



Annual Report



FINANCE FOR ENTERPRISE
Birmingham Area

2011

Board of Directors

The Directors during the year under review were:

Lowry Maclean	Chairman of ART and retired chairman of Wesleyan Assurance Society
Ian Clegg	Deputy Chairman and Retired Regional Director of NatWest
Prof John R. Bryson	Professor of Enterprise and Economic Geography, University of Birmingham
Winston Duguid	Group Projects Director of Epwin Group Ltd
Craig Errington	Chief Executive, Wesleyan Assurance Society
Mrs Philipa Holland OBE	Retired Director of Local Government Practice, Government Office for the West Midlands
Ray Lowe	Retired former Senior Executive, Wesleyan Assurance Society
Andeep Mangal	Proprietor Thapers Chartered Accountants
Duncan Murray	Solicitor
Christopher Tucker	Retired Area Director Commercial Banking, Lloyds Banking Group
Jeremy Wagg	Senior Manager, Allied Irish Bank

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Sir Adrian Cadbury - Honorary President

Appointed Hon President on retirement as Chairman in September 2004

Our Mission

To provide loans for viable small businesses and social enterprises throughout Birmingham and Solihull when the banks are unable to help or have done all they can.

Staff

Steve Walker	Chief Executive
Martin Edmonds	Loans Manager
Andy King	Loans Manager
Stuart Egginton	Operations Manager
Christine Allen-Lloyd	Administrative Officer



CHAIRMAN'S REPORT

As I leave ART this year, following an enjoyable and personally fulfilling term of office as Chairman, I am reminded that my predecessor and current ART President Sir Adrian Cadbury always emphasised that the need for ART and organisations like ART was continually being confirmed.

Pleasingly, even during the recent period of substantial political, structural and economic change locally, regionally and nationally, the need for ART has been recognised by many organisations and individuals. If anything, as the economy emerges from recession, the demand for a proven financial intermediary, targeting as its prime objectives access to finance, job creation and preservation, will increase further.

The support of national government, in addition to working partnerships with local authorities and our Local Enterprise Partnership lead me to suggest that further exciting challenges lie ahead for ART, my successor as Chairman, the ART Board and Executive. I am confident that they have the experience and appetite to rise to the challenges ahead.

I believe the service ART provides must be made available to any viable business in the local community. Although ART will continue to target disadvantaged areas, its over-arching aim must be to provide finance that will create or preserve jobs, but which cannot be made available by the banks.

The banks hold the key to increased quality referrals to ART and there remains considerable potential to work more closely with them.

I would like to offer my personal thanks to all my Board Directors and the ART Executive for their support and dedication over the years. Although a number of our team of Voluntary Directors also retire this year, we have experienced replacements which will be revealed at the Annual General Meeting. I will continue to follow the progress of ART as a member investor. I wish all members, including our borrowers, continued success in the future.

Lowry Maclean
CHAIRMAN

“The need for ART has been recognised by many organisations and individuals”



Summary Financial Statement

Group Profit and Loss Account

	31st March 2011	31st March 2010
	£	£
Operating Income	617,239	743,725
Interest receivable and similar income	36,284	41,246
	<u>653,523</u>	<u>784,971</u>
Administrative expenses*	619,264	749,567
Interest payable and similar charges	35,345	35,975
	<u>654,609</u>	<u>785,542</u>
Retained deficit	(1,086)	(571)

*Administrative expenses include provision to write off specific bad debts together with provision for further potential bad debts as at 31 March 2011 which have not been written off. For the year ended 31 March 2011 specific bad debts written off and the general bad debt provision total £368,399 (2010 £510,604). As a result of the utilisation of pool funds, guarantee reserves and the write back of share capital other operating income includes £364,399 (2010 £481,104).

During the year, bad debts recovered amounted to £26,671 (2010 £26,428), making the net specific bad debt write off £341,728 (2010 £489,176).

Independent Auditor's Statement to the Members of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited Group

We have examined the summary financial statement for the year ended 31 March 2011.

Responsibilities of the directors and the auditor

The Directors are responsible for preparing the summary financial statement in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements and the Director's Report, and its compliance with the relevant requirements of the Industrial and Provident Societies Act 1965 to 1978 and the regulations made thereunder.

We also read the other information contained in the summary financial statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements and on the Directors' Report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Directors' Report of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited Group for the year ended 31 March 2011 and complies with the applicable requirements of the Industrial and Provident Societies Act 1965 to 1978, and the regulations made thereunder.

Eden Currie Limited

Chartered Accountants and Registered Auditor
Pegasus House
Solihull Business Park
Solihull
B90 4GT

Date: 17 June 2011

Full copies of the accounts are available from ART, 69
Aston Road North, Birmingham B6 4EA

Group Balance Sheet

	31st March 2011	31st March 2010
	£	£
Assets		
Tangible Fixed Assets	4,854	2,492
Debtors	2,096,975	2,088,601
Cash at bank	1,412,648	1,499,275
	<u>3,514,477</u>	<u>3,590,368</u>
Liabilities		
Creditors due within one year	114,119	124,156
Creditors due more than one year	1,602,000	1,832,500
	<u>1716,119</u>	<u>1,956,656</u>
Total Assets less liabilities	<u>1,798,358</u>	<u>1,633,712</u>
Represented by:		
Member Share Capital	457,150	486,400
Guarantee Reserve	213,799	193,799
*Other Reserves	1,145,653	970,671
Profit & Loss Account	(18,244)	(17,158)
	<u>1,798,358</u>	<u>1,633,712</u>
*Other Reserves		
Key Loan Fund	30,848	41,939
Phoenix Fund – Round Three	90,603	152,278
General Loan Fund Reserve	213,364	185,395
ASLP Loan Fund Reserve	355,898	595,301
Small Business Loans Reserve	554,940	95,758
	<u>1,245,653</u>	<u>1,070,671</u>
General Bad Debt Provision	(100,000)	(100,000)
	<u>1,145,653</u>	<u>970,671</u>

CHIEF EXECUTIVE'S REPORT

Although 2010/2011 saw an increase in loan delivery over the previous year, the final figure of just over £1million offered was to a degree disappointing. Last year was one of the few years in ART's history in which we were in a position to lend more than the final out-turn. Much analysis and effort has been expended to try to discover the reasons why demand did not meet expectations.

Evidence suggests that confidence played a large part, with many businesses not applying for loan finance as they anticipated a negative response. The banks also reported a significant reduction in demand – which has created a problem for them. They need to see customers returning.

We had expected an increasing flow of referrals from the banks, believing that they would recognise the benefits to themselves in signposting customers they couldn't help. These include maintaining relationships, being seen to meet the needs of small businesses, being able to share risk and ultimately retaining business. In fact, there has been slow progress in this area. We will continue to work at improving the flow of referrals in the coming year.

Enhanced partnerships with local authorities and the Local Enterprise Partnership will, we anticipate, provide an increased awareness of the additional source of specialised finance that we make available throughout Birmingham and Solihull.

For 2011/12 we have the ongoing support of European funding, linked to support from our own bankers, which once more gives us the ability to lend more to our target markets locally. Demand has already increased substantially and we trust it continues in the months ahead.

We are fully aware that small businesses and social enterprises require more than just financial support to enable them to grow. We have seen an increase in the number of potential clients seeking advice, which has led to a package of facilities being made available using the substantial network of contacts we have built up within the ART team.

As we look forward to working with our Board and external supporters in order to deal with the challenges of the year ahead, I would like to thank Board members for their time and support during the past year, and acknowledge in particular the contributions of those members who are retiring, including ART Chairman Lowry Maclean and his Deputy Ian Clegg. Their sound advice over many years has been invaluable.

My thanks finally are as always extended to the experienced staff team for their efforts and adaptability in a changing world.

Dr Steve Walker
CHIEF EXECUTIVE

“Demand has already increased substantially and we trust it continues in the months ahead”



ART - Aston Reinvestment Trust

Thanks to all its members and supporters



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

Telephone: 0121 359 2444
Fax: 0121 359 2333
Mail: 69 Aston Road North,
Birmingham B6 4EA

E Mail: ART@reinvest.co.uk
Website: www.reinvest.co.uk



FINANCE FOR ENTERPRISE
Birmingham Area

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 69 Aston Road North, Birmingham B6 4EA

ART - Finance for Enterprise in Birmingham and Solihull

Loans to Go Loans to GROW



Over 4200 jobs created or safeguarded since 1997



Almost £10m lent since 1997



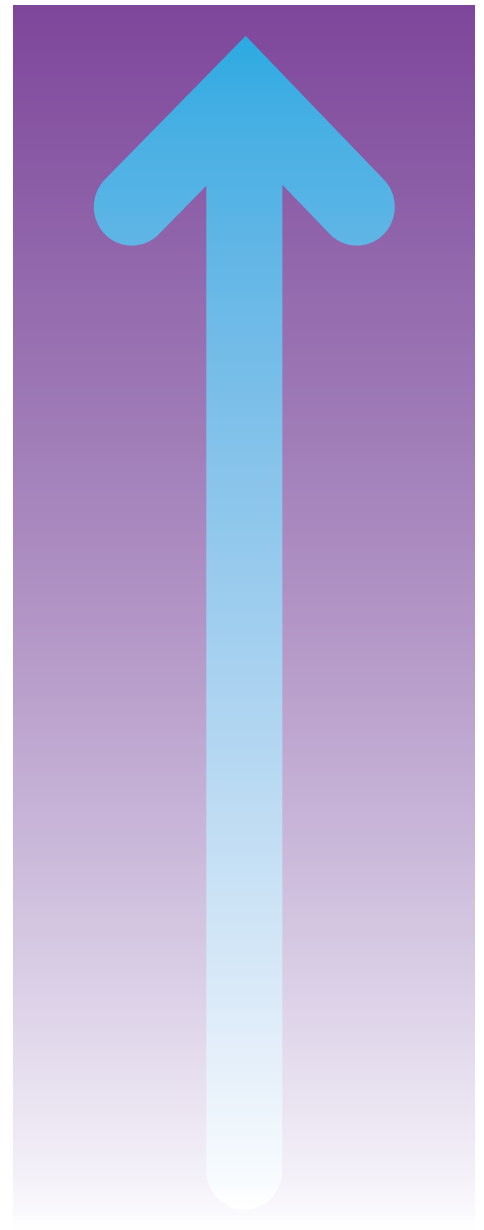
530 loans since 1997



25% of loans in 2010/11 to black and minority ethnic business people



55% of loans to businesses under 3 years old



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For
Enterprise**