



Annual Report & Financial Statements

For the year ended 31 March 2023

HATCH ENTERPRISE

Company number 08648338

Legal and administrative information

Trustees	Guraman (Aman) Johal Edmund Papworth Thomas Schreiber Anne-Helene Sinha Tania Rahman (Appointed 14 September 2022)
Charity Number	1161801
Company number	08648338
Registered office	53–63 East Street London SE17 2DJ
Accountants	GBAC Limited Old Linen Court 83–85 Shambles Street Barnsley South Yorkshire S70 2SB
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc 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 2023. Hatch Enterprise is a charity registered with the Charity Commission under registration number 1161801.

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 2 forms part of this report.

Public benefit statement

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



CEO statement

Delivering more to more founders across more of the UK

This year has marked another large step forward for Hatch Enterprise. We navigated through the third year of our five year strategy amidst a challenging and at times rapidly changing political, economic and social landscape, the effects of which continue into the current financial year. Despite sizable obstacles like the rising cost of living crisis, affecting both the founders we support and Hatch staff, we've continued to fulfil our mission of supporting underrepresented entrepreneurs in the UK to launch and grow sustainable and impactful businesses, and excitingly, in new and different ways.

The start of the pandemic, despite its manifold challenges, presented a unique opportunity for growth for Hatch, one which we grasped with both hands. It resulted in record numbers of underrepresented founders being supported in the past two financial years for the charity. This trajectory has continued into 2022–23, our work alongside our range of partners, funders and supporters, allowing us to scale our services, expand our team and strengthen our governance processes. By the end of the year, we had supported more than 1100 UK founders through more cohorts and community events and initiatives than ever before, whilst raising £1.73 million in the process.

At points in the 2022–23 year, we had as many as five founders applying for every space we had on a cohort programme, looking for some form of business support. It was a clear reflection of the demand but also the charity's reach and reputation that has been steadily growing over the last few years.

In response to this growing demand, we expanded our reach across the UK, providing founders with a wider breadth of online programmes, events and resources including piloting the new hyperlocal events series across England with partnering organisations that share Hatch's vision. As ever, we've continued to do our best to remove barriers to participation and continued to deliver digitally in most cases, but also introduced a return to face-to-face engagement with founders and the Hatch graduate community through regular networking events to facilitate their community building needs.

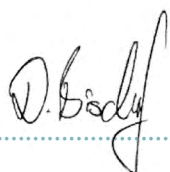
Excitingly, it's worth highlighting how our numerous partnerships have helped to shape this successful year. We ran our first programme to support outdoor changemakers and founders through the Opening Up The Outdoors initiative, and supported founders and later stage businesses through the Southwark Pioneers Fund, which has laid solid foundations for how we successfully work with them and other local government organisations in future. Support from our long-term partners allowed us to introduce powerful, arguably life-changing, new ways to support founders, including grants, of which more than £100,000 was awarded to founders through the Hatch Fund, and blended finance support, which offered founders the chance to take a combination of a loan and grant up to the value of £70,000. We also introduced initiatives like Deep Dives, while investing in insights work to better understand and cater to the needs of our stakeholders.

Nevertheless, the business and economical landscape has posed challenges, affecting both fundraising and the overall environment in which Hatch operates. Over the course of the year we'd grown the team to deliver against expected contracts, but our funders and partners were also affected by a toughening external economic climate, meaning expected income didn't materialise or was delayed. Equally, partners and funders understandably pivoted their focus of support and priorities in light of the war in Ukraine, the ever tightening cost of living and growing need to invest in environmental and climate related causes.

As the financial year came to a close, we, like many others at the time not immune to these changes, recognised the need for change. As such we had to respond in the shape of a restructure that has reduced our team size down from 39 to 31 members of staff at the end of 2022–23.

Looking ahead to the next year, we know partnerships will continue to play a crucial role in our success. We are immensely grateful for the ongoing support from UBS, BlackRock, NatWest, JP Morgan, CAF Venturesome, Bloomberg, eBay, Pizza Hut, and the Postcode Innovation Trust. Strong partnerships like these have enabled us to expand our geographical reach, broaden our impact, and establish a strong foundation for the coming years. As a resilient charity with a leaner, core team, we are confident in our ability to refocus, reprioritise, and seize the numerous opportunities that lie ahead over the coming 12 months, including our work making the most of the opportunities around Hatch's ten year anniversary. Aside from the planning of our anniversary event and campaign, building that graduate community as well as the launch of our CRM and other ways we're looking to work smarter will be key to another strong year.

Here's to the upcoming year being a remarkable one.

A handwritten signature in black ink, appearing to read 'D. Bischof', positioned above a horizontal dotted line.

Dirk Bischof
CEO of Hatch Enterprise



Theory of Change

Our Mission

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

Inputs



Funding and Partnerships



Expertise



Community and Networks

Activities



Cohort Programmes

- Launchpads
- Incubators
- Accelerators



Community Programme

- Mentoring and expert consulting
- Peer networking
- Events
- Hackathons
- 1-2-1 Skilled volunteering
- Clinics
- Creation and sharing of resources



Funding

- Hatch Fund – Grants allowing founders to invest in their organisations
- Blended finance offerings (loans and grants)

Outcomes



Entrepreneur

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



Enterprise

- Business growth and sustainability (ie. income, turnover)
- Increase in impactful businesses
- Improved employment opportunities
- Increase in representation, diversity and inclusion



Ecosystem

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

Our Vision

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

Our Activities in 2022–23

Over the course of 2022–23, we supported 1,120 (up from 744 the previous financial year) under-represented founders from the UK across both our longer-term cohort programmes and community support programmes.

Founders on a cohort programme came from across the UK, from Kirkcaldy to Torquay and Brighton, with one in three (35%) founders supported coming from outside London, progress with our aim to continue to support more founders outside of the capital over the 30% in the last financial year.

The year further highlighted the need for Hatch's support for founders who are often the furthest away from realising their entrepreneurial ambitions, or those facing the most sizable challenges and barriers to starting and growing their businesses and social enterprises.

Despite a significant leap in the number of founders supported, the vast majority – more than 8 in 10 (84%) founders on our cohort-based programmes – were female or from a marginalised gender, with more than 6 in 10 (64%) coming from a minority ethnic group. We continued to build on the foundations laid since the pandemic, continuing to run the vast majority of our support through digital means to minimise the barriers to accessing Hatch's programmes, whether that's geographical, cost, time, travel or physical access needs. Nearly one in five (18%) founders on longer-term support programmes told us they were disabled or neurodiverse, marking another positive step forward over 2021–22 in being able to support more founders in this space.

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

- Accessing the funding they needed saw an increase of 97%
- Measuring and communicating the impact of their business or organisation saw increases of 79% and 69% respectively.
- Setting their organisation's mission and vision saw an increase of 49%

Having recognised the need for financial support as well as skills and experience for founders, we also successfully launched the Hatch Fund in summer 2022, awarding more than 30 founders close to £107,000, as well as a pioneering programme offering blended finance support including a loan and grant combination up to the tune of £70,000. Delivering on our promise to improve access to finance for our founders, the fund is allowing more founders to get access to early-stage, patient capital to improve their resilience, build their capacity, create employment and grow their impact.

Our continued relationships with existing partners like UBS, JP Morgan and the Postcode Innovation Trust were crucial to helping to make this vital new strand of support for UK founders happen, but the year also saw Hatch work alongside a number of new partners in the wider ecosystem. Our work with Southwark Council with the multi-year partnership through the Southwark Pioneers Fund marked our first foray into working with local government and is providing a useful foundation of learning for future partnerships with councils. Similarly, our partnership with the collective of international outdoor brands like Patagonia and Adidas Terrex on the Opening Up the Outdoors (OUTO) programme helped us further broaden our reach and impact to founders and changemakers working in the outdoors space across the UK.

Our income at year end was £1.73 million, another solid year for the charity, on par with the previous financial year. Diversifying the charity's income was a priority, in part mitigating the risk of over reliance

on one source of income, reflected in new fundraising roles specialising in philanthropy and trusts and foundations. As part of that diversification of income, planning has been taking place since the winter of 2022 around the opportunities presented by Hatch's 10 year anniversary, both as an event to bring together existing and potential donors, partners and supporters, but also as a year long campaign that would mark the launch of Hatch's inaugural individual giving campaign.

As the team continued to grow to 39 members of staff by December 2022, with further growth on the horizon to be able to support even more founders, we recognised the need for more dedicated investment in the team at Hatch, whilst continuing to develop Hatch as an attractive and progressive employer. A new role, the Head of People, was introduced and started in September 2022, dedicated to pushing the people and HR agenda forwards and catering for an expanding team that was now working in a fully hybrid fashion across the UK. Changes include the introduction of a new clearer progression pathway for all Hatch staff, a number of online platforms that support staff learning and development as well as work on Hatch's culture canvas, engaging staff on where we are culturally and where we'd like to be culturally in the coming years.

Towards the end of the year, the charity faced some challenging times with a restructure in Q4 owing to a combination of largely financial factors and a difficult fundraising landscape, resulting in eight roles being made redundant in the process. A new streamlined Hatch Enterprise emerged at the start of the new financial year for 2023–24, with a renewed focus on the priorities for supporting underrepresented founders and on the members of the Hatch team itself.



Increasing our reach to support more founders

1. Cohort programmes

Much of the growth in staffing numbers at Hatch across 2022–23 was within the programmes team, which consists of our community programme and the cohort support programmes of Launchpads, Incubators, Accelerators and Deep Dives, the latter being new for 2022–23. These programmes provided support to the full spectrum of founders – those who were early in their entrepreneurial journeys through to later stages where founders with more established businesses are looking to scale their businesses and impact. Across our cohort programmes, we supported 283 inspiring founders along their journey, exceeding the team's original target of 257 and an increase of 47% over 2021–22, with 203 founders having graduated by the end of March 2023. Overall 90% of graduates reported an increase on Hatch's Outcome Star Methodology, displaying an increase in knowledge, skills and confidence (with 80% the original target).

“ I want to let you know that I have never had as much confidence in my business or my own capabilities as I do now and it is down to the work I did with Hatch, I have a lot more focus and I know where I'm heading and what I want it to look like.



Audrie Woodhouse
Founder and part of the
January 2023 Launchpad
cohort

“ What was also amazing about Hatch was that I was offered a free place on the programme. Without that, I wouldn't have been able to do it. It might not sound like much to some people but it was a game-changer for me.



Sarah-Jane Foster
New
Founder Programme
Launchpad graduate and
Founder of Peckish Goose

Although all of Hatch's cohort programmes continued to evolve and develop in response to what founders on the programmes were feeding back, a significant new addition to the support we offered this year saw the launch of the Hatch Fund. The charity's direct response to the challenges facing founders when it comes to accessing capital, the fund saw a holistic approach to the support we offer, through skills and experience and now financial support, where graduates from cohort programmes apply for £1,000 to £10,000 worth of grant funding to help them with launching and growing their businesses. Since its launch early in the 2022–23 financial year, the total amount of grants awarded to 34 founders through the Hatch Fund totalled £106,997, with the ambition to award more in 2023–24.

As ever, we listened to our community's needs, and following a period of research and co-designing, we developed the Deep Dive programmes, aimed at supporting founders with impact at the heart of their businesses that focus on funding in greater depth. The Impact Business Growth Academy, funded by UBS, supported later stage and experienced founders with impactful businesses to dive into the funding landscape, become funding ready and have the opportunity to apply for up to £10,000 in grant funding by the end of the programme. Similarly, the Social Business Impact Programme, funded by CAF Venturesome, took founders through a funding programme with the opportunity to apply for up to £70,000 in interest free loans.

With a key objective to deepen the level of impact Hatch can provide our community of founders, we were able to build strong partnerships with organisations who believe in our mission. We see the importance in providing our founders with a community, in order to provide them with valuable connections to other like-minded founders sharing similar experiences.

“ I'm in my 50s and was worried about people being younger than me in my cohort, but programme manager Mellissa was great, she spoke to me regularly and steered me through it and I've come out the other end having done really well. At the end of the programme we had a pitch day like the Dragon's Den, it was nerve wracking but it was great hearing them tell me my service was a really good idea. The best thing about a Hatch programme is that they continue to support you even after the programme ends.



Sylvia Mac
Founder of Love Disfigure talent agency,
Launchpad 2022 graduate

“ It's been an amazing, incredible journey. The things I've learnt have been so helpful and useful. It's not just about what you learn, it's also about the opportunities and that's what I was looking for, a network of people and opportunities to grow my business. I was exposed to people and opportunities – and still am – who help me grow and take my vision to the next level. You have a team of people there [at Hatch] who are genuinely passionate about helping you grow, and that's why I'm proud to be a Hatch graduate.



Sophie Ukor
Founder of Violet Simon and Hatch
graduate from the Incubator programme

Cohort programmes

Future plans

The focus is on how we create, support and maintain more re-engagement across the whole founder journey, supporting the transition between the community programme and cohort programmes (and vice versa), as well as growing Hatch's graduate community in terms of size and engagement. There's demand from both sides between founders and Hatch's partners on how we deepen that engagement and bring those two groups closer together and leverage those same networks and partners to benefit founders, whether that's through mentorship, exposure or brand association. As internal and external reporting and learning remains a priority, we'll move impact, evaluation and learning responsibilities to the programmes team in the short term, and invest in longer term resources around this.

2. Community programmes and events

Growth and evolution were two key recurring themes for Hatch's community programme. Most notably, the number of times that founders took part in a community activity rose to 1,524 this year, nearly double (up 99%) compared to last year.

These increases are the result of two key areas of change. First, the piloting of new forms of support and the relaunching and reformatting existing events following founder feedback. We successfully introduced regular in-person networking events in London, bringing together founders coming from across England and helping to widen their respective networks. Equally our Hatch Learns series opened up an ongoing series of topics that would appeal to founders of all stages and experience, from SEO to financial planning. These were concerted efforts to better leverage the skills and experience of our existing network of Hatch founders for peer to peer learning.

The second was a very conscious effort to leverage more of what our partners could offer to support founders but also bring founders and partners' employees closer together. This took the form of new pitch days where founders showcased their businesses in front of partners, accessing the expertise from a broader range of partner employees through mentoring, event panellists and competition judges and coaches.

Aside from the introduction of hyperlocal events that took place across the Midlands and the north of England, of which more later (see Our wider work in the ecosystem to support businesses), we also pivoted our public events into our Startup Essentials series. Focussing on providing practical steps on how to start a business through short bitesize 30 minute online sessions, the series has proven to be hugely popular and meeting the needs of founders. Topics included legal business structures hosted by Hatch partner Skadden LLP, where more than 100 attendees gained an overview of the differences between Community Interest Companies, Limited Liability Companies and Sole Traders. More than 90 founders attended a Startup Essential run by Hatch supporter and co-founder of The Future Kind Collective, Natalie Pearce, who explored how to identify a business purpose, mission, values and customer needs.



This format aims to help founders feel less overwhelmed with the process of setting up their businesses. The very specific topic selections allow founders to focus on one task at a time, and the short length of the session helps to work on their business even with a busy schedule.



Sosina Binyam
Events Manager



Natalie has provided some useful tools that I can use to match my product to my customers and how to ensure that it remains relevant for their needs.

**Feedback from attendee on one
of the Startup Essentials**

“ Just over three weeks ago I took part in my first pitch competition, and I broke down just before I went on stage. Imposter syndrome kicked in as I was the last to pitch and just kept thinking to myself that I just wasn't as good as the other amazing businesses that were there. Cecília from Hatch gave me the best hype talk ever and I somehow managed to wipe away those tears, go on stage and deliver a pitch. Not my finest work, but I know my passion shone through because the audience selected me to win a prize which I was grateful for. Fast forward to yesterday and following on from an amazing session with pitch coach Katie Newman, I went on to win my second pitch competition. It was such a confidence boost. Thank you so much to everyone at Hatch.



Atinuke Awe
Founder of Learning with Ez,
Incubator 2022 graduate and
pitch competition winner

Community programmes and events

Future plans

Building Hatch's graduate community is a key focus for 2023–24, aided by the adoption of online platform Circle. Not only will the platform give founders a holistic view of all the Hatch community offerings, we're looking to improve the feeling of connection and engagement to Hatch but also each other as peers post-programme. We're keen to provide a more seamless founder journey and have the system allow us to better report and track founder (re) engagement.



3. Our wider work in the ecosystem to support businesses

As the UK member of Youth Business International (YBI), the membership body of a global network of entrepreneurship support organisations, we contributed towards their Tomorrow's Entrepreneurs report, and attended a day with MPs and members of the APPG for Entrepreneurship at the House of Lords at the report's launch in October 2022. Two of Hatch's graduates featured as case studies in the report that focused on the values, ambitions, and habits of the next generation of entrepreneurs in the UK, highlighting their approaches to business and a shift towards more green and social enterprises.

Hatch's partnership with the Opening Up The Outdoors (OUTO) collective of outdoor brands (Adidas Terrex, Arc'teryx, Patagonia, The North Face and Vivobarefoot) brought together changemakers from Black, Asian and Ethnic minority backgrounds with businesses that are both making an impact in the outdoors space and making it more equitable. For Hatch, working with the OUTO group presented a new opportunity to work with not just a new set of partners, but equally the chance to support changemakers whose businesses, CICs and charities in the outdoors space, were collectively making the outdoors more accessible. This initiative gave founders the skills and knowledge to grow their businesses, with an additional focus on providing a peer group space to brainstorm, challenge and support one another.

In another new initiative that is helping to further extend Hatch's impact beyond the South East, the charity ran its first three hyperlocal events in March 2023. 139 founders were supported through this new initiative in which Hatch provides marketing support and funding of up to £1,500 to small organisations (1–5 members of staff) in the north of England who share a similar vision of supporting underrepresented founders. Each in-person event or events aim to support between 50 to 100 founders to increase their skills, knowledge and confidence in starting or running their own business. She Oath, Girdreamer and My Network for Women were our three partner organisations for this first of what will be an ongoing initiative for the charity heading into the 2023–24 financial year.

Activity from the Collective Leadership Group (CLG), which comprises more than 45 UK organisations working in the social enterprise support and capacity building space, including UnLtd, The School for Social Entrepreneurs and TERN, continued apace. One key activity was a survey which collated the members' breadth and depth of experience and reach that enables CLG members to support diverse social impact leaders and enterprises across the UK. Crucially, the resulting report, Building Capacity for Impact: Understanding the Social Business Support Sector, also highlighted areas where there are known gaps in terms of supporting leaders, and where some CLG members can learn from fellow peers' sector-leading practices on diversity, equity and inclusion.

 The event has helped us to raise the My Network for Women brand and let new people know about the kind of services we have to offer in the future in our community of Doncaster and South Yorkshire.

Jude Chan, Founder of My Network for Women,
one of Hatch's hyperlocal event partners

Our wider work in the ecosystem to support businesses

Future plans

We're aiming to support 300 entrepreneurs through five hyperlocal events in the Midlands, Yorkshire and the North West over the course of the year. We're purposefully targeting these areas outside of London to help support founders in more regions of the UK. As for the CLG, funding for the collective has been a priority to help ensure the agenda and mission continues to be pushed forward over 2023–24.

Equally, having worked with a broadening portfolio of partners over 2022–23 including local government, outdoor initiatives and collectives as well as Hatch's roster of existing long-term supporters, using the 10 year anniversary event which takes place towards the end of 2023, will be a key moment to bring these disparate partners and funders together to secure further support.



4. Strategic partnerships that keep Hatch founders at the heart

Our former organisational objective of 'Bigger, fewer, stronger partnerships' naturally evolved into one where we further focussed on working with the right partners that would always allow us to respond to the needs of founders. In addition to new partnerships like OUTO and with local government in Southwark council, our long-term partners continued to play a key role in ensuring our programmes could not only run but expand into new offerings such as the Deep Dives as well.

The second year of the New Founder Programme, our partnership with Pizza Hut, meant we were able to deliver eight Launchpads and Incubators to founders. Both the aforementioned Impact Business Growth Academy and the Social Business Impact Programme would not have been possible without the support of UBS and CAF Venturesome respectively, with the two programmes offering founders financial support through grants and blended financial support in interest free loans.

Over the course of the year, 26 of Hatch's partners were involved in supporting Hatch's community programme, mostly through employees volunteering through the 1 on 1 consultation programme, but also through Hatch's events. There was a real drive to bring partners and the founders that Hatch supports closer together, to help bring to life and strengthen the value of these relationships. Five Hatch graduates brought a business challenge to Bloomberg at a coaching day where they were matched with a tailored team of volunteers to share their expertise and knowledge and coach the founders into coming up with a plan of action. Similarly, the Kearney x Hatch Demo Day in November 2022 saw a cohort of founders hone their pitching skills, and we marked Black History Month in October with a dedicated pitch event where Black founders tested their skills with judges from across Hatch's partners including Natwest.



The top priority has always been to ensure our business model enabled us to deliver on our purpose and contribute towards projects, programmes and causes that were driving positive change for people, society and planet. That's why, since the very early days of The Future Kind Collective, we've been so proud to partner with Hatch Enterprise UK, who are committed to supporting underrepresented entrepreneurs to develop the knowledge, confidence, and skills needed to launch and grow a business. Thanks Hatch Enterprise UK for always being the dream team to collaborate and partner with; you always bring such a big smile to my face.



Alicia Grimes (She/Her)
Co-Founder at The Future Kind Collective

Among the more innovative ways of support we're getting from partnerships is the culture consultancy The Future Kind Collective, a good example of how businesses can be for profit but also give back to causes they care about. Not only does the business support the charity financially with 2.5% of its project revenue, both co-founders Alicia Grimes and Natalie Pearce have been part of the Hatch community for a number of years, sharing their expertise with new founders through workshops, talks, and masterclasses. Their model of giving back engages its clients directly with its charitable work, giving them the opportunity to make a donation as part of their engagement with The Future Kind Collective. This type of support also raises the profile of our work to build a better world through entrepreneurship.

Hatch relies on the generous support of grant-makers, corporate and individual donors. Without them, we would not be able to continue to pursue our mission. Hatch is not registered with the Fundraising Regulator but our fundraising policies and procedures are robust and transparent, including a focus on those in vulnerable circumstances. Our promise to our supporters includes making the best use of their donations, being transparent in how donations are spent, informing donors about the difference their support makes, respecting privacy, and making it easy for donors to choose how we communicate with them. We keep abreast of, and adapt to, all and any changes in the regulatory framework and adhere to current regulations, including the General Data Protection Regulation, Data Protection Act 2018 and relevant guidance from the ICO. Our fundraising activities are fulfilled by in-house fundraisers employed directly by Hatch and we do not contract with any third parties for fundraising services that interact directly or indirectly with potential donors. We communicate directly with the majority of our donors via face-to-face meetings, email and telephone, and do not employ door-to-door or street fundraising methods.

Strategic partnerships that keep Hatch founders at the heart **Future plans**

We are working closely with YUM!, the parent company of Pizza Hut, on evolving the partnership, the New Founder Programme and ways we can extend the partnership beyond its current term in the coming years. We'll be running a second cohort to support changemakers working in the outdoors and diversity space through our OUTO partnership, and bring further partners, investors and funders together at a 10 year anniversary event in early November 2023. We are also continuing to bring in unrestricted income through relationships with companies including Funding Circle (£40k) and Harris Williams (£7k) to Funding Circle (£40,000) and Harris Williams (£7,000) who provide staff as volunteers across our 1 on 1 Consultation Programme and clinics for founders on topics such as grants and marketing. Having senior staff as friendly dragons on panels at demo days has meant we are laying the path for future income from companies who have expressed interest in the work of Hatch including Apollo Global Management.



Prove and Improve

Having had to navigate a challenging last quarter for 2022–23 and given the significant and sizable changes within the team as a result with the restructure and smaller, leaner team, we recognised the need to strengthen and diversify our leadership and governance structures to better enable the team to deliver on strategy, to look after and retain our people and ensure diversity of thought and experience is reflected at all levels of leadership. As a result, a sixth Hatch objective, Developing Hatch, its leadership and governance was developed to help ensure we hold ourselves accountable to this ambition over the coming years.

During this year we finalised a process to standardise all data and reporting tools across the organisation meaning for the first time we can report not only on the outputs and outcomes of individual programmes, but collectively across all Hatch programmes. We also conducted our first full graduate survey which gives us the means to follow up annually with graduates of all our programmes and capture the longer term outcomes of our support. Over the years this will support us to build a picture of the long term impact of our support and also enable us to gather invaluable input as to how we can improve and expand our offering over time to better meet founders' changing needs.

Adding to the pool of founder insight, we ran an insights campaign that looked at deepening our understanding of our founders and their perceptions of Hatch, with the aim of using this insight to shape future key messaging around our work to support founders but also how we approach and reach founders in the future. This knowledge is now shaping how we also approach different stakeholders to support Hatch in different ways.

Internally we selected and started the process of rolling out Monday.com as our project management system which will enable us to better serve our stakeholders, report on our impact and critically also free team time to do what they do best – delivering great enterprise development support.

Prove and Improve

Future plans

A large focus is on setting up and implementing online platform Monday.com as our project management system (and fully explore its CRM features) and in the process conduct a thorough GDPR, data protection and cyber security audit to ensure we are future proofing our stakeholder engagement ambitions.



Prioritising People

We appointed a new Head of People and have invested in developing our people & HR function. On the HR side we have selected and implemented for the first time an HR platform (Factorial) to support smoother processes and improved reporting for our HR function, an Employee Assistance Programme (Health Assured) to provide on demand wellbeing and other support, and an online learning platform (Access Learning) to ensure the whole Hatch team has access to and completes training on core/compliance areas such as GDPR, safeguarding, EDI and health and safety, and can also explore their own personal and professional development interests.

We also developed our Employee Value Proposition, launched a new progression pathway and revised salary scales. Adding to our commitment to make Hatch a modern and progressive employer, we also took the pledge to become an Endometriosis Friendly Employer alongside our continued commitment to a range of progressive accreditations including the Disability Confident Scheme, Show the Salary Pledge, and Halo Code. In practice, this new commitment means taking on the responsibility in leadership and management to help tackle the stigma around Endometriosis and improve our working environment accordingly.

The Hatch Handbook was updated as well as staff contracts to reflect the fact we are now a fully hybrid working organisation and we implemented a new employee engagement survey process through Factorial to ensure we are continually understanding and responding to the needs of the team, embedding systems of accountability to our staff and culture commitment. Towards the end of the year we also started work on the Hatch Culture Canvas and leadership principles both of which will be further rolled out in 2023–24.

This year hasn't all been positive on the people front however. We started the year with a team of 25, grew to 39 and unfortunately due to a combination of factors during Q4 (primarily financial), we had to restructure the team and ended the year with a team of 31. This process has been challenging but has also provided us with opportunities to streamline and prioritise, focusing our resources and efforts on those activities we believe will be core to our future sustainability and to the impact we want to create for underrepresented founders.

Given the restructure and financial challenges faced in 2022–23, one of our strategic objectives for 2023–24 is to 'Retain and care for our people and make Hatch a great place to work and thrive'. We will continue to prioritise people as best we can in the current context and to ask, listen and act on what matters to the team; ensuring we remain people centred, workload is managed, development and wellbeing are prioritised and the employee experience remains strong.



Prioritising People

Future plans

We will be further streamlining our HR processes through management of expenses in Factorial and making use of its Applicant Tracking System to also manage team recruitment through the platform. As part of our administrative overhaul, 360 reviews and Growth 1:1s will be implemented through Factorial and objective setting will be built into Monday.com as we roll it out. Additionally compliance training will continue to be rolled out through Access Learning and we will continue to explore additional learning and development opportunities for the team to ensure opportunities for continuous growth and upskilling. In this vein, the Hatch Manager's Guide will be finalised and available as a resource to all managers, ensuring confident and informed leadership at all levels, and that staff feel properly supported in their roles.

We know the importance of transparency and accountability, so in line with our strategic objective of wanting Hatch to be a great place to work and thrive, we will address at least one aspect of our Culture Canvas each quarter, and finalise and communicate our Leadership Principles (which have been developed in line with Hatch's values).



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. The charity's work is reliant on grants, donations and earned income. Total income in 2023 was £1,733,321 (2022: £1,796,286). Total expenditure was £2,080,854 (2022: £1,065,410). The cash flow of the organisation is monitored on a monthly basis.

At 31 March 2023, the Charity had total funds of £735,359 (2022: £1,082,892). Restricted funds were £534,761 at 31 March 2023 (2022: £375,188) and unrestricted funds were £200,598 (2022: £707,704). The Trustees intention is to continue to grow unrestricted funds and achieve our reserves policy target of 3 months' full operating costs to support the long-term sustainability of the charity.

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

Reserves Policy

This year the Trustees agreed to a free reserves policy to hold 3 months operating costs in reserve equivalent to £425,335. At year end, the position was £200,598 equivalent to 1.4 months operating costs at that time.

The Reserve serves two main purposes;

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

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

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

Risk management

The trustees are responsible for ensuring effective risk management.

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

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

Structure, governance and management

The charity is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association (as amended). The minimum number of Trustees as set out in the Memorandum and Articles of Association is three and the quorum is set at two Trustees.

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

Jessica Brown	(Resigned 9 November 2022)
Guraman (Aman) Johal	
Edmund Papworth	
Thomas Schreiber	
Anne-Helene Sinha	
Baron Anyangwe (Chair)	(Resigned 1 November 2022)
Tania Rahman	(Appointed 14 September 2022)

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 one new Trustee, Tania Rahman, who joined the Board as a Trustee in September 2022. Baron Anyangwe and Jessica Brown resigned from the Board and Edmund Papworth took on the Chair in November 2022.

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up. One Trustee, Anne-Helene Sinha was employed by CAF Venturesome – a Hatch partner – during this financial year.

Organisational structure and decision making

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

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

Key management personnel

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

Dirk Bischof	CEO	
Philippa Frankl	Operations Director	(Resigned 12 May 2023)
Rebekah Capon	Director of Development	
Joanna Hamer	Head of Cohort Programmes	(Voluntary Redundancy 31 March 2023)
Meredith Greey	Head of Programmes	
Tse Kin Bevis Man	Head of Marketing	
Nasrat Sayyad	Finance Manager	
Justine Willmott	Head of People	(Resigned 16 June 2023)
Matthew Brookes	Finance Director	(Joined 3 April 2023)

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

Finance Committee Members

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

Baron Anyangwe	(Resigned 1 November 2022)
Anne-Helene Sinha	(Joined 10 March 2023)
Matthew Brookes	(External co-optee to 2 April 2023, Employee from 3 April 2023)
Edmund Papworth	
Philippa Frankl	(Resigned 12 May 2023)
Nasrat Sayyad	

who met several times during the year to;

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

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

Supplier payment policy

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the 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 United Kingdom and Republic of Ireland (FRS 102).

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

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

Auditor

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

Disclosure of information to auditor

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

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

A handwritten signature in black ink, appearing to read 'Edmund Papworth', is written over a horizontal dotted line.

Edmund Papworth
Trustee and Chair of the Board

Date: 6th September 2023

Independent Auditor's Report To The Members Of Hatch Enterprise

Opinion

We have audited the financial statements of Hatch Enterprise (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position and the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style. Below the signature is a horizontal dotted line.

Hugh Swainson (Senior Statutory Auditor)

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

Date: 13 December 2023

Statement of Financial Activities

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total £
Income from:							
Donations	3	296,494	64,137	360,631	676,872	-	676,872
Charitable activities	4	237,072	1,134,593	1,371,665	91,719	992,598	1,084,317
Other trading activities	5	-	-	-	-	35,000	35,000
Investments	6	1,025	-	1,025	97	-	97
Total income		534,591	1,198,730	1,733,321	768,688	1,027,598	1,796,286
Expenditure on:							
Raising funds	7	247,083	-	247,083	57,690	-	57,690
Charitable activities	8	794,614	1,039,157	1,833,771	203,209	804,511	1,007,720
Total expenditure		1,041,697	1,039,157	2,080,854	260,899	804,511	1,065,410
Net (expenditure) / income for the year							
Net movement in funds		(507,106)	159,573	(347,533)	507,789	223,087	730,876
Fund balances at 1 April 2022		707,704	375,188	1,082,892	199,915	152,101	352,016
Fund balances at 31 March 2023		200,598	534,761	735,359	707,704	375,188	1,082,892

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.

Statement of Financial Position

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Property, plant and equipment	13		23,891		17,146
Current assets					
Trade and other receivables	14	141,762		9,420	
Cash at bank and in hand		887,453		1,100,596	
		1,029,215		1,110,016	
Current liabilities	15	(317,747)		(44,270)	
Net current assets			711,468		1,065,746
Total assets less current liabilities			735,359		1,082,892
Income funds					
Restricted funds	18		534,761		375,188
Unrestricted funds			200,598		707,704
			735,359		1,082,892

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 6th September 2023.



Edmund Papworth
Trustee and Chair of the Board

Company registration number 08648338

Statement of Cash Flows

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (used by)/generated from operations	22		(200,286)		761,858
Investing activities					
Purchase of property, plant and equipment		(13,882)		(12,290)	
Investment income received		1,025		97	
Net cash used in investing activities			(12,857)		(12,193)
Financing activities					
Repayment of loans		-		(38,422)	
Net cash used in financing activities			-		(38,422)
Net (decrease)/increase in cash and cash equivalents			(213,143)		711,243
Cash and cash equivalents at beginning of year			1,100,596		389,353
Cash and cash equivalents at end of year			887,453		1,100,596

Notes to the Financial Statements

Accounting policies

1. 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 consider that there are no material uncertainties about the charity’s ability to continue in operational existence for at least 12 months. The Trustees have reviewed the current financial position, the confirmed income for the 12 month period and the current pipeline of fundraising opportunities. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The after-effects of the pandemic and the current challenging economic environment, including the high rate of inflation, have had a significant impact on all organisations. 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 to these external factors but is also transitioning effectively towards a more sustainable financial model.

1.3 Charitable funds

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

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

1.4 Income

Recognition of income takes place in accordance with applicable accounting policies and results are presented in accordance with the SORP. All incoming resources are included in the Statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and that the amount can be measured reliably. Grants and donations are recorded in the period in which they are received or the charity is entitled to the income.

Donations receivable for the general purposes of the charity are credited to Unrestricted funds and donations tied to a particular purpose are credited to Restricted funds.

Contractual income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

All other income, such as training fees, is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable probability.

Where income is received in advance of its recognition, it is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued and included in debtors.

1.5 Expenditure

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

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

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

1.6 Property, plant and equipment

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

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

Fixtures and fittings: 20–33% per annum on a straight line basis

Computers: 20% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

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

1.8 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.

3. Donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total £
Donations and gifts	296,494	64,137	360,631	676,378	-	676,378
Government grants	-	-	-	494	-	494
	296,494	64,137	360,631	676,872	-	676,872

Included within Donations is a Gift In Kind equivalent to £46,800 (2022: £36,000) from Peabody for the rent of 3 spaces they have provided during the year for free. There is also a second Gift in Kind equivalent to £68,700 (2022: £36,975) for professional voluntary services.

4. Charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total £
Workshop income	15,498	-	15,498	25,406	-	25,406
Corporations	163,174	573,986	737,160	54,313	136,101	190,414
Trust and foundations	58,400	521,321	579,721	-	856,497	856,497
Councils and local government	-	39,286	39,286	12,000	-	12,000
Total	237,072	1,134,593	1,371,665	91,719	992,598	1,084,317

5. Other trading activities

	Total 2023 £	Restricted funds 2022 £
Sponsorships and social lotteries	-	35,000

6. Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total £
Interest receivable	1,025	-	1,025	97	-	97

7. Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total £
Fundraising and publicity						
General fundraising						
Staff costs	247,083	-	247,083	57,690	-	57,690
	247,083	-	247,083	57,690	-	57,690

8. Charitable activities

	2023 £	2022 £
Staff costs	1,234,327	647,002
Other staff related costs	19,710	5,470
Depreciation and impairment	7,138	3,897
Training and workshops	207,281	172,236
Premise costs	60,351	49,825
Marketing	37,832	16,797
Accounting and professional services	84,810	38,786
Bank charges	367	2,264
Other support costs	121,155	42,443
	1,772,971	978,720
Grant funding of activities (see note 9)	60,800	29,000
	1,833,771	1,007,720
Analysis by fund		
Unrestricted funds	794,614	203,209
Restricted funds	1,039,157	804,511
	1,833,771	1,007,720

Support costs include auditor's fee of £8,200 for 2023 (2022: £6,600). Charitable activities represent the cost of provision of the core activities of the charity.

Accounting and professional services include a Gift in Kind totalling £68,700 (2022: £36,975). Premises costs include a Gift in Kind totalling £46,800 (2022: £36,000).

Net income for the year is stated after charging depreciation of £7,138 (2022: £3,897).

9. Grants payable

	2023 £	2022 £
Grants to institutions:	-	-
Foundervine C.I.C	6,000	29,000
Groundwork	54,800	-
	60,800	29,000

Grants paid to Foundervine to support delivery of an employment readiness programme for young adults in Westminster.

Grants paid to Groundwork UK to manage the grant-making process for “The New Founder Programme” which is a partnership between Pizza Hut & Hatch Enterprise to support entrepreneurs from diverse backgrounds.

10. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, or had any expenses reimbursed (2022 £nil).

11. Employees

Number of employees

The average monthly number of employees during the year was:

	2023 No.	2022 No.
Promotion of entrepreneurship	17	14
Administrative staff	17	12
	34	26

Employment costs

	2023 £	2022 £
Wages and salaries	1,313,086	625,345
Social security costs	132,516	58,851
Other pension costs	35,809	20,496
	1,481,410	704,692

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

	2023 No.	2022 No.
£60,000 – £70,000	2	-
£70,000 – £80,000	0	1
£80,000 – £90,000	1	-

12. Taxation

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

13. Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2022	7,556	26,031	33,587
Additions	3,274	10,608	13,882
At 31 March 2023	10,830	36,639	47,469
Depreciation and impairment			
At 1 April 2022	5,814	10,626	16,440
Depreciation charged in the year	2,064	5,074	7,138
At 31 March 2023	7,878	15,700	23,578
Carrying amount			
At 31 March 2023	2,952	20,939	23,891
At 31 March 2022	1,742	15,404	17,146

14. Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Trade receivables	110,000	1,500
Other receivables	54	4,044
Prepayments and accrued income	31,708	3,876
	141,762	9,420

15. Current liabilities

	2023 £	2022 £
Other taxation and social security	82,216	26,275
Trade payables	29,306	881
Other payables	10,775	5,666
Accruals and deferred income	195,450	11,448
	317,747	44,270

16. Deferred income

	2023 £	2022 £
Deferred income brought forward	-	-
Deferred during the year	115,714	-
Released during the year	-	-
Deferred income carried forward	155,714	-

17. 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 £35,809 (2022: £20,496).

18. 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 31 March 2023 £
	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	
Cohort (Previously Hatch Impact & Future Founders)	69,457	531,697	(370,096)	(18,439)	212,619	867,311	(844,343)	100,106	335,693
Collective Leadership Group (Previously Hatch Impact)	32,426	422,817	(324,738)	-	130,505	10,000	(40,399)	(100,106)	-
Grant Fund (Previously Young Enterprise)	41,500	-	(29,000)	-	12,500	210,000	(62,500)	-	160,000
Community Programme	8,718	73,084	(80,677)	18,439	19,564	111,419	(91,915)	-	39,068
	152,101	1,027,598	(804,511)	-	375,188	1,198,730	(1,039,157)	-	534,761

The restricted funds represent monies received from donors for the Hatch activities described in more detail in the Trustees' report. During this year we reorganised our programme portfolios and some of funds received for Collective Leadership Group (previously called Hatch Impact) were reallocated to Cohort Programmes (previously called Hatch Impact & Future Founders) as relevant.

In FY 22–23, Hatch operated four restricted funds as below;

- Cohort Programmes (previously called Hatch Impact and Future founders) – to support and empower underrepresented Entrepreneurs to launch and grow their businesses in the UK.
- Community Programmes – for work with founders to provide 121 volunteering and mentoring support, events connecting entrepreneurs in a vibrant supportive community, and building networks and partnerships with other organisations.
- Collective Leadership Group (previously called Hatch Impact) – to build capacity and support social leaders and enterprises.
- Grant Fund – to support graduate entrepreneurs with funding in partnership with funders.

19. Analysis of net assets between funds

	Unrestricted 2023 £	Restricted 2023 £	Total £	Unrestricted 2022 £	Restricted 2022 £	Total £
Fund balances at 31 March 2023 are represented by:						
Property, plant and equipment	23,891	-	23,891	17,146	-	17,146
Current assets	176,707	534,761	711,468	690,558	375,188	1,065,746
	200,598	534,761	735,359	707,704	375,188	1,082,892

20. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	493,066	349,608

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

No donations were received from the trustees during the year (2022: £nil). There were no other related party transactions in this year.

21. 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.

22. Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(347,533)	730,876
Adjustments for:		
Investment income recognised in statement of financial activities	(1,025)	(97)
Depreciation and impairment of property, plant and equipment	7,138	3,897
Movements in working capital: (Increase)/decrease in trade and other receivables	(132,342)	23,791
Increase in trade and other payables	273,476	3,391
Cash (absorbed by)/generated from operations	(200,286)	761,858

23. Analysis of changes in net funds

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,100,596	(213,143)	887,453
	1,100,596	(213,143)	887,453



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