and payments.

This year the Trustees agreed to a free reserves policy to hold 3 months operating costs in reserve. At year end the position was £517,420 equivalent to 3.88 months operating costs at that time.

Risk management

The trustees are responsible for ensuring effective risk management.

During the 2021-22 year the executive team reviewed our approach to risk management, the format of our risk register and the way controls are identified, implemented and monitored in line with the Charity Commission guidance. The full revised risk register is now shared with the Board annually in February and a summary is shared at each quarterly board meeting, highlighting those risks that are assessed by the executive team to be particularly high, newly arising or significantly changed during that quarter. Significant work has taken place this year to mitigate against key risks, particularly within the finance function. The Trustees are satisfied that systems are in place to mitigate exposure and consequences of key risks.

Key risks identified and being addressed are connected to the rapid growth of the organisation and relate to reaching and attracting eligible founders to our increasing number of programmes and implementing internal systems, processes and support for the growing team. We are also closely monitoring the external economic climate and the potential risk to both our income if key funders are negatively affected and our expenses as prices rise.

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). The minimum number of Trustees as set out in the Memorandum and Articles of Association is three and the quorum is set at two Trustees.

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:

Jessica Brown
Guraman (Aman) Johal
Edmund Papworth
Thomas Schreiber
Anne-Helene Sinha
Baron Anyangwe (Chair) (Appointed 18 August 2021)

The charity is required to have a minimum of three directors and seeks to have at least five with a range of backgrounds, skills and expertise to steward and support the charity and the executive team. New Trustees are recruited actively through public advertising and through the networks of existing Trustees and team members. Potential Trustees are interviewed by existing Trustees and the CEO and are invited to join the Board as Board Observers, typically for a period of 6 months, or two Board meetings. During this year we only had one Board Observer, Baron Anyangwe who joined the Board as a Trustee in August 2021 and then took on the Chair Jessica Brown stepped down in December 2021.

None of the Trustees have 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. One Trustee, Anne-Helene Sinha is employed by CAF Venturesome which became a Hatch partner in this year.

Organisational structure and decision making

The Trustees are responsible for the policy and strategy of the Charity and for ensuring its long term sustainability and delivery of its purpose and objectives. The Trustees have paid due regard to guidance issued by the Charity Commission in their decisions regarding the activities that the Charity should undertake.

The CEO Dirk Bischof and the Hatch team are responsible for implementing policies and strategies approved by the Trustees and for progressing the organisational objectives.

Key management personnel

The Trustees consider that the key management personnel of the Charity comprise of

Dirk Bischof	–	CEO
Philippa Frankl	–	Operations Director
Rebekah Capon	–	Director of Development
Joanna Hamer	–	Head of Cohort Programmes
Meredith Greey	–	Head of Community Programmes
Tse Kin Bevis Man	–	Head of Marketing and Communications
Nasrat Sayyad	–	Finance Manager

The CEO salary is set annually by Trustees. The other members of the Hatch team are remunerated in line with Hatch's Pay and Progression policy. The policy is reviewed annually by the Trustees.

Finance Committee Members

The Finance Committee is made up of Trustees (with external co-optees as appropriate) and 2 members of Senior staff, as below;

- Baron Anyangwe
- Matthew Brookes (non trustee nor employee)
- Edmund Papworth
- Philippa Frankl
- Nasrat Sayyad

who met several times during the year to;

1. Review Hatch's financial and accounting policies.
2. Assess the financial performance of Hatch
3. Ensure appropriate reserve levels
4. Monitor the impact of significant income and expenditure items
5. Review financial scenario planning and make recommendations about the long term investment framework.

The Board received reports from the Finance Committee at each quarterly Board meeting, covering the organisations financial position and noting significant developments and key risks for Hatch in the environment in which we operate.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 0.76 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Statement of Trustees' responsibilities

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.

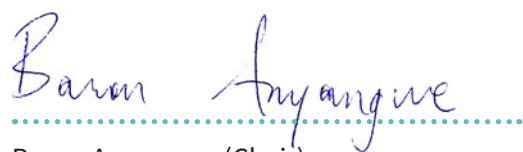
Auditor

In accordance with the company's articles, a resolution proposing that Buzzacott LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

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



Baron Anyangwe (Chair)

Trustee

Dated: 14 September 2022

Independent Auditor's Report

To The Members Of Hatch Enterprise

Opinion

We have audited the financial statements of Hatch Enterprise (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the statement of financial position and the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor 130 Wood Street
London EC2V 6DL

Date: 08 December 2022

Statement of Financial Activities

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
Income from:							
Donations	3	676,872	-	676,872	93,171	20,249	113,420
Charitable activities	4	91,719	992,598	1,084,317	194,310	568,184	762,494
Other trading activities	5	-	35,000	35,000	-	-	-
Investments	6	97	-	97	56	-	56
Total income		768,688	1,027,598	1,796,286	287,537	588,433	875,970
Expenditure on:							
Raising funds	7	57,690	-	57,690	48,288	-	48,288
Charitable activities	8	203,209	804,511	1,007,720	48,228	561,747	609,975
Total expenditure		260,899	804,511	1,065,410	96,516	561,747	658,263
Net income for the year/ Net movement in funds		507,789	223,087	730,876	191,021	26,686	217,707
Fund balances at 1 April 2021		199,915	152,101	352,016	8,894	125,415	134,309
Fund balances at 31 March 2022		707,704	375,188	1,082,892	199,915	152,101	352,016

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.

Statement of Financial Position

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Property, plant and equipment	13		17,146		8,752
Current assets					
Trade and other receivables	14	9,420		33,211	
Cash at bank and in hand		1,100,596		389,353	
		1,110,016		422,564	
Current liabilities	15	(44,270)		(50,655)	
Net current assets			1,065,746		371,909
Total assets less current liabilities			1,082,892		380,661
Non-current liabilities	16		-		(28,645)
Net assets			1,082,892		352,016
Income funds					
Restricted funds	19		375,188		152,101
Unrestricted funds			707,704		199,915
			1,082,892		352,016

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 14 September 2022.

Baron Anyangwe

**Baron Anyangwe (Chair)
Trustee**

Company registration number 08648338

Statement of Cash Flows

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	23		761,858		227,399
Investing activities					
Purchase of property, plant and equipment		(12,290)		(2,720)	
Investment income received		97		56	
Net cash used in investing activities			(12,193)		(2,664)
Financing activities					
Proceeds of new CIP loans		-		40,000	
Repayment of loans		(38,422)		(1,578)	
Net cash generated from/(used in) financing activities			(38,422)		38,422
Net increase in cash and cash equivalents			711,243		263,157
Cash and cash equivalents at beginning of year			389,353		126,196
Cash and cash equivalents at end of year			1,100,596		389,353

Notes To The Financial Statements

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 at least 12 months and, having increased the capacity in the fundraising team the Trustees are confident of the organisations ability to continue to raise additional funds during the year. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees consider that the charity is ending the financial year in a positive financial position. We ended the financial year with an unrestricted fund balance of £707,704 of which £517,420 has been allocated to reserves and is equivalent to 3.88 month operating costs. In addition we have longer term programme agreements in place than ever in our history and have visibility of up to 3 years' funded delivery on our core programmes.

COVID-19 had a significant impact on all businesses. Hatch conducted a full review and scenario planning process during March to July 2020. We maintain a rolling 18 month cash flow 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 not only adapted well but been able to effectively secure its future and transition towards a more sustainable financial model.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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	20-33% 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 the statement of financial activities.

1.7 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.

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.

1.9 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.

1.10 Retirement benefits

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

1.11 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.

3 Donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	676,378	-	676,378	48,330	20,249	68,579
Government grants	494	-	494	44,841	-	44,841
	676,872	-	676,872	93,171	20,249	113,420

Included within Donations is a Gift In Kind equivalent to £36,000 from Peabody for the rent of 3 spaces they have provided during the year for free. There is also a second Gift in Kind equivalent to £36,975 for 145 total hours provided in professional voluntary services.

4 Charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Workshop income	25,406	-	25,406	37,446	-	37,446
Corporations	54,313	136,101	190,414	35,828	351,684	387,512
Trust and foundations	-	856,497	856,497	(7,250)	140,000	132,750
Councils and local government	12,000	-	12,000	93,286	76,500	169,786
Grant from Social Investor	-	-	-	35,000		35,000
Total	91,719	992,598	1,084,317	194,310	568,184	762,494

5 Other trading activities

	Restricted funds 2022 £	Total 2021 £
Sponsorships and social lotteries	35,000	-

6 Investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Interest receivable	97	-	97	56	-	56

7 Raising funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fundraising and publicity						
General fundraising	57,690	-	57,690	48,288	-	48,288
	57,690	-	57,690	48,288	-	48,288

8 Charitable activities

	2022 £	2021 £
Staff costs	647,002	370,418
Other staff related costs	5,470	9,370
Depreciation and impairment	3,897	2,859
Training and workshops	172,236	123,414
Premise costs	49,825	38,921
Marketing	16,797	3,681
Accounting and professional services	38,786	10,870
Bank charges	2,264	1,705
Other support costs	42,443	17,964
Bad debts	-	(727)
	978,720	578,475
Grant funding of activities (see note 9)	29,000	31,500
	1,007,720	609,975
Analysis by fund		
Unrestricted funds	203,209	48,228
Restricted funds	804,511	561,747
	1,007,720	609,975

Support costs include auditor's fee of £6,600 for 2022 (2021 independent examiner's fee £1,440). Charitable activities represent the cost of provision of the core activities of the charity.

Accounting and professional services include a Gift in Kind totalling £36,975 (2021 £nil). Premises costs include a Gift in Kind totalling £36,000 (2021 £36,000).

Net income for the year is stated after charging depreciation of £3,897 (2021 £2,859).

9 Grants payable

	Training and workshops 2022 £	Training and workshops 2021 £
Grants to institutions:		-
Foundervine C.I.C	29,000	30,000
Other	-	1,500

Grants paid to Foundervine to support delivery of an employment readiness programme for young adults in Westminster and £750 each to Hatcham House for a youth training programme and Skills on Tap UK for a healthy business workshop series in 2021.

10 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 (2021 £nil).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Promotion of entrepreneurship	14	9
Administrative staff	12	3
	26	12
Employment costs	2022 £	2021 £
Wages and salaries	625,345	376,878
Social security costs	58,851	31,282
Other pension costs	20,496	10,546
	704,692	418,706

The number of employees whose annual remuneration was £60,000 or more were:

	2022	2021
	Number	Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-

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.

13 Property, plant and equipment

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2021	7,556	13,740	21,296
Additions	-	12,290	12,290
At 31 March 2022	7,556	26,030	33,586
Depreciation and impairment			
At 1 April 2021	4,072	8,471	12,543
Depreciation charged in the year	1,742	2,155	3,897
At 31 March 2022	5,814	10,626	16,440
Carrying amount			
At 31 March 2022	1,742	15,404	17,146
At 31 March 2021	3,483	5,269	8,752

14 Trade and other receivables

	2022	2021
	£	£
Amounts falling due within one year:		
Trade receivables	1,500	30,002
Other receivables	4,044	-
Prepayments and accrued income	3,876	3,209
	9,420	33,211

15 Current liabilities

	Notes	2022 £	2021 £
Community Impact Partnership loans	17	-	9,777
Other taxation and social security		26,275	7,566
Trade payables		881	12,181
Other payables		5,666	2,509
Accruals and deferred income		11,448	18,622
		44,270	50,655

16 Non-current liabilities

	Notes	2022 £	2021 £
Community Impact Partnership loans	17	-	28,645

17 Borrowings

	2022 £	2021 £
Community Impact Partnership loans	-	38,422
Payable within one year	-	9,777
Payable after one year	-	28,645

The loan is unsecured.

The loan is a 5 year loan with a fixed interest rate of 7% per annum. The loan was repaid in full during the year

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 £20,496 (2021 - £10,546)

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:

	Movement in funds			Balance at 1-Apr-21	Movement in funds			
	Balance at 1 April 2020	Income	Expenditure		Income	Expenditure	Transfers	Balance at 31 March 2022
Future Founders Programme (previously called Diverse Founders)	66,881	214,749	(212,173)	69,457	531,697	(370,096)	(18,439)	212,619
Hatch Impact	58,534	146,250	(172,358)	32,426	422,817	(324,738)		130,505
Young Enterprise		71,500	(30,000)	41,500		(29,000)		12,500
Doing Good Locally		5,000	(5,000)					
Community Programme		150,934	(142,216)	8,718	73,084	(80,677)	18,439	19,564
	125,415	588,433	(561,747)	152,101	1,027,598	(804,511)	-	375,188

The restricted funds represent monies received from donors for the Hatch activities described in more detail in the Trustees' report. During this year we reorganised our programme portfolios and some of funds received for Future Founders programme were reallocated to Community Programmes as relevant.

In the FY 21-22, Hatch operated four restricted funds as below;

- Future Founders (previously called Diverse Founders) - for work with women and people from ethnic minority backgrounds
- Hatch Impact - for work with social entrepreneurs
- Young Enterprise - for work with Young people
- Community (previously called Rapid Response) - for work with founders to provide 121 support

20 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Property, plant and equipment	17,146	-	17,146	8,752	-	8,752
Current assets	690,558	375,188	1,065,746	219,808	152,101	371,909
Long term liabilities	-	-	-	(28,645)		(28,645)
	707,704	375,188	1,082,892	199,915	152,101	352,016

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	349,608	255,121

The Trustees consider that the key management personnel of the Charity comprise of themselves, Dirk Bischof (CEO), Philippa Frankl (Operations Director), Rebekah Capon (Director of Development), Joanna Hamer (Head of Cohort Programmes), Meredith Greey (Head of Community Programmes), Tse Kin Bevis Man (Head of Marketing and Communications) & Nasrat Sayyad (Finance Manager).

Donations totalling £nil were received from the trustees during the year (2021 £2,013).

There were no other related party transactions in this year.

22 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.

23 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	730,876	217,707
Adjustments for:		
Investment income recognised in statement of financial activities	(97)	(56)
Depreciation and impairment of property, plant and equipment	3,897	2,859
Movements in working capital:		
Decrease/(increase) in trade and other receivables	23,791	(23,396)
Increase in trade and other payables	3,391	30,285
Cash generated from operations	761,858	227,399

24 Analysis of changes in net funds

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	389,353	711,243	1,100,596
Loans falling due within one year	(9,777)	9,777	-
Loans falling due after more than one year	(28,645)	28,645	-
	350,931	749,665	1,100,596



Building a better world through entrepreneurship

For more about Hatch, make sure you visit us at:
www.hatchenterprise.org

Or to contact us to find out how you can get involved:
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Company Registration No. 08648338
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Hatch