

Charity Registration No. 1161801

Company Registration No. 08648338 (England and Wales)

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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

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**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The trustees present their report and financial statements for the year ended 31 March 2019.

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 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).

**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](http://www.hatchenterprise.org)

**Objectives and activities**

The charity's objects are:

- (1) To act as a resource for young people primarily up to the age of 30 years living in London by providing advice and assistance and organising programmes of educational and other activities as a means of:
  - a) Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
  - b) Advancing education; and
  - c) Relieving unemployment.
- (2) To promote sustainable development for the benefit of the public by:
  - a) The preservation, conservation and the protection of the environment and the prudent use of resources;
  - b) The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; and
  - c) The promotion of sustainable means of achieving economic growth and regeneration.

Our Mission is to support entrepreneurs from diverse and underrepresented backgrounds into business, providing knowledge, access to networks and workspace.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# **HATCH ENTERPRISE**

## **(A COMPANY LIMITED BY GUARANTEE)**

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

#### **FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Achievements and performance**

**Our Mission** is to support entrepreneurs from diverse and underrepresented backgrounds into business, providing knowledge, access to networks, and workspace.

After witnessing the severe lack of basic support for early stage entrepreneurs hailing from underrepresented communities, Hatch piloted a unique approach to business incubation and support in the UK. Our goals are society-focused, rather than centred on helping any one specific industry. We believe a diverse economy, where more businesses are led by underrepresented founders, means a stronger, more vibrant, and fairer society.

#### **What is the problem**

In the UK, only 20% of SMEs (Small to Medium-sized Enterprises) are majority women-led, less than 7% are minority- ethnic led, and fewer than 8% of businesses in the UK are social enterprises. The entrepreneurs running these businesses not only face big challenges based on the business models they operate, but also based on their gender and race.

Starting a business is hard. The vast majority of entrepreneurs (90%) don't make it past the 3-year mark, with most of them failing in year one (50%). The reasons for this can range from not achieving product/market fit (failing to find customers), to lacking an understanding of how to run a business, to lacking hands-on support during the start-up journey. Furthermore, entrepreneurs are dealing with the stigma of failure and a lack of a societal and financial safety net, especially for people who come from lower-income backgrounds.

When it comes to diverse and underrepresented founders these challenges are often compounded due to the lack of representation. The lack of mentorship and role models for underrepresented founders is a challenge that hits hard because, without a good network that understands their cultural background enough to provide authentic support, succeeding in business alone can be isolating and defeating.

Lack of access to funding is a big problem our entrepreneurs face very often. Sometimes it's the lack of generational wealth that hinders their entrepreneurial growth, as they can't ask family members for a loan when starting up. This lack of access to funding extends to finding professional finance, too. As an example, women-led businesses achieve far lower levels of institutional funding, while male entrepreneurs are 86% more likely to be funded by a VC (Venture Capitalist) and are 56% more likely to secure angel investment (Barclays' 2017 Report 'Untapped Unicorns').

We believe, failing to support diverse and underrepresented entrepreneurs has a ripple effect throughout society and our economy, and it's not just the founders that are losing out. We are all losing out.

#### **What we do**

Since 2014, we have worked with over 2000 entrepreneurs. We have worked with 414 entrepreneurs via our in-depth interventions (Launchpad, Incubator, and Accelerator) and with over 1600 on a light-touch basis (via workshops, weekend programmes, and big events). We help unlock the potential of these entrepreneurs from the initial idea stage to growing their businesses. The 220 ventures Hatch has supported through our in-depth Incubator and Accelerator are now turning over £10.3M and are employing over 400 people.

We support female founders, social entrepreneurs and BAME (Black, Asian and Minority Ethnic) entrepreneurs by providing access to knowledge (education and training), resources (including work spaces) and improved access to networks (mentors, role models, coaches). In doing so, we contribute to a stronger, more vibrant society inclusive of race, religion, gender, sexual orientation, disability, age and socio-economic backgrounds. We do know that more equal economies do better in the long-term, as they experience quicker, more stable economic growth over longer periods.

Our simple, radical approach translates the incubator/ accelerator model from the tech start-up scene to a community-based programme that creates the right starting conditions for all entrepreneurs to launch and grow a sustainable business.





**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

Through our dedicated interventions, we help diverse and underrepresented entrepreneurs to test, start, and grow their ventures, giving particular support (financial and non-financial) to entrepreneurs from underrepresented groups. With each business that is launched and nurtured through our programmes, we not only transform the lives of these entrepreneurs but also enable them to make an impact on their communities.


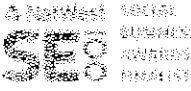
**Our 5 main initiatives are:**

1. **Hatch Launchpad:** A six-week programme delivering personal coaching, business workshops and a testing ground for new business ideas. We support 40 - 60 people per year.
2. **Hatch Incubator:** An immersive 14-week programme providing workshops, one-to-one business coaching, mentoring and access to work space. It is exclusively for entrepreneurs who have been running their business for some time and want to grow. We support 30 - 40 people per year.
3. **Hatch Accelerator:** An innovative four-month business and leadership programme to scale a growing-stage business/social enterprise run by a female founder. We support 30 - 45 new businesses per year.
4. **Hatch Community:** We run monthly meet-ups and run two large-scale events/ conferences, to foster a growing community of entrepreneurs and supporters.
5. **Hatch Space (55 East):** Our new physical space in East Street (Elephant & Castle). 3 spaces serving as co-working, training/event, and retail pop up spaces, as well as a café.

**Award Winning Programmes**

	<b>2019</b>	Dirk Bischof (Hatch's CEO) voted among Top 10 UK Social Entrepreneurs 2019 - The UBS UK Social Entrepreneur Index is a celebration of entrepreneurs running businesses with social purposes, with the aim of providing recognition for social entrepreneurs, acting as a benchmark for good practice and inspiring the next generation.
	<b>2019</b>	Hatch has been named SE100 Finalist 2019 - NatWest SE100 celebrates the growth, impact, and resilience of social ventures in the UK – Hatch is among the Top 100 social enterprises of the year in the Index.
	<b>2017</b>	Hatch Enterprise won the Enterprising Britain Awards in the "Building Enterprise Skills" Category for their Flagship Programme the "Hatch Incubator", an intensive 12-week programme followed by an additional 12-weeks of Alumni support. The awards are sponsored by the Department for Business, Energy, & Industrial Strategy (BEIS).
	<b>2017</b>	Hatch Enterprise received a £10,000 "Changemaker" Award from Santander for our work in the local community with 55 East, leading to over 200 events with over 100 participants.

**HATCH ENTERPRISE**  
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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

 <p>THE LORD MAYOR'S DRAGON AWARDS</p>	<p><b>2017</b></p>	<p>Hatch Enterprise was shortlisted for the 30<sup>th</sup> Lord Mayor's Dragon Awards "Community Partner" Category for our work with Deutsche Bank, supporting over 50 mission driven businesses in South London since 2015 and for <i>Beyond Good Business</i> Conference: <a href="http://www.beyondgoodbusiness.co.uk">www.beyondgoodbusiness.co.uk</a>, helping to drive engagement and collaboration in the sector.</p>
 <p>A NatWest SOCIAL BUSINESS AWARDS WINNER</p>	<p><b>2016</b></p>	<p>Hatch was shortlisted as "Trailblazing Newcomer" for the (NatWest) Social Business Awards for our work supporting entrepreneurs into business.</p>

**Impact to date**

Our Mission is "Supporting diverse and underrepresented entrepreneurs into business." Since 2014, we have been able to support 414 entrepreneurs from diverse backgrounds across our 3 main programmes (Launchpad, Incubator, and Accelerator) and 1600 founders through our Community Programme. Ventures in the Incubator and Accelerator turn over £10.3m across 220 businesses, employing over 400 staff and engaging over 25,000 customers.

Of all entrepreneurs supported, 68% came from BAME backgrounds, 75% were women, and over 40% were social entrepreneurs. Hatch has continued to grow from 2015 and now employs a team of 8 people in 2018/19, with access to over 200 mentors, expert speakers, coaches, and consultants.

**We work with three groups of Change Makers:**

**Young entrepreneurs.** These young change makers are aged 18 – 30 and are from low-income backgrounds, with over 65% coming from Black, Asian, and Minority Ethnic (BAME) Groups. All young entrepreneurs experience financial disadvantage at present and Hatch supports them into self-employment and setting up their own business or social enterprise. We have worked with young entrepreneurs since 2014 and have run Hatch Launchpad + Hatch Incubator programmes for over 96 young entrepreneurs to date via these 2 in-depth programmes; we've supported over 400 through light-touch interventions such as 1-day events, hackathons, and masterclasses.

**Social entrepreneurs.** We support social change makers to build a sustainable, social venture. We have worked with social entrepreneurs since 2015 and have run Hatch Launchpad + Hatch Incubator programmes for over 100 social entrepreneurs to date via these 2 in-depth programmes; we've supported over 400 through light-touch interventions such as 1-day events (e.g. Beyond Good Business). Our social ventures are turning over more than £5M, with the largest 20% of ventures making up 80% of total turnover. Our social ventures are employing over 200 people and engage hundreds more through volunteering opportunities. Our social ventures have also raised over £4M in social finance and grants to date, to help them grow and scale.

**Female founders.** Our female founders face additional challenges, not typically shared by their male counterparts, to get their businesses off the ground. We have worked with female entrepreneurs since 2014/2015 (young entrepreneurs/social entrepreneurs) but have really focused on them via a dedicated Accelerator programme since 2017, supporting 55 female founders. In 2018, we have run an Incubator programme for 20 BAME Female Founders.

**HATCH ENTERPRISE**  
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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Key programmes**

The following provides more information on the specific programmes we are running, as well as highlighting our development going forward.

**Young Enterprise Programme.** Our young enterprise programme focuses on young entrepreneurs from Lambeth aged 18 – 30. We support 24 young people every year to test their ideas and to start a business that will provide the means for self-sufficiency. The young people we work with are often from hard-to-reach backgrounds and on low incomes. We have supported young people since we launched Hatch and they are passionate as ever to realise their entrepreneurial ambitions. We offer the Launchpad and Incubator programmes and also often work with other partners to provide holistic support. Often, the young entrepreneurs are transitioning from either being unemployed or under-employed to becoming self-employed or running their own business. This transition can take anywhere from 6-months to 2-years, in which most of the young people will experience a lot of stress and frustrations. Thanks to the support from our trusts and foundations, as well as our corporate funders, we can provide help to individuals who want to realise their entrepreneurial ambitions through structured programmes, 1-2-1 support, and lots of fun activities to bring young entrepreneurs together, celebrate their wins, and share in their challenges.

We currently have more and more people from neighbouring boroughs (Southwark and Lewisham especially) come and ask for our support. We are actively working with new funders to reach these young people and to help them develop their fledging ventures. Over the years, we have seen quite a few young entrepreneurs quit their business only for them to re-emerge 6 – 12 months later with a new idea, often better prepared and much more realistic about the work they need to put in to build their venture. Of the 112 young entrepreneurs we have supported since 2014, over 50% are still running their business 2 – 3 years down the road, 30% have found employment, and 20% are actively seeking work.

**Social Enterprise Programme.** Hatch has supported 105 social ventures since 2015 through our dedicated Hatch Launchpad and Hatch Incubator. 2018/19 has been particularly interesting as we have never had so many social entrepreneurs apply to our programmes, being oversubscribed by 3:1, which enabled us to work with the most promising entrepreneurs. With the launch of the Hatch Impact Accelerator in early 2019, we are currently supporting 12 growing/scaling social ventures through our new programme.

In 2019/2020 we have continued to support emerging social entrepreneurs and their ventures through our programmes. Our aim is to build these ventures in a way that makes them self-sustaining, including democratising access to support and help. We see social enterprises as an essential part of the social fabric, addressing some of society's most pressing social and environmental challenges.

Being a social business ourselves, we understand the challenges and opportunities for social enterprises well and can address them in a dedicated way through our programmes, leveraging knowledge and expertise into these ventures without making them rely on us. Social enterprises are struggling with finding sustainable revenue streams (71%), getting access to the right kind of finance (60%), finding routes in to sell to the public sector (59%), and getting access to the right talent and skills (52%). These are very specific challenges and any enterprise programme should address, at the very least, the top challenge: finding sustainable revenue streams. However, we have determined more explicit demand for financial modelling (requested by 86% of ventures), impact measurement (72%), and tendering and bid writing (57%).

Going forward we will be developing a programme for more later stage social ventures through a holistic, longer-term Accelerator Programme, such as the Hatch Impact Accelerator which launches in April 2019.

**Female Founders Programme.** Hatch has supported female founders to grow and scale their businesses via a dedicated programme called the "Hatch Female Founders Accelerator" and, since 2018, via the "Hatch BAME Female Founders Incubator". The programmes encompass knowledge provision, mentoring, one-to-one coaching, networking, and specialist support. Women Entrepreneurs face a variety of barriers and challenges when starting and growing a business. These challenges are in addition to those that all entrepreneurs face during their initial growth stages (achieving product-market-fit, building a team, etc). There are significant barriers when accessing funding from both commercial as well as social lenders. Traditionally, only 8.5% of funding is going to women-led businesses (Beauhurst, 2018) and less than 3% of Venture Capital goes to female founders (British Business Bank, 2018).



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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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We supported 55 women-led ventures through the Accelerator and their businesses had a total turnover of £4.1M, work across a variety of sectors (retail, creative, hospitality, wellness, FMCG, and tech), and employ 150 staff. In 2018, Hatch worked with more mature women-led enterprises, turning over between £85,000-£150,000 each. We learned that their key challenges were operationalising their businesses and securing finance. The new programme would target these challenges, whilst also working with finance partners to facilitate relationships and understanding early on, alongside actual finance (repayable grant) to resource female founders.

We actively partner with large corporate businesses, thereby leveraging both financial and human resources into our programmes. So far, we have worked with over 150 mentors and delivered over 2,600 mentoring hours via our corporate partners, such as J.P. Morgan or Deutsche Bank. We also deliver bespoke accelerator and capacity-building programmes for entrepreneurs in partnership with banks and corporate institutions. Over the last 12 months these have included J.P. Morgan, Rothschild, Deutsche Bank, and NatWest.

**Community Programme.** The community programme is the glue in between all our activities. We run monthly master classes and meet-ups for Hatch Alumni and new entrepreneurs in our new space at 55 East. We also run large-scale events such as Beyond Good Business, which we held in May 2019.

This year saw the continued collaboration of Hatch Enterprise's "Beyond Good Business" and Pioneer's Post "Good Deals" conference, to bring together key investors and thought leaders in the world of social enterprise and social investment. Over the last 3 years we have had many high-profile speakers such as serial philanthropists and social investors Nick Jenkins, Moonpig founder, and Jed Emerson. Power-houses in the entrepreneurial sector, such as Kresse Wesling (Elvis & Kresse), Susan Aktemel (Homes for Good), Galahad Clark (Clarkes Shoes/ Vivobarefoot), and Dulma Clark (Soul of Africa), shared their experiences of running and growing a social venture. Workshops and seminars were delivered by the social investment intermediaries and social investors from Big Issue Invest, Nigel Kershaw, and Barrow Cadbury's Social Investment expert, Jessica Brown. Partners of the event were NatWest, The British Council, The Connect Fund, NESTA, and many more. For more information visit: [www.beyondgoodbusiness.co.uk](http://www.beyondgoodbusiness.co.uk)

**55 East (Hatch Space).** Thanks to our collaboration with Peabody and Southwark Council, we launched 55 East - our co-working, event, and retail-pop-up space in November 2017. 55 East is located in the East Walworth ward (Southwark), an area amongst the 10% most deprived neighbourhoods in the country. The space is on East Street Market, one of London's most iconic and oldest markets, having existed in some form since the 16th century. The local community fabric has been under attack, especially with the demolition of The Haygate Estate and Aylesbury Estate and the eviction of 5,000+ people. Through a long-term lease, Hatch aims to establish 55 East as a space for the local community and for entrepreneurs we are working with, essentially providing them with workspace, training space, and retail-pop-up space.

The conversion of the 3 derelict and under-used shops started in July and finished in October 2017. Although not without its challenges, we opened our doors in November following a successful crowdfunding campaign in October 2017, securing over £22,000 from 134 supporters.

In January 2018, we became part of the SSE "Community Trade-Up" Programme (supported by Power To Change), further helping us understand how to best run a community business. From November '17 – April '18 (6 months), we hosted over 120 public and over 30 private events, attended by over 1,000 people. We are a small organisation set to significantly expand our social impact through a new partnership with the Peabody Trust, enabling us to open a new centre in East Street. This involved the refurbishment of three former shops as shared workspace and a community café, with a retail outlet for clients.

Following the opening of the East Street centre, we expect to support an additional 100 businesses and self-employed people with workspace, training, and trading space each year, while providing membership benefits including networking, business briefings, and special events to a further 300.

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Financial review**

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

The Charity's work is entirely reliant on grants, donations and income from fundraising events. Total income in 2019 was £291,345 (2018 £368,881). The cash flow of the organisation is closely monitored on a monthly basis. Total expenditure was £402,842 (2018 £360,537). The reduction in income in 2018/19 reflects the timing of funding cycles and income is expected to increase beyond 2017/18 levels for 2019/20.

At 31 March 2019, the Charity had funds of £29,309 (2018: £140,806). Restricted funds were £2,236 at 31 March 2019 (2018: £118,660) and unrestricted funds were £27,073 (2018: £22,146). After taking into account fixed assets, free reserves were £26,626 (2018: £20,943). Free reserves are still below the desired level and the Trustees intention is to grow reserves through fundraising in 2019/20.

**Reserves Policy and going concern**

It is the policy of the Charity to maintain a proportion of its reserves in a readily realisable form to ensure that its core activity could continue during a period of unforeseen difficulty. The Trustees consider readily realisable reserves to be the amount of reserves that are easily converted into cash.

The Trustees assess the required level of reserves informally every two months and by formal resolution every two years alongside its operating budget. This assessment takes into account the risks associated with each stream of income and expenditure varying from budget, its planned activity level and the need to keep sufficient bank balances to be able to manage the day-to-day fluctuations of receipts and payments.

In December 2017 it was agreed by the Board a reserve policy targeting unrestricted funds equivalent to 2 months operating costs would be adopted. The charity is committed to working towards this target. The policy will be reviewed again in December 2019.

The charity has not met this reserves target in the current financial year. In response it has put in place a plan to increase unrestricted reserves to cover 2 to 3-months of cashflow by the end of the 2020/21 financial year. This plan involves securing an increase in unrestricted donations and project development funding, and changes in financial planning such that unrestricted funds are not used on charitable activities in order to protect current unrestricted reserves and future unrestricted income.

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.

**Risk management**

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure and consequences of key risks. In particular, the charity has identified the key risks as fundraising and sources of income, as well as controlling expenditure.

To mitigate the risks around fundraising and sources of income, the charity has broadened its funder base from the previous year and improved its fundraising capabilities by bringing on a freelance fundraiser to support the CEO. The charity has implemented thorough accounting systems and practices and trustees and senior management take part in training activities to keep up with regulation changes.

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Hatch's Business Model**

The biggest risk for any incubator/ accelerator programme is around funding. As a business model, incubator/ accelerator programmes depend on vital funds for operational costs. This funding has come from Hatch's corporate partners as well as from trusts & foundations we work with. We have been able to widen our funder network over the last few years but like all charities are very dependent on this type of funding going forward, despite efforts to generate income ourselves and diversifying our income streams through initiatives like 55 East and our big event Beyond Good Business.

Hatch decided in 2015 to charge entrepreneurs a contribution for its high-quality programmes, whilst offering bursaries. Charging entrepreneurs has had two additional benefits. The drop-out rate for all our programmes is extremely low (under 5%), with most entrepreneurs completing the course. The second benefit is around the perceived value of our courses. People do not value free things and often attribute less value to the overall offering. By charging a contribution to our costs, whilst offering bursaries, we have been able to attract serious and committed people to our programmes.

**Structure, governance and management**

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

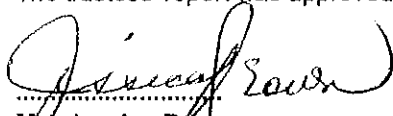
Mrs Jessica Brown  
Miss Guraman (Aman) Johal  
Mr Stephen Miller  
Mr Edmund Papworth  
Mr Wyndham Plumtre

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

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

The Board is responsible for the policy and strategy of the Charity, ensuring the long-term sustainability of the organisation along with its financial and legal probity. The Chief Executive, Dirk Bischof, is responsible for implementing policies and strategies that have been approved by the Board and for progressing organisational objectives.

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



Mrs Jessica Brown

Trustee

Dated: 10-12-2019

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

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I report to the trustees on my examination of the financial statements of Hatch Enterprise (the charity) for the year ended 31 March 2019.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

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

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

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

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



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

Dated: 16 December 2019

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
<b><u>Income from:</u></b>							
Donations	3	856	35,846	36,702	179	19,852	20,031
Charitable activities	4	19,540	235,084	254,624	14,633	334,160	348,793
Investments	5	19	-	19	16	41	57
<b>Total Income</b>		<b>20,415</b>	<b>270,930</b>	<b>291,345</b>	<b>14,828</b>	<b>354,053</b>	<b>368,881</b>
<b><u>Expenditure on:</u></b>							
Raising funds	6	5,975	-	5,975	5,508	157	5,665
Charitable activities	7	757	396,110	396,867	3,383	351,489	354,872
<b>Total expenditure</b>		<b>6,732</b>	<b>396,110</b>	<b>402,842</b>	<b>8,891</b>	<b>351,646</b>	<b>360,537</b>
<b>Net income/ (expenditure) before transfers</b>		<b>13,683</b>	<b>(125,180)</b>	<b>(111,497)</b>	<b>5,937</b>	<b>2,407</b>	<b>8,344</b>
Gross transfers between funds	19	(8,756)	8,756	-	-	-	-
<b>Net Income/(expenditure) for the year/ Net movement in funds</b>		<b>4,927</b>	<b>(116,424)</b>	<b>(111,497)</b>	<b>5,937</b>	<b>2,407</b>	<b>8,344</b>
Fund balances at 1 April 2018		22,146	118,660	140,806	16,209	116,253	132,462
<b>Fund balances at 31 March 2019</b>		<b>27,073</b>	<b>2,236</b>	<b>29,309</b>	<b>22,146</b>	<b>118,660</b>	<b>140,806</b>

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

All income and expenditure derive from continuing activities.

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

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Property, plant and equipment	12		446		1,202
Investments	13		1		1
			<u>447</u>		<u>1,203</u>
<b>Current assets</b>					
Trade and other receivables	15	23,629		26,437	
Cash at bank and in hand		36,646		117,968	
		<u>60,275</u>		<u>144,405</u>	
<b>Current liabilities</b>	16	(31,413)		(4,802)	
Net current assets			28,862		139,603
<b>Total assets less current liabilities</b>			<u>29,309</u>		<u>140,806</u>
<b>Income funds</b>					
Restricted funds	19		2,236		118,660
Unrestricted funds			27,073		22,146
			<u>29,309</u>		<u>140,806</u>

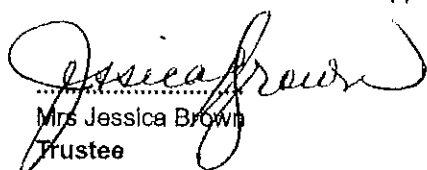
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

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 10-12-2019

  
 Mrs Jessica Brown  
 Trustee

Company Registration No. 08648338

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies**

**(Continued)**

**1.5 Expenditure**

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

**1.6 Property, plant and equipment**

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

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

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

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

**1.7 Fixed asset investments**

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

**1.8 Cash and cash equivalents**

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

**1.9 Financial instruments**

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

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

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

**Basic financial assets**

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



**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies**

**(Continued)**

***Basic financial liabilities***

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

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

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

**1.10 Employee benefits**

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

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

**1.11 Retirement benefits**

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

**1.12 Grants policy**

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

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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. 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.

**Critical judgements**

**Related party balance**

The financial statements include an amount of £21,830 (2018: £23,114) owed from the Charity's subsidiary company, 55 East CIC. No provision has been made against this debt, as the subsidiary is expected to return to profitability going forward and repay the debt in full.

**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 50% of balances that were outstanding for 90 days + at the year end would convert to bad debt in the next financial year.

**Income in advance**

A part-repayable grant has been received from Big Issue Invest to support the creation of a new role managing relationship with supporting partners. It is anticipated that this role will be hired in the 2019/20 financial year, and that this grant can be released as income in that year (with a balance sheet provision made at that point for the repayable part).

**3 Donations**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	856	35,846	36,702	179	19,852	20,031

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**4 Charitable activities**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Workshop income	19,540	-	19,540	14,633	-	14,633
Corporations	-	110,782	110,782	-	204,485	204,485
Trust and foundations	-	124,302	124,302	-	129,675	129,675
Total	19,540	235,084	254,624	14,633	334,160	348,793

**5 Investments**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Interest receivable	19	-	19	16	41	57

**6 Raising funds**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
<u>Fundraising and publicity</u>						
General fundraising	5,975	-	5,975	5,508	157	5,665
	5,975	-	5,975	5,508	157	5,665

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**7 Charitable activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs	206,242	195,653
Other staff related costs	2,799	5,095
Depreciation and impairment	756	1,943
Training and workshops	117,949	131,168
Premise costs	10,537	12,082
Marketing	6,683	-
Accounting service	7,003	5,888
Bank charges	605	396
Other support costs	14,367	2,647
Bad debts	672	-
	<u>367,613</u>	<u>354,872</u>
Grant funding of activities (see note 8)	29,254	-
	<u>396,867</u>	<u>354,872</u>
<b>Analysis by fund</b>		
Unrestricted funds	757	3,383
Restricted funds	396,110	351,489
	<u>396,867</u>	<u>354,872</u>

Support costs include independent examiner's fee of £1,440 for 2019 (2018 £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 £756 (2018 £1,943).

**8 Grants payable**

	<b>Training and workshops 2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grants to institutions (1 grant):		
55 East C.I.C	29,254	-
	<u>29,254</u>	<u>-</u>

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

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 (2018 £nil).

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Promotion of entrepreneurship	5	6
Administrative staff	3	2
	<u>8</u>	<u>8</u>

**Employment costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	194,581	187,937
Social security costs	14,177	12,598
Other pension costs	3,297	626
	<u>212,055</u>	<u>201,161</u>

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

**11 Taxation**

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

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12 Property, plant and equipment**

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2018	2,331	7,386	9,717
At 31 March 2019	2,331	7,386	9,717
<b>Depreciation and Impairment</b>			
At 1 April 2018	2,319	6,196	8,515
Depreciation charged in the year	12	744	756
At 31 March 2019	2,331	6,940	9,271
<b>Carrying amount</b>			
At 31 March 2019	-	446	446
At 31 March 2018	12	1,190	1,202

**13 Fixed asset Investments**

	Other Investments
<b>Cost or valuation</b>	
At 1 April 2018 & 31 March 2019	1
<b>Carrying amount</b>	
At 31 March 2019	1
At 31 March 2018	1

	Notes	2019 £	2018 £
Other investments comprise:			
Investments in subsidiaries	23	1	1

**14 Financial Instruments**

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	22,826	25,958
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	31,413	4,802

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**15 Trade and other receivables**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	996	2,844
Amount due from subsidiary undertaking	21,830	23,114
Prepayments and accrued income	803	479
	<u>23,629</u>	<u>26,437</u>

**16 Current liabilities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade payables	3,999	1,734
Other payables	706	144
Accruals and deferred income	26,708	2,924
	<u>31,413</u>	<u>4,802</u>

**17 Deferred Income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income brought forward	-	-
Deferred during the year	17,500	-
	<u>17,500</u>	<u>-</u>
Deferred income carried forward	<u>17,500</u>	<u>-</u>

**18 Retirement benefit schemes**

**Defined contribution schemes**

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

The charge to the statement of financial activities in respect of defined contribution schemes was £3,297 (2018 - £626).

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**19 Restricted funds**

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

	Balance at 1 April 2018	Movement in funds			Balance at 31 March 2019
		Income	Expenditure	Transfers	
	£	£	£	£	£
Hatch Programmes	118,660	35,302	(102,241)	(51,721)	-
Diverse Founders	-	110,782	(131,841)	21,059	-
Hatch Impact	-	-	(36,156)	36,156	-
Young Enterprise	-	82,346	(85,608)	3,262	-
City Bridge Trust	-	24,000	(21,764)	-	2,236
Reach Social Investment Business Grant	-	18,500	(18,500)	-	-
	<u>118,660</u>	<u>270,930</u>	<u>(396,110)</u>	<u>8,756</u>	<u>2,236</u>

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

In the 2018 financial year, the charity operated a single restricted fund (Hatch Programmes). Most of the charity's activities were conducted through this fund, as its only restriction was to the charitable objects of the organisation.

In the 2019 financial year, this fund was re-organised into three restricted funds for the charity's three main groups of beneficiaries:

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

Funds carried forward from the previous financial year were transferred to the new restricted fund relevant to the programme(s) they were supporting.

Some activities, not relating to these specific groups, were also carried on through the Hatch Programmes fund, following the practice of previous years. This restricted fund was closed at the end of the year.

Two of the organisation's grant funders require that their grants be accounted for in specific restricted funds. The charity gratefully acknowledges the support of the Reach Social Investment Business Grant for capacity building, and the City Bridge Trust for its social enterprise accelerator programme.



**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**20 Analysis of net assets between funds**

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Property, plant and equipment	446	-	446	1,202	-	1,202
Investments	1	-	1	1	-	1
Current assets	26,626	2,236	28,862	20,943	118,660	139,603
	<u>27,073</u>	<u>2,236</u>	<u>29,309</u>	<u>22,146</u>	<u>118,660</u>	<u>140,806</u>

**21 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	-	2,160

**22 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	150,993	43,272

The key management personnel include Dirk Bischof, Andrew Ormerod, Lisa Wilson, Neila Romdane and Janine Carpenter (2018 key management personnel included Dirk Bischof and Thomas-Neuhofer).

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**22 Related party transactions**

**(Continued)**

**Transactions with related parties**

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

	<b>Sale of services</b>		<b>Purchase of services</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
55 East CIC	-	-	9,000	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Grants payable</b>			
	<b>2019</b>	<b>2018</b>		
	<b>£</b>	<b>£</b>		
55 East CIC	29,254	-		
	<u>          </u>	<u>          </u>		
	29,254	-		
	<u>          </u>	<u>          </u>		

The following amounts were outstanding at the reporting end date:

	<b>Amounts owed by related parties</b>	
	<b>2019</b>	<b>2018</b>
	<b>Balance</b>	<b>Balance</b>
	<b>£</b>	<b>£</b>
55 East CIC	21,830	23,113
	<u>          </u>	<u>          </u>
	21,830	23,113
	<u>          </u>	<u>          </u>

Donations totalling £900 were received from the trustees during the year (2018 £350).

**23 Subsidiaries**

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

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

Details of the charity's subsidiaries at 31 March 2019 are as follows:

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

**HATCH ENTERPRISE**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**23 Subsidiaries**

**(Continued)**

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

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
55 East C.I.C.	12,102	(17,700)

**24 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.

