



Annual Report

& Unaudited Financial Statements

for the year ended 31 March 2021

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



Hatch

Legal And Administrative Information

Trustees Jessica Brown
Guraman (Aman) Johal
Edmund Papworth
Thomas Schreiber (Appointed 14 August 2020)
Anne-Helene Sinha (Appointed 3 March 2021)

Charity number 1161801
Company number 08648338
Registered office 53-63 East Street
London
SE17 2DJ

Accountants GBAC Limited
Old Linen Court
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Barnsley
South Yorkshire
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Independent examiner Hugh Swainson, ACA
Buzzacott LLP
130 Wood Street
London
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186 Streatham High Road
Streatham
London
SW16 1BE

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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 2021.

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

Purpose and objectives

We recognise that talent is equally distributed but opportunities are not. Too many people are unfairly prevented from realising their entrepreneurial potential to positively impact their own lives, the lives of others in the community and wider society.

We support underrepresented entrepreneurs to develop the knowledge, confidence, and skills needed to launch and grow a business. We do this through delivering workshops, events, and 1-2-1 volunteering support, connecting entrepreneurs in a vibrant supportive community, and building networks and partnerships with other organisations who share our vision.

During the course of this year we developed our 2020-25 strategic objectives and have structured this annual report to align with those:

- **Increasing reach:** Delivering more enterprise support to more founders, delivering 25,000 enterprise support opportunities to underrepresented founders.
- **Deepening Impact:** Delivering targeted new programmes & initiatives leveraging our partners' support to meet our founders needs, and increase our impact.
- **Bigger, fewer, stronger partnerships:** More engaged, strategic, multi-year funding partnerships to deliver a £15m budget over 5 years, including a £5m Hatch Founders Fund.
- **Prove and improve:** Invest in Hatch's internal systems, data and knowledge building to better manage, communicate and increase the impact of Hatch's work.
- **Prioritising People:** An inclusive culture that supports, values and celebrates every team member's personal and professional contribution development and success.

CEO Statement

It's hard to wrap a year into a short narrative when the year in question actually felt like two or even three years condensed into one. For us, 2020-21 was the year where founders and businesses had to show what they're made of and whether they could adapt to the new challenges brought on by the Covid-19 pandemic. This was no different for Hatch, so we worked tirelessly with our peers and corporate partners to make sure all of us in the enterprise ecosystem were doing all we could to support founders during this time of hardship.



Whilst change was undoubtedly one defining aspect of the year, growth was arguably even more so for Hatch. Not only were we able to provide nearly 1300 enterprise support opportunities to over 940 founders, we delivered 10 in-depth programmes across our Impact and Female Founders portfolios to 149 founders - substantially more than in previous years.

With so many founders rapidly losing income as businesses were forced to shut-down, we focused our efforts on how we could build on our mission to level the playing field for underrepresented founders across the UK. This took the form of the Rapid Response and Recovery programme, Hatch's first ever national programme, following an approach by Youth Business International (YBI) and Google.org to develop and deliver a programme in direct response to the pandemic. With a newly expanded portfolio of events, we built a new online resource hub of vital information seen by more than 1,500 people, and delivered a mentoring and coaching programme that matched more than 370 founders with experts to address their most pressing business challenges.

Our core programmes were also impacted by the pandemic, but by shifting them online in the space of two weeks, we further opened up our portfolio of support to anyone in the UK. Our ambitions to become a national charity, not one that focussed only on the capital, were fulfilled within the short space of a few months and our new five year strategy embraces national delivery alongside our hyper-local work. It marks a clear challenge for Hatch to do even more for founders in the coming years, and will see us scale our impact by tenfold by the end of the 2025-26 financial year. This would result in Hatch delivering over 25,000 enterprise support opportunities to underrepresented founders - a stake in the ground and an ambitious goal for us.

It's been eight years since Hatch launched its first enterprise support programme in Brixton, South London, and we continued to fly the flag for underrepresented founders. We launched a new black and ethnic minority Female Founders programme, thanks to the unwavering support of our funders and partners, including JPMorgan Chase, Postcode Innovation Trust, eBay and NatWest, and welcomed many more over the year to join our cause. We're proud that hundreds of volunteers from our partners gave up their time to help founders from underrepresented communities get back on their feet.

Above all, we continue to be amazed by our founders, whose determination and resilience over the past year confirmed why businesses can be a powerful force for good. We take a lot of inspiration from our founders on staying agile, true to our cause and to never give up. Similarly, my thanks goes to the team at Hatch whose drive, commitment and dedication meant we continue to have a tangible impact on so many founders in one of the most difficult years our generation has lived through.

As always, onwards and upwards,

A handwritten signature in blue ink, reading 'D. Bischof'. Below the signature is a horizontal dotted line.

Dirk Bischof

Activities & Achievements

Increasing reach

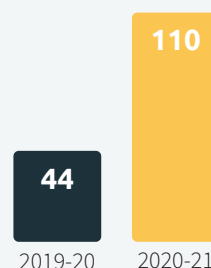
National lockdown in March 2020 put an abrupt end to both physical meetings and Hatch's historical focus on in-person delivery to entrepreneurs from London. Delivering Hatch's Female Founders and Impact portfolios digitally brought new challenges but also a wealth of benefits, greatly increasing the number of entrepreneurs we were able to reach and support over the course of the year. Founders were having to take on more work, home schooling and childcare responsibilities, and needed Hatch's programmes to be even more flexible.

110 people went through the in-depth Female Founders portfolio across seven cohorts, up from four cohorts and 44 founders in 2019-20 (a 150% increase). Similarly, 39 founders went through Hatch's Impact portfolio from three cohorts over the year, up from 12 founders from one cohort in the whole of 2019-20 (a 225% increase). By their nature, not only were our programmes now more inclusive, especially to those with a disability, but removing the barriers to travel meant they were more accessible in terms of time and travel cost to anyone living outside of London. Hatch's volunteering opportunities also became easier to access from anywhere in the country. Hatch was now operating as a national organisation.

Encouragingly, more than a third (35%) of Female Founders and a quarter of those on the Impact programme came from outside of London, whereas in 2019-20, the full cohort were London-based.

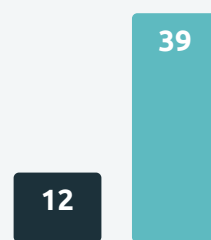
In terms of diversity, eight in ten (81%) founders on the Female Founders programme were from an ethnic minority, with one in ten (12%) identifying as disabled. Almost half of founders were working towards a social or environmental mission. Three quarters of those on the Impact programme (75%) were female, with more than half (53%) coming from an ethnic minority. All impact founders had businesses that were addressing at least one Sustainable Development Goal and/or addressing a social or environmental mission.

Female Founders Total Audience



2019-20 2020-21

Impact Founders Total Audience



2019-20 2020-21

'I've been really impressed with how the Hatch team quickly adapted the programme for a virtual environment and the strength and diversity of experts and speakers at each session. The programme was an important day of the month, time to focus on strategy, think outside the box and think through learnings for the organisation as a whole.'

Lizzie Carr,
Founder of Planet Patrol

In support of the organisation's ambitions and the emerging five-year strategy for Hatch, we expanded the communications team by recruiting a new Head of Comms and Marketing, increased our social media activity, and started the process of developing a communications strategy for 2021-2024. We launched Hatch's first podcast series, Founders Talks, on Spotify and Amazon music, in which founders interview their mentors.

We also launched a new membership model in spring 2021, a platform that offers new partners a small scale introduction to partnering with Hatch. Aside from being a valuable source of unrestricted funding, it also acts as an engagement tool by providing Hatch with volunteers for funded programme work, and the opportunity to build new funder relationships with the aim of developing larger, more strategic partnerships over time.

Increasing Reach - Future Plans

In the coming year we have ambitious targets to expand the number of enterprise support opportunities we provide and the number of entrepreneurs who access them. We aim to deliver 18 in depth support opportunities and over 180 light touch support opportunities to over 1500 underrepresented entrepreneurs and social entrepreneurs across our New Founders, Impact and Community Portfolios.

We will continue to provide the majority of our support online, facilitating access for a wider range of entrepreneurs and social entrepreneurs from across the UK.

To support these goals we will be appointing a new Head of Community Programme, expanding all three programmes teams and establishing a programmes leadership group to provide strategic and operational leadership across all Hatch programmes.



Deepening impact

We launched the Rapid Response and Recovery Programme in June 2020. Its broad range of events and support included the new 1-2-1 Skilled Volunteering programme, where entrepreneurs share a business challenge and receive advice and support in an hour-long session with a volunteer with specialist experience in that business area. The programme also offered webinars, masterclasses, networking events and pitch practice days which saw entrepreneurs pitch their business to a panel of friendly dragons for feedback. In all, more than 720 people attended 47 public online events over the course of the year.

We also successfully piloted a peer mentoring programme, taken up by 42 early-stage impact founders who were paired with more experienced entrepreneurs for tailored advice for their businesses. In all, the Rapid Response and Recovery Programme was able to support more than 370 founders to access 1-2-1 support, whether that's peer mentoring or 1-2-1 skilled volunteering, with nine in 10 stating the support they received increased their skills, knowledge or confidence.

In all, the year marked an increase in staff volunteering by our corporate partners, in part due to the ease of the remote volunteering opportunities we were able to provide. More than 200 corporate volunteers sat as friendly dragons on pitch and demo days, provided 1-2-1 skilled volunteering coaching and have engaged in finance and marketing hackathons.

Working alongside our corporate partners and enterprise support peers also brought about events for founders, including a series of legal events with Sidley, two Adobe Creative Business Jams and a LinkedIn workshop in partnership with refugee entrepreneurship organisation, TERN. We also ran events in partnership with other enterprise support organisations, including Jamii, Lendoe, Foundervine, Thrive, Expert Impact, Blooming Founders and Impact Hub King's Cross.

720+

founders attended 47
public online events

370+

founders were supported
through peer mentoring or
skilled volunteering

90%

reported increased skills,
knowledge & confidence as
a result of our support

200+

corporate volunteers
have supported our
entrepreneurs

"Having an experienced business mentor to talk through the options, including the pros and cons, was invaluable. This now feels so right for [my business] Scuseme and I'm fired up. Thank you Hatch."

Dawn Giesler,
Founder of Scuseme and mentee

Deepening Impact - Future Plans

In the coming year we will continue to embed the pre-start up programmes, one to one support and peer mentoring offers developed during 2020-21. Building on the successful transition to online delivery we will also pilot producing on-demand content to provide greater accessibility for those unable to attend scheduled sessions.

We also plan to launch our first small grants fund, making much needed financial support available to early stage underrepresented entrepreneurs to complement our existing programmes and other support offerings.



Bigger, fewer, stronger partnerships

We started a partnership with Pizza Hut which led to the development and launch of the New Founders Programme, expanded our work with NatWest and brought in new partnerships with Columbia Threadneedle and Howdens Group. We celebrated a successful bid with Adobe and renewed engagement with law firms including Sidley, Skadden and Weil.

As part of the Rapid Response Programme, we were able to work with 14 other enterprise support organisations, to fund and co-deliver close to £100,000 of support for entrepreneurs including events, 1-2-1 support and networking. These partnerships with organisations including Foundervine, MSDUK, TERN, Impact Hub, Jamii and Lendoe have strengthened our relationships within the sector, allowed us to share best practice across organisations, enabled us to reach new audiences, and provided vital funding to other groups during the pandemic.

We realised as the pandemic hit that we could not work in isolation, but together with our existing partners like TERN, Acumen, The Young Foundation and countless others, to level the playing field for underrepresented founders. This was the birth of the Collective Leadership Group, a collection of enterprise and social sector leadership support organisations that came together to find better answers to the issues faced by founders that we were all working with. This group has now attracted close to £100,000 in funding from the Paul Hamlyn Foundation and Barrow Cadbury's Connect Fund to continue to develop joined-up approaches, share best practices and to work more collaboratively. This work will stretch across 2021-22.

Bigger, Fewer, Stronger Partnerships - Future Plans

Building on our successes this year we will continue to develop multi-year strategic partnerships to provide sustainable support for our growing programme portfolio, prioritising securing long term partners for our Community Portfolio where we expect significant innovation to take place in the coming years.

Our membership model will continue to increase the breadth of financial and volunteer support to support our ambitious impact goals. We will recruit a Director of Fundraising and Partnerships to lead the fundraising and partnerships function, and enable our CEO to take a more outward facing and future focussed role.

The collective leadership group, formed during the previous year will continue to meet with the aim of enabling joined-up services, increasing representation and diversity, building greater resilience and wellbeing, and sharing insights and learning with a wide range of stakeholders within the social leadership support eco-system.

Prove and improve

In September 2020 we hired a Director of Operations who is leading the charge to lead the team, improve overall organisational effectiveness and improve systems and processes.

This year we conducted a full review of our portfolio of programmes and support for entrepreneurs. We developed a new Theory of Change that recognises and highlights the issues we aim to address and the impact we aim to have on entrepreneurs, the businesses they run and the wider ecosystem of enterprise support in which we operate.

We have overhauled our monitoring and evaluation methodology and tools, developing and streamlining our approach across programmes to ensure we collate consistent quantitative and qualitative data about our outcomes and impact for entrepreneurs, businesses and the wider community.

Over the year, our understanding of founders deepened, we learned that they value peer group sessions as much as expert-led sessions, with some continuing with these meetings after the programmes ended. When asked what areas founders felt had improved as a result of being on a Hatch programme, brand, leadership and networking were among the highest ranked. Founders were networking more both during and after their programme, with a willingness and confidence to collaborate with others.

Our insights into stakeholders in the digital sphere also broadened thanks to investment in digital tools that are yielding data on social media and website audiences and their behaviours.

Our Trustee Board continues to be a source of invaluable oversight, advice and guidance. This year Thomas Schreiber and Anne-Helene Sinha joined the Board, and we established a Finance Committee to provide opportunity for greater scrutiny of our financial position as we continue to grow in size and complexity as an organisation. Consideration has been given to a number of other committees to provide similar strategic oversight to other areas of the organisation as Hatch continues to grow.

Prove and Improve - Future Plans

During the coming year we will roll out the Theory of Change developed in the previous year, and move to a more consistent approach to impact measurement across all our programmes and activities.

In 2021 we will be investing in our monitoring, evaluation and learning capacity to ensure we can continue to experiment, learn and evolve our support for entrepreneurs and social entrepreneurs in response to the needs and experiences identified in the community.

Moving into 2021-22 and beyond, the aim is to further build what was started in this year to better understand stakeholder needs from a digital perspective. Similarly, we're regularly asking and analysing who event attendees are, with a view to better target future events to the differing needs of segmented audiences.

Prioritising people

In light of the Covid-19 we have moved to remote working and have supported the team in a number of ways. These have included providing the equipment needed to work from home and an individual allowance to support team members to purchase additional resources or adapt their home working environment to meet their particular needs. We have encouraged team members to acknowledge the stresses and challenges in the external environment, to be kind to themselves, to check in with colleagues and to trust that everyone is doing their best under extremely challenging circumstances.

We introduced more flexible working, including encouraging people to take time out when needed, to alter their hours and to be particularly flexible with those who have caring responsibilities. We experimented with different approaches to maintaining social connections at different points in the pandemic year as the situation evolved and the team's needs evolved with it. We also established a team, social and wellbeing committee who have launched a programme of activities to prioritise personal and professional development, team building and individual and collective wellbeing across the team. These will be continued and further developed in the coming year.

We looked again at our recruitment processes with a specific focus on removing bias from the way we advertise new roles, shortlist, interview and onboard new Hatch team members. We have developed a new equality and diversity monitoring form and for the first time gathered this data for the Hatch team and Trustees as well as the founders we support. Over time this will help us monitor and challenge ourselves on how closely our team and Board reflect the communities we support.

We started a process of developing and updating our staff handbook, prioritising in the first instance the introduction of new policies around pay and progression, learning and development, volunteering, wellbeing and others directed at supporting the team to thrive and grow in their roles at Hatch and beyond. The development of the handbook will continue into the coming year.

We have overhauled our Trustee role descriptions, induction and onboarding process this year and continue to operate a Board Observer process, in which potential new Trustees are invited to attend Board meetings and engage with Hatch activities for a period of around 6 months as an opportunity for both parties to get to know each other before making the commitment to full appointment to the Board. We have conducted a Board Skills Audit and will be looking to expand Board membership in the coming year, including with a focus on diversifying the backgrounds, skills and experiences and ensuring representation at Board level of the entrepreneurial community we support.

Prioritising People - Future Plans

As we head into 2021-22, we will be experimenting with a fully flexible hybrid working approach and supporting team members to work from home or in the office in a pattern that best suits the team and the individuals within it.

We expect the Hatch team to grow significantly in the coming year and will be adapting and developing our policies and practices to ensure we embed and build on the culture already established as the team grows. As part of this, we will continue to develop the Hatch Handbook and to roll out our recently developed quarterly professional and personal development review, ensuring existing and new team members are supported to thrive in every aspect of their working lives. The recently established committee will build on initial successes to roll out a full years programme of team building, wellbeing and social activities.

We also expect to expand the Hatch Board in the coming year, focussing in particular on increasing diversity of backgrounds and experience and filling skills gaps identified in the recently conducted board skills audit.



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 2021 was £875,970 (2020: £527,113) with modest growth. Total expenditure was £658,263 (2020: £422,112). The cash flow of the organisation is monitored on a monthly basis.

At 31 March 2021, the Charity had total funds of £352,016 (2020: £134,309). This is an increase from the prior year. Restricted funds were £152,101 at 31 March 2021 (2020: £125,415) and unrestricted funds were £199,915 (2020: £8,894). The Trustees intention is to continue to grow reserves through the allocation of unrestricted income in 2020/21 to support the long term sustainability of the charity.

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

It is Hatch policy 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, and to provide the flexibility to invest in new projects and activities outside our regular funded work as deemed appropriate.

The Trustees assess the required level of reserves on an annual basis. This assessment takes into account 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. Particular consideration was given this year to the potential impact of Covid-19 on our sources of funding and to the likelihood of a future event that might have a greater negative impact on our cash flow position.

This year the Trustees agreed to a free reserves policy to hold 3 months operating costs in reserve. At year end the position was £191,163, equivalent to 3.23 months operating costs at that time.

A review of the policy and target reserves level will be conducted by the finance committee with the executive team over the coming financial year.

Risk management

The trustees are responsible for ensuring effective risk management. The executive team 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 were ultimately able to move all our delivery online, and actually to significantly increase our income during 2020-21 and develop our Community Programme, which has evolved directly from the Rapid Response programme developed to support founders in the early stages of the pandemic.

During the 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 was shared with the Board 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. The Trustees are satisfied that systems are in place to mitigate exposure and consequences of key risks.

Key risks identified and being addressed are around the quality and consistency of management data available to the team and Trustees to guide decision making. To mitigate against these and ensure the team and Trustees have reliable information available to them we have started a complete overhaul of our approach to setting and monitoring progress against operational and financial targets.

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 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	
Stephen Miller	(Resigned 14 August 2020)
Edmund Papworth	
Wyndham Plumtre	(Resigned 14 August 2020)
Thomas Schreiber	(Appointed 14 August 2020)
Anne-Helene Sinha	(Appointed 3 March 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 had two Board Observers, one of whom Anne- Helene Sinha joined the Board as a full Trustee in March 2021. Thomas Schreiber also joined the Board after six months volunteering with Hatch supporting the team in researching the potential for Hatch to provide financial support to Founders, and our resulting plans to develop the Hatch Fund in the coming year, making small grants available to those who have been through Hatch programmes.

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.

Organisational structure and decision making

The Trustees are responsible for the policy and strategy of the Charity and for ensuring it's 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 themselves, Dirk Bischof (CEO), Philippa Frankl (Operations Director), Janine Carpenter (Impact Programmes Manager), Joanna Hamer (Future Founders Programmes Manager), Deryl Thatcher (Head of Corporate Partnerships), Bevis Man (Head of Marketing and Communications) and Nasrat Sayyad (Finance and Operations Manager).

The CEO salary is set annually by the Trustees. The key management team and the other members of the Hatch team are remunerated in line with the Hatch salary scale which was introduced this year based on published sector benchmarking data and will be reviewed annually by the Trustees.

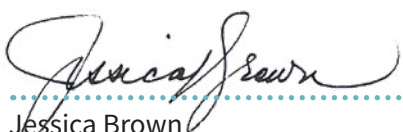
Disclosure of Information to Independent Examiner

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.


.....
Jessica Brown
Trustee

Dated: 4 August 2021

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.

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 2021.

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

Statement of Financial Activities

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Notes							
Income from:							
Donations	3	93,171	20,249	113,420	15,388	-	15,388
Charitable activities	4	194,310	568,184	762,494	90,685	420,985	511,670
Investments	5	56	-	56	55	-	55
Total income		287,537	588,433	875,970	106,128	420,985	527,113
Expenditure on:							
Raising funds	6	48,288	-	48,288	6,213	-	6,213
Charitable activities	7	48,228	561,747	609,975	414	415,485	415,899
Total expenditure		96,516	561,747	658,263	6,627	415,485	422,112
Net gains/(losses) on investments	11	-	-	-	(1)		(1)
Gross transfers between funds	20	-	-	-	(117,679)	117,679	-
Net movement in funds		191,021	26,686	217,707	(18,179)	123,179	105,000
Fund balances at 1 April 2020		8,894	125,415	134,309	27,073	2,236	29,309
Fund balances at 31 March 2021		199,915	152,101	352,016	8,894	125,415	134,309

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.

Statement of Financial Position

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Property, plant and equipment	13		8,752		8,894
Current assets					
Trade and other receivables	14	33,211		9,815	
Cash at bank and in hand		389,353		126,196	
		422,564		136,011	
Current liabilities	15	(50,655)		(10,596)	
Net current assets			371,909		125,415
Total assets less current liabilities			380,661		134,309
Non-current liabilities	16		(28,645)		-
Net assets			352,016		134,309
Income funds					
Restricted funds	20		152,101		125,415
Unrestricted funds			199,915		8,894
			352,016		134,309

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 2021.

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 **4 August 2021**.



Jessica Brown
Trustee

Statement of Cash Flows

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	24		227,399		98,356
Investing activities					
Purchase of property, plant and equipment		(2,720)		(8,861)	
Investment income received		56		55	
Net cash used in investing activities			(2,664)		(8,806)
Financing activities					
Proceeds of new CIP loans		40,000		-	
Repayment of loans		(1,578)		-	
Net cash generated from/(used in) financing activities			38,422		-
Net increase in cash and cash equivalents			263,157		89,550
Cash and cash equivalents at beginning of year			126,196		36,646
Cash and cash equivalents at end of year			389,353		126,196

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 the foreseeable future. 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 £199,915 of which £191,163 (less £8,752 which is tied up in fixed assets) has been allocated to reserves and is equivalent to 3.23 month operating costs. In addition we have longer term programme contracts in place than ever in our history and have visibility of up to 3 years funded delivery on our core programmes. 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. 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 during a very challenging year.

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 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 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.

1.8 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 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	48,330	20,249	68,579	15,388	-	15,388
Government grants	44,841	-	44,841	-	-	-
	93,171	20,249	113,420	15,388	-	15,388

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.

4 Charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Workshop income	37,446	-	37,446	27,793	10,017	37,810
Corporations	35,828	351,684	387,512	45,392	175,968	221,360
Trust and foundations	(7,250)	140,000	132,750	17,500	235,000	252,500
Councils and local government	93,286	76,500	169,786			
Grant from Social Investor	35,000		35,000			
Total	194,310	568,184	762,494	90,685	420,985	511,670

Charitable trading income

Included within Trusts and Foundations is an amount of £8,750 paid to Big Issue Trust foundation, which relates to 50% of the awarded grant in previous years becoming repayable when performance criteria was achieved in this year.

5 Investments

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Interest receivable	56	-	56	55	-	55

6 Raising funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fundraising and publicity						
General fundraising	48,288	-	48,288	6,213	-	6,213
	48,288	-	48,288	6,213	-	6,213

7 Charitable activities

	2021	2020
	£	£
Staff costs	370,418	263,249
Other staff related costs	9,370	4,196
Depreciation and impairment	2,859	414
Training and workshops	123,414	74,914
Premise costs	38,921	16,017
Marketing	3,681	6,722
Accounting service	10,870	8,815
Bank charges	1,705	469
Other support costs	17,964	20,014
Bad debts	(727)	662
	578,475	395,472
Grant funding of activities (see note 8)	31,500	20,427
	609,975	415,899
Analysis by fund		
Unrestricted funds	48,228	414
Restricted funds	561,747	415,485
	609,975	415,899

Support costs include independent examiner's fee of £1,440 for 2021 (2020 £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 £2,859 (2020 £414).

8 Grants payable

	Training and workshops 2021 £	Training and workshops 2020 £
Grants to institutions:		
55 East C.I.C	-	20,427
Foundervine C.I.C	30,000	-
Other	1,500	-
	31,500	20,427

Grants paid to Foundervine (£30,000) 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.

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 (2020 £nil).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Promotion of entrepreneurship	9	8
Administrative staff	3	2
	12	10
Employment costs	2021 £	2020 £
Wages and salaries	376,878	243,919
Social security costs	31,282	18,755
Other pension costs	10,546	6,548
	418,706	269,222

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

	2021 Number	2020 Number
£60,000 - £70,000	1	-

11 Net gains/(losses) on investments

	Total 2021 £	Unrestricted funds 2020 £
Revaluation of investments	-	(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 2020	7,556	11,020	18,576
Additions	-	2,720	2,720
At 31 March 2021	7,556	13,740	21,296
Depreciation and impairment			
At 1 April 2020	2,331	7,354	9,685
Depreciation charged in the year	1,742	1,117	2,859
At 31 March 2021	4,073	8,471	12,544
Carrying amount			
At 31 March 2021	3,483	5,269	8,752
At 31 March 2020	5,226	3,668	8,894

14 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	30,002	6,996
Other receivables	-	275
Prepayments and accrued income	3,209	2,544
	33,211	9,815

15 Current liabilities

	Notes	2021	2020
		£	£
Community Impact Partnership loans	17	9,777	-
Other taxation and social security		7,566	-
Trade payables		12,181	1,592
Other payables		2,509	-
Accruals and deferred income		18,622	9,004
		50,655	10,596

16 Non-current liabilities

	Notes	2021	2020
		£	£
Community Impact Partnership loans	17	28,645	-

17 Borrowings

	2021	2020
	£	£
Community Impact Partnership loans	38,422	-
Payable within one year	9,777	-
Payable after one year	28,645	-

18 Deferred income

	2021	2020
	£	£
Deferred income brought forward	-	17,500
Deferred during the year	-	-
Released during the year	-	(17,500)
Deferred income carried forward	-	-

19 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 £10,546 (2020 - £6,548).

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					Movement in funds		
	Balance at 1-Apr-19	Income	Expenditure	Transfers	Balance at 1-Apr-20	Income	Expenditure	Balance at 31-Mar-21
	£	£	£	£	£	£	£	£
Diverse Founders	-	167,251	(136,272)	35,902	66,881	214,749	(212,173)	69,457
Hatch Impact	-	160,359	(177,747)	75,922	58,534	146,250	(172,358)	32,426
Young Enterprise	-	1,048	(1,048)	-	-	71,500	(30,000)	41,500
City Bridge Trust	2,236	26,000	(17,428)	(10,808)	-	-	-	-
Doing Good Locally	-	66,327	(82,990)	16,663	-	5,000	(5,000)	-
Rapid Resonse	-	-	-	-	-	150,934	(142,216)	8,718
	2,236	420,985	(415,485)	117,679	125,415	588,433	(561,747)	152,101

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

In the FY 20-21, Hatch operated four restricted funds as below;

- 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
- Rapid Response - for deliver a programme in direct response to the pandemic.
- Doing Good Locally - to support local food entrepreneurs. The programme ended in March 2020.

21 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Property, plant and equipment	8,752	-	8,752	8,894	-	8,894
Current assets	219,808	152,101	371,909	-	125,415	125,415
Long term liabilities	(28,645)		(28,645)		-	-
	199,915	152,101	352,016	8,894	125,415	134,309

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	255,121	150,562

The Trustees consider that the key management personnel of the Charity comprise of themselves, Dirk Bischof (CEO), Philippa Frankl (Operations Director), Janine Carpenter (Impact Programmes Manager), Joanna Hamer (Future Founders Programmes Manager), Deryl Thatcher (Head of Corporate Partnerships), Bevis Man (Head of Marketing and Communications) and Nasrat Sayyad (Finance and Operations Manager).

Donations totalling £2,013 were received from the trustees during the year (2020 £nil).

There were no other related party transactions in this year.

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.

24 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	217,707	105,000
Adjustments for:		
Investment income recognised in statement of financial activities	(56)	(55)
Fair value gains and losses on investments	-	1
Depreciation and impairment of property, plant and equipment	2,859	414
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(23,396)	13,814
Increase/(decrease) in trade and other payables	30,285	(20,818)
Cash generated from operations	227,399	98,356

25 Analysis of changes in net funds

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	126,196	263,157	389,353
Loans falling due within one year	-	(9,777)	(9,777)
Loans falling due after more than one year	-	(28,645)	(28,645)
	126,196	224,735	350,931



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
(England and Wales)



Hatch