FINANCE FOR ENTERPRISE
Birmingham Area

ART NEWSLETTER 2012

LOANS TO GO, LOANS TO GROW

ART Increases Maximum Loan Size to £100K

ART has increased the maximum size of the loans it offers and now lends from £10,000 to £100,000.

ART also has more money to lend this year than last, thanks to support from the Government's Regional Growth Fund, The Co-operative Bank and Unity Trust Bank, which is good news for small businesses and social enterprises in the Greater Birmingham area that are seeking finance.

"Our aim is to boost enterprise and help to create and preserve jobs. We help small businesses and social enterprises to grow, enter new markets, or continue to trade through times when cashflow becomes problematic," says Steve Walker, Chief Executive of ART. "Our role is even more important now than it was when we set up in 1997. Our business model was designed to meet a gap in bank lending – and that gap has become larger over time."

ART lends independently or with other funders as part of a package. As specialists in small business finance, the ART team is able to signpost to other sources of finance where appropriate.

2011-12 was a Record Year for Lending

2011-12 saw a 35% increase in ART's lending on the previous year and proved to be a record year overall since the organisation began in 1997.

We supported over 60 businesses new to ART, across a whole range of sectors. **See inside for more details.**

Help Us To Reach Those Who Need Us

We make every effort to reach out to small business owner managers and social entrepreneurs but, for many reasons, not everyone who could benefit from an ART loan will get to hear about us.

We know that there are still businesses turning in desperation to pawn brokers, credit cards, or other high interest options that are not specifically designed to support them, when their banks can't help.

Specialist business loans not only generally have lower interest rates, they also come with access to specialist understanding, advice and signposting.

So if you can pass on the message about ART or have any ideas about how we could reach out to more people, do get in touch.

We offer an introducer's fee of 1% of the amount of the loan for successful applications.

INTERESTED IN A LOAN FROM ART?

You will need to:

- Make an initial enquiry – we will talk to you about your business and give you an indication about whether or not we are the right provider for you
- Fill in an application form – give us some basic information about your business to help us assess your case
- Show that you have been unable to get the support you need from a bank
- Show how you can repay the loan
- Tell us how you will be able to create or preserve jobs.

We will:

- Get in touch quickly if we need further information
- Meet with you to get a full understanding of your business and its financial needs
- Let you know whether or not your application has been approved.

We delivered more loans in 2011-12 that at any time in our 15 year history.

FOR LOANS OR ANY OTHER ENQUIRIES:
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

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We lend for most business purposes, including:
PREMISES | EQUIPMENT | STAFF | CASHFLOW

For over 15 years, businesses and social enterprises, operating in a wide variety of market sectors, have turned to ART for a loan when the banks couldn't help.

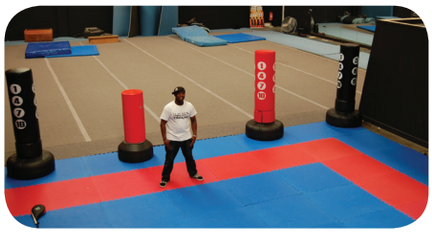
We are proud of what our borrowers have achieved by being able to access finance to set up, grow, diversify or keep on trading through challenging times.

Here are some of the businesses we have supported over the past year:

UTENSA

A manufacturer of bakeware, Utensa was incorporated in 2007 and in 2009 resurrected the manufacturing operation of a family firm, which had gone into administration. A loan from ART in 2012 enabled the company to invest in the modification of existing tooling to meet demand for a heavy gauge product and create two new jobs. It also provided money for marketing and some general working capital. Utensa's bank had already agreed a five year loan in 2010 and did not want to increase its exposure further, so ART stepped in. Being able to offer a new product has made Managing Director, Rob Jones, more optimistic about Utensa's future and in particular its competitiveness with the Far East. **www.utensa.co.uk**

URBANTRIX



Urbantrix is the UK's first urban-sports centre. Sited in a large former industrial unit, close to the National Indoor Arena, the centre offers parkour/freerunning and dynamic movement including cheerleading, wushu, karate, kickboxing, extreme martial arts, tumbling, tricking, breakdance and street dance. A considerable amount of conversion work on the building was required, which was funded mostly by Managing Director Nathan Salmon and his family, in part by a small bank loan and overdraft facility and finally by ART, as the bank felt it could not lend any more. The loan from ART allowed Nathan to purchase equipment, finish the building work and finally start trading in January 2012. The centre is now building a loyal and enthusiastic customer base. **www.urbantrix.com**

PROFILE HANDLING

Profile Handling specialises in recycling car batteries. Old batteries can be smelted down to extract the lead, which is used to make new batteries. Managing Director John Mitchell found ART via an internet search for a business loan and secured a package of bank plus ART finance to help support cashflow as the business expanded. He found the application process straightforward and was particularly appreciative of the money being available within a month. The business is now going from strength to strength and has been praised by the environment agency for its handling procedures, which ensure there is no risk of battery acid leaking into the ground or water course.

MACHAN EXPRESS

Machan Express convenience store and coffee shop suffered a severe setback early in its trading life, when it was targeted by rioters in Summer 2011. Whilst an insurance payout covered the refurbishment and replacement of lost stock, the interruption to business left owners Ajay Bhatia and his wife Monika in need of further stock, but with a cashflow problem. Unable to secure funding from the banks, they turned to ART, which provided the vital money needed to enable them to keep trading. The business' value to the community was proved by a petition from local residents calling for the store, which also serves as a newsagent, off licence, and internet cafe, to be kept open.

FW FITNESS

FW Fitness was opened in Chelmsley Wood in 2011 by former world professional Thai boxer Kirkwood Walker. It is a fitness centre offering the latest equipment, a range of exercise classes and a staff team dedicated to helping members reach their fitness goals. Starting with newly built premises, Kirkwood needed capital to invest in fitting out the empty shell as a fully functional contemporary gym. Through a broker, he was able to secure a package of finance from a bank lending alongside ART. With 51 workout stations and a 1,500 strong membership, the business is growing steadily and meeting its targets. Kirkwood's aim now is to build more classes as a great way for people to enjoy keeping fit. **www.fwfitness.co.uk**

CHANGEKITCHEN

ChangeKitchen CIC (Community Interest Company) provides imaginative combinations of freshly cooked vegetarian and vegan food for events. Casseroles, bakes, cooked vegetable salads and sausages that people can't believe aren't meat surprise and delight clients who appreciate that the food is selected and presented with both passion and care. A loan from ART supported ChangeKitchen through the challenge of spending cuts and budget losses in the charity and social enterprise sector, which formed the majority of its clients during its first year, and helped it to target and begin to make a name for itself in the wedding and corporate sectors. As its reputation spreads, the average size of its bookings is increasing and the organisation is building a loyal customer base. **www.changekitchen.co.uk**

ART - Finance for Enterprise in Birmingham and Solihull

ART JOINS BIRMINGHAM BUSINESS HUB

ART has joined some of Birmingham's key business organisations in taking office space at the Business Hub based at Baskerville House in the city centre. Birmingham Chamber of Commerce & Industry, the Greater Birmingham and Solihull Local Enterprise Partnership, Marketing Birmingham, Finance Birmingham and Birmingham Forward are among those who have accepted Birmingham City Council's invitation to join the Hub, which it is hoped will boost economic development and investment by facilitating collaborative working. "Our primary base is still in Aston," says Steve Walker, Chief Executive of ART, "but we welcome this opportunity to work alongside others in addressing the challenging issues facing businesses today."

FUNDING UPDATE

ART is a Community Development Finance Institution (CDFI) and one of a number of non-bank-lending sources of finance for small businesses, including social enterprises, unable to get any or all of the money they need from the banks.

Like all CDFIs ART receives money to lend via a number of channels – from the public and private sectors as well as individual social investors.

We are operating in a changing market. Over the last three years there has been a growing realisation that the banks will be unable to meet all customers' needs, with a consequent increase in the requirement from non-bank lenders such as ART. Our sources of funding have also changed.

New Rules Affect European Funding

Changes to the rules relating to the European Regional Development Fund in 2011-12 were disappointing, as they meant it was no longer viable for ART to access what had been a significant source of money to lend to small businesses and social enterprises in Birmingham and Solihull. The rules may change again, so we will continue to monitor the situation and apply in future if we can.

Local and National Government Funding

At a national level, the Regional Development Agencies are no longer a conduit for funding, but the Community Development Finance Association has secured money from the new Regional Growth Fund to be distributed among its members and we are delighted that ART has received support in this way.

Bank Funding

We are grateful for the increasing support from Unity Trust Bank in recent years and look forward to expanding our relationship with both Unity and the Co-operative Bank in the years ahead.

Social Investors Qualify for CITR

Capital from individual and corporate social investors has always been important to ART. With interest rates remaining low, the tax relief available on social investments also offers a valuable return. Investors in ART will qualify for 5% per annum of the amount invested off personal and corporation tax liabilities for a maximum of five years. This is equivalent to a 6.3% return for a standard rate tax payer over five years, 8.2% for a higher rate tax payer. ART can take investments of between £250 and £20,000.

REGISTER FOR NEWS

We are keen to work in partnership with banks, accountants, business and financial advisors to help them help their clients. You can register on our website to receive regular news and updates on what is happening in the small business finance market. **www.reinvest.co.uk/introducers**

BACKING WINNERS

It is always particularly pleasing to hear about ART borrowers who have won awards for their hard work.

We would like to congratulate Glynn Purnell, whose Michelin starred Purnell's restaurant won the coveted BMW Square Meal Best UK Restaurant Award 2012 and Wade Lyn whose Caribbean food business Island Delight won the Santander Responsible Small Company Award 2012, one of the Business in the Community Awards for Excellence.

Celebrity Chef **Glynn Purnell** outside his award-winning restaurant in Birmingham, which ART supported at start up five years ago.

Wade Lyn and **Chris Ely** with the giant pattie which helped to Big Up Birmingham and support the Jamaican Olympic Team. ART's funding helped the business to grow.

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JOBS | OPPORTUNITY | GROWTH | INNOVATION | ENTERPRISE

CDFA CAMPAIGNS FOR SECTOR RECOGNITION

The Community Development Finance Association, the trade body representing Community Development Finance Institutions (CDFIs) like ART, is continuing its campaign to raise the profile of the sector and ensure that CDFIs are not overlooked in the rush to find new solutions to the issues surrounding access to finance.

Automatic Referral from Banks

With support from the British Bankers Association, a nationwide referral system from all major banks to CDFA members for small businesses whose applications have been declined is planned to be operational in 2013. We look forward to this exciting development.

To find out more about CDFA initiatives and the contribution CDFIs are making to the UK economy see www.cdfa.org.uk

MORE SUPPORT FOR SOCIAL ENTERPRISES

ART has always been committed to supporting social enterprise and welcomes recent Government initiatives aimed at boosting development of the sector. We will continue to look out for opportunities to access funds to lend to social enterprises and ways in which to work with partners to provide innovative support packages specifically suited to their needs. Details and developments can be found on our website. **www.reinvest.co.uk**

THE ART OF FINANCE

- Friendly, supportive, approach
- Loans from £10,000 to £100,000
- For businesses and social enterprises in Birmingham and Solihull
- For most business purposes
- For businesses in most markets
- Flexible repayment terms and security requirements
- No early repayment fees

Since it started in 1997, ART has lent over £11m to borrowers in Birmingham and Solihull, enabling them to create or protect almost 4,900 jobs.

Our sincere thanks to all our members and supporters:

The co-operative bank

Esmée Fairbairn FOUNDATION

unity trust bank

FAIR FINANCE consortium

cdfa charter member of community development finance association

investing in your future
European Regional Development Fund
European Union

Supported by the Regional Growth Fund

Birmingham City Council

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We would like to thank Emma Walker for the use of her pictures.

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