



# Annual Report 2014

JOBS  
OPPORTUNITY  
GROWTH  
INNOVATION  
ENTERPRISE

# ART (Aston Reinvestment Trust)

This Annual Report comprises the Strategic Report and Supplementary Material, which is only part of the Report of the Directors and Financial Statements of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited for the year ended 31 March 2014.

The auditors report contained within the Report of the Directors and Financial Statements of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited for the year ended 31 March 2014 was unqualified.

Copies of the Report of the Directors and Audited Financial Statements are available from ART, Faraday Wharf, Holt Street, Birmingham Science Park Aston, Birmingham, B7 4BB.

## Board of Directors

The Directors during the year under review to the date of this report:

<b>Craig Errington (Chairman)</b>	Chief Executive, Wesleyan Assurance Society
<b>Philippa Holland OBE (Deputy Chair)</b>	Retired Director of Local Government Practice, Government Office for the West Midlands (resigned 30/5/2014)
<b>David Alcock</b>	Senior Associate, Anthony Collins Solicitors LLP (resigned 6/12/2013)
<b>Professor John Bryson</b>	Professor of Enterprise and Competitiveness, University of Birmingham
<b>Winston Duguid</b>	Former MD of Bowater Building Products – now Non-Exec Director at several organisations in the Midlands and South West
<b>Ian Forrest</b>	Partner, Squire Sanders (UK) LLP
<b>Dr David Hardman MBE</b>	Chief Executive Officer at Innovation Birmingham (appointed 20/6/2014)
<b>Ray Lowe</b>	Retired former Senior Executive, Wesleyan Assurance Society (resigned 30/5/2014)
<b>Andeep Mangal</b>	Managing Partner, Thapers Chartered Accountants
<b>Beverley Nielsen</b>	Director of Corporate Affairs at Birmingham City University (appointed 20/6/2014)
<b>Professor Monder Ram OBE</b>	Director, Centre for Research in Ethnic Minority Entrepreneurship University of Birmingham (appointed 20/6/2014)
<b>Mark Round</b>	Regional Director, West Midlands, Business Banking NatWest
<b>Christopher Tucker</b>	Retired Area Director, Commercial Banking, Lloyds Banking Group

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**Sir Adrian Cadbury - Honorary President**

Appointed Hon President on retirement as Chairman in September 2004

## Staff

<b>Dr Steve Walker</b>	Chief Executive
<b>Christine Allen-Lloyd</b>	Administrative Officer
<b>Graham Donaldson</b>	Loans Manager
<b>Martin Edmonds</b>	Loans Manager
<b>Andy King</b>	Loans Manager
<b>Barbara Seaton</b>	Operations Manager

## CHAIRMAN'S REPORT

2013/14 saw record loan delivery for ART, up 47% on last year. More importantly, opportunities to provide additional funding to businesses in support of job creation and preservation in the future have been obtained which will see further growth in the year 2014/2015.

We were able to achieve this progress with the support of the Regional Growth Fund CDFA (Community Development Finance Association) programme and Unity Trust Bank, and with increased staffing levels and enhanced partnerships.

Available funding remains short-term and ad hoc. Planning for the future would be eased considerably if ART and other Community Development Finance Institutions (CDFIs) could be supported with a longer term strategic funding source, backed by the Government and the private sector. CDFIs would then be able to achieve far more to support their economies.

With evaluations confirming the excellent value for money achieved for the public purse by its support of the CDFI loan programme, it is hoped that any switch of funding to local sources recognises these achievements and the potential for growth in working together.

It has been pleasing to see the development of a close working relationship with Finance Birmingham in the last 12 months and also the further development of strong links with other CDFIs in the West Midlands.

I look forward to continued growth in the next year and extend my thanks to the staff for their excellent work during the year, which included the additional pressures of a change of location. The move to Innovation Birmingham Campus, I am pleased to say, has been highly successful.

I would also extend my thanks to all Directors who have served during the year and in particular thanks for their support as they step down from office to retiring Directors David Alcock, Philippa Holland, Ray Lowe and also to John Bryson who retires after ART's AGM.

**Craig Errington**

Chairman

20th June 2014



# CHIEF EXECUTIVE'S REPORT

In a rapidly changing world in terms of access to finance for businesses, and despite increasing competition, the demand for ART loans has continued to grow.

Packages of support are now even more to the fore than 12 months ago and we have, through the extensive networking efforts of the ART lending team, further developed our network of professional contacts which is essential to support our borrowers and increase referral opportunities. Our knowledge of funding support is at a very high level, but in the year ahead we would expect that work to improve signposting, locally and nationally, will be of added benefit.

It is always satisfying when borrowers are able to achieve their objectives with ART support and even more so when we are able to work alongside these businesses to achieve our own objectives. The main targets for ART are linked to loan delivery. 2013/2014 was a record year for the amount lent in our 17 year history. This was closely followed by support for local jobs, which once again exceeded our planned targets.

Of more importance is the fact that last year, with Regional Growth Fund (RGF) support, the actual cost of each job saved or preserved with the public sector funding through ART loan delivery was £2,300. This compares very well with RGF overall and other programmes, many of which are costing in excess of £10,000 per job.

A number of clients have been able to repay their loans in full this year and in some cases loans have even been repaid early, all without penalty. This leads to a further measure of ART success - our ability to recycle funds and lend them again to a new borrower.

The range of sectors supported through our borrowers has in the last 12 months been further enhanced, although we are now seeing far fewer applications for small loans to support start up. Many of our borrowers are still young businesses, however, and as they seek opportunities to achieve growth they are reaching out to ART for support.

I extend my sincere thanks to the ART staff team who have not only achieved great success during the year, but also achieved a seamless move to our new premises at the Innovation Birmingham Campus, still in Aston, where our roots were founded over 17 years ago.

My thanks are also extended to our voluntary board for their guidance and support in the last 12 months. I am confident that there are even more exciting times ahead in the current climate as the need for ART services remains high.

**Dr Steve Walker**

Chief Executive

20th June 2014



## Supplementary Material

### Group Profit and Loss Account

	31st March 2014	31st March 2013
	£	£
Operating income*	783,633	763,946
Interest receivable and similar income	55,296	55,927
	<u>838,929</u>	<u>819,873</u>
Administrative expenses*	757,409	767,979
Interest payable and similar charges	81,372	60,699
	<u>838,781</u>	<u>828,678</u>
Retained surplus/(deficit)	<u>148</u>	<u>(8,805)</u>

\*Administrative expenses include provision to write off specific bad debts together with provision for further potential bad debts which have not been written off. For the year ended 31 March 2014 the charge for bad debts written off and the general bad debt provision total £414,523 (2013 £449,417). During the year, bad debts recovered amounted to £42,715 (2013 £26,875), making the net bad debt charge for the year £371,808 (2013 £422,542).

Operating income includes £411,439 (2013 £449,417) from the utilisation of capital grants.

### Group Balance Sheet

	31st March 2014	31st March 2013
	£	£
<b>Assets</b>		
Tangible fixed assets	5,689	3,082
Debtors	3,040,049	2,519,268
Cash at bank	2,000,471	1,784,871
	<u>5,046,209</u>	<u>4,307,221</u>
<b>Liabilities</b>		
Creditors due within one year	216,500	624,618
Creditors due after more than one year	2,200,000	1,557,853
	<u>2,416,500</u>	<u>2,182,471</u>
<b>Net assets</b>	<b><u>2,629,709</u></b>	<b><u>2,124,750</u></b>
<b>Represented by:</b>		
Member share capital	461,400	450,150
Guarantee reserve	213,799	213,799
*Other reserves	1,912,328	1,418,767
Profit & loss account	42,182	42,034
	<u>2,629,709</u>	<u>2,124,750</u>
<b>*Other reserves</b>		
General Loan Fund	132,320	164,219
ASLP Loan Fund	56,532	71,532
Small Business Loans	608,788	713,591
Regional Growth Fund	1,114,688	469,425
	<u>1,912,328</u>	<u>1,418,767</u>

# ART - Aston Reinvestment Trust

## Thanks to all our members and supporters

The **co-operative**  
bank

Supported by the



Regional Growth Fund



Esmée  
Fairbairn  
FOUNDATION



**For all enquiries on loans  
and investments  
or to support ART**

Telephone: 0121 359 2444

Mail: Faraday Wharf, Holt St  
Birmingham Science Park Aston  
Birmingham B7 4BB

E Mail: [ART@reinvest.co.uk](mailto:ART@reinvest.co.uk)

Website: [www.reinvest.co.uk](http://www.reinvest.co.uk)

**NEW WEBSITE COMING SOON**  
[www.artbusinessloans.co.uk](http://www.artbusinessloans.co.uk)



ART (Aston Reinvestment Trust) is the trading name of: ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited  
– an Industrial & Provident Society, registered number 28537R and Aston Reinvestment Guarantee Company Limited  
– a company limited by guarantee, registered number 2422872

The registered address for all companies is Faraday Wharf, Holt St, Birmingham Science Park Aston, Birmingham B7 4BB

**ART – Business Loans – West Midlands**

Loans to Go

Loans to

**GROW**

GROW

GROW

### Highlights of the year

- Increased Regional Growth Fund Support
- 72 businesses funded during year under review (47 in 2013)
- Loans advanced £1,769K (£1,200K in 2013)
- Loans delivered since 1997 tops £14m
- Over 5,500 jobs created or safeguarded since 1997
- 381 jobs created/safeguarded during year under review (249 in 2013)
- Over 700 loans delivered since 1997

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**OPPORTUNITY**  
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**BUSINESS LOANS**



## ART (Aston Reinvestment Trust)

### Business Loans £10k - £100k



We have helped businesses in the following sectors -

Digital Media £30k • Construction £75k • Car Repairer £25k •  
Childrens Nursery £20k • Architect £30k • Restaurant £30k •  
Software Engineer £40k • Training Provider £50k •  
Domiciliary Care £100k • Cafe Lounge £100k • Opticians £52k •  
Food Manufacturer £10k • Haulage £30k • Solar Energy £50k •  
Precision Engineering £75k • And many more...

Can we help you - Give us a call

Supported by the  
 Regional Growth Fund



## ART (Aston Reinvestment Trust)

### Business Loans £10k - £100k



Need a loan, can we help?

- ✓ Buy more kit = Increase efficiency
- ✓ Improve cashflow = Obtain suppliers discount
- ✓ Increase staff = Grow turnover

We cover the West Midlands

☎ 0121 359 2444    🌐 [www.reinvest.co.uk](http://www.reinvest.co.uk)

Ask for Andy, Graham or Martin

Supported by the  
 Regional Growth Fund

