



NEWSLETTER 2013

JOBS • OPPORTUNITY • GROWTH • INNOVATION • ENTERPRISE

ART Plans Further Growth

Having seen a 45% increase in the amount of money lent to support small and medium businesses over the past two years, and increased its maximum loan size to £100,000, ART has plans for further growth in the year ahead.

“We will be doubling the amount of money we have to lend in 2013-14,” explains ART Chief Executive Steve Walker, “and looking to support even more businesses through partnership agreements with neighbouring Community Development Finance Institutions (CDFIs) and Finance Birmingham.”

Originally lending in only the inner city areas of Birmingham, ART has extended its reach over the past 16 years to all of Birmingham and Solihull, which will remain its primary focus.

“Partnerships have always been important to us,” says Steve, “and are becoming increasingly so as packages of finance become more usual to support the total needs of a business. Our aim is to ensure that as many businesses as possible are able to access the finance they need to support jobs, growth, or critical cashflow when their banks either can’t help at all or have done all they can.”

ART works with a variety of partners, and is always interested in forging new relationships that will help to support enterprise and create jobs.



LOANS FROM ART

- £10,000 to £100,000
- For any business purpose, including to support cashflow
- When the banks can't help or have done all they can
- Signposting to other providers
- Flexible repayment terms and security requirements
- No penalty for early repayment
- Competitive interest rates, related to risk

ART loans are backed by the lending team's specialist knowledge of business finance. The team is interested in supporting enterprise, helping borrowers to create or protect jobs and finding the best financial solutions.

FOR LOANS OR ANY OTHER ENQUIRIES:

Call Andy or Martin on
0121 359 2444

Mail: 69 Aston Road North
Birmingham B6 4EA

E Mail: ART@reinvest.co.uk

Website: www.reinvest.co.uk



VINCE CABLE VISITS ART BORROWER UTENSA TO LAUNCH RGF FUNDING VIA CDFIs

The Department for Business Innovation and Skills (BIS) chose ART borrower Utensa as the venue for Business Secretary Vince Cable to announce a new £60 million total pot of Regional Growth Fund (RGF) investment, supported by Unity Trust and Co-operative bank finance, through the Community Development Finance Association (CDFA).

Utensa, a bakeware manufacturer based in Tyseley in Birmingham, was selected as an example of the type of business that the pot of money is designed to help. Having been shown around Dr Cable said: "We need effective channels to support small business which is why the CDFAs and its members are so important for providing access to finance and kick starting the economy. They are best placed to ensure that the £60 million goes to those SMEs, such as Utensa in Birmingham, that will create jobs and unlock private investment."

Robert Jones, Managing Director of Utensa, added: "Without support from a CDFI we would not be where we are today. The loan has made a significant difference to our ability to remain competitive and helped to put the company on a firm footing for the future. I can't speak too highly of ART. The speed and efficiency with which they dealt with our application was surprising and very welcome. They understood our needs and were interested in our business."

ART was the first Community Development Finance Institution (CDFI) to have its application to the CDFAs for funding from the RGF pot approved. As a result, it has more funds to lend to businesses and social enterprises in the West Midlands area in the coming year.

Having visited Utensa, Dr Cable went on to the CDFAs annual conference in Solihull, where he gave a speech that can be seen on ART's website – www.reinvest.co.uk/index.php/regional-growth-fund.



Vince Cable and Robert Jones MD- Utensa

SUPPORTING ENTERPRISE FOR OVER 16 YEARS

Since it started in 1997, ART has lent over £12 million to borrowers in Birmingham and Solihull, enabling them to create or protect over 5,000 jobs. There have been innovators and award-winners, entrepreneurs realising their dreams and well established businesses needing an injection of cash to get through a critical moment. Many borrowers come back to us and say how good it is to know we are here. Find out more about our case studies on our website. www.reinvest.co.uk/borrowers

DO YOU KNOW OF ANY BUSINESSES IN NEED OF FINANCE?

If you are an accountant, banker or financial advisor, we'd like to help you support your clients. We can work with you to find ways to access the funds they need. You can register on our website to receive regular news and updates on what is happening in the business finance market.

We pay 1% of the loan by way of commission to any organisation, or individual, who introduces a successful loan application to us. If you can't take the commission, we can donate the money to your nominated charity if you wish.

www.reinvest.co.uk/introducers

INTERESTED IN HELPING US TO SUPPORT LOCAL ENTERPRISE? SOCIAL INVESTORS QUALIFY FOR CITR

Individual and corporate social investors can invest between £250 and £20,000 in ART, which will be loaned out to businesses in its target area. ART does not currently pay a dividend, but investors do qualify for CITR. With interest rates remaining low, the tax relief available on the investment offers a valuable return - 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. See our website for more information on how to support local enterprise in this way. www.reinvest.co.uk/investors

WOULD YOU LIKE TO KNOW MORE ABOUT THE FINANCE OPTIONS AVAILABLE FOR BUSINESSES?

If you are a business looking for finance and not sure what your options are, let us help you. We keep abreast of the latest schemes and initiatives designed specifically for businesses and can signpost you to the most cost effective. Don't just reach for the credit card – there are often better ways to finance a business! See our website for details.

www.reinvest.co.uk/resources

ART supports diverse businesses, operating in a wide variety of market sectors. The four we have highlighted in this newsletter demonstrate how vibrant and creative our local business sector is – and what can be achieved with a little help from an ART loan.

ACEON BATTERY SOLAR TECHNOLOGY

Just two years after setting up in business together, Mark Thompson and his father Gerry were celebrating. Not only had they established a successful battery supply business, the pair had developed the world's first four pin socket solar powered docking station and won the UK Trade & Investment West Midlands Region Export for Growth prize 2012.

Mark explains: "The SolarSDS™ is a 'plug and play' electric solar generator which enables the user to access free electricity on the go. The potential for its use is enormous. There are estimated to be 1.6 billion people worldwide without access to reliable mains electricity. This low-cost, environmentally-friendly unit could revolutionise their lives. We've included a docking station to allow connection with a smart phone that could provide music as well as internet access."

Having invested their own savings in the original R & D, and with an existing bank loan from Barclays to support the growth of the core business, Mark

and Gerry were looking for additional finance to make some modifications to the prototype and put the SolarSDS™ into production. Business finance specialists Central Business Development Ltd introduced them to ART.

"The loan from ART is enabling us to bring the product to market faster than would otherwise

have been possible," says Mark, "creating jobs and boosting the UK's economic growth." www.aceongroup.com



MOJITO EVENTS

A chance encounter on a bus was the start of a remarkable journey for Mark Hodgkinson and Scott McCormiskie. They decided to go backpacking together and during their year away landed jobs in a bar in Sydney, where they learnt to mix cocktails and perform flair tricks. Back home the friends realised there was a demand for premium mobile cocktail bars, with experienced staff, and that they were ideally placed to meet it.



Mojito Events is flourishing and Mark and Scott have ambitious plans for the future. Four years on and they are beginning to attract interest from celebrities and their corporate workshops - excellent for team building - are taking off.

Event packages, themed bars, drinks packages, event staff, entertainers, a photography booth and furniture hire have all been

added to the range of services on offer. "We have so many ideas for the business and want to get moving on them straight away," says Mark. "We found ART on the internet and they were understanding and supportive of our plans for expansion. We have used a loan from them to help us buy and fit out more bars in different styles and to buy some designer event furniture. Eventually we want to be able to offer everything an event organiser needs." www.mojitoevents.co.uk

HENSHAW MANUFACTURING

Established in 1930 by the present owner's grandfather, Henshaw Manufacturing has produced a wide range of items from sheet metal over the years – fishing rods, bread bins, parts for motor bikes – but currently specialises in supplying janitorial items such as toilet roll and towel holders, bins and sack holders, cigarette bins and lobby brushes to wholesalers and catalogue distributors. Being able to press, spot weld and powder coat gives the company a competitive edge, which has enabled it to continue to do well in spite of the recession.



In today's highly competitive global marketplace, however, manufacturing companies generally operate with tight margins and Henshaw Manufacturing is no exception. A leaking flat roof, a machine in need of repair and one of its biggest customers going into administration at the same time were enough to put the business's cashflow under strain. The company's financial intermediary, Knowles Austin, recommended contacting ART for a loan, which owner and Managing Director Roger Weeks was happy to do as the company had previously been supported by ART.

"It's good to know that a lender like ART exists for those tricky times when something exceptional happens" say Roger. "The team there is friendly and easy to deal with. They understand small businesses. Thanks to them the future remains bright for Henshaw."



REYNOLDS TECHNOLOGY

From a small factory in a suburb of Birmingham comes the specialist tube that is used to make some of the best bicycles in the world. Since its establishment in 1898, having been granted a patent for the process of making butted steel tube, the company has continually innovated and experimented

with materials and processes, creating high performance strong yet lightweight tube. Through several changes of ownership, Reynolds has maintained its reputation for skilled engineering and the supply of unique, market-leading, products.

ART has supported the business with loans at a number of critical points, as Managing Director, Keith Noronha, explains: "The first loan kept us afloat while we found an alternative supplier of the specialist alloys we use after our main supplier went out of business. The next loan tided us over a tricky period when mass manufacturing moved from the West to the Far East, enabling us to downsize and change focus. The latest loan has helped us to move to more efficient premises. Throughout it has been reassuring to know that ART is there. In spite of having a good financial record, we did not fit the criteria for the banks. ART is less restrictive in its lending assessments and very fair. It has fulfilled its mission by helping us to preserve and create jobs." reynoldstechnology.biz

ART loans can be used for most business purposes, including:
PREMISES | EQUIPMENT | PRODUCT DEVELOPMENT | STAFF | CASHFLOW

COMINGS AND GOINGS



In February 2013 we said goodbye to Stuart Egginton, Operations Manager and ART Company Secretary. Stuart joined ART in 1998 and has overseen the introduction of improvements to ART's customer-facing systems and internal controls. We all extend our thanks to him for his support and friendship over the years and wish him and his family good health and happiness in retirement.

Barbara Seaton joined the ART team in December 2012, to take over Stuart's roles, and has quickly become an important member of the team. We welcome her input as we seek to implement our plans for growth and continued excellence in customer support.



CDFA CARRIES ON CAMPAIGNING

The Community Development Finance Association (CDFA), the trade body representing Community Development Finance Institutions (CDFIs) like ART, has been busy again this year, lobbying for more support to build the capacity of the community finance sector and raising awareness of the good work the sector is doing in helping to fill an ever-widening gap between the availability of affordable finance and demand from viable, credit-worthy customers.

Ben Hughes, CDFA's Chief Executive, says: "With economic flatlining, concern at the volatility of global markets and fundamental questioning of traditional economic models, there's hunger for change to the financial services industry. The UK's community finance sector is the unsung hero of the sector."

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

SHARING KNOWLEDGE AND EXPERTISE

The ART lending team is always happy to share its knowledge and expertise, which has developed over many years and which it ensures remains current. Team members can be seen out and about giving talks, supporting business and finance events and building relationships with a wide range of partners. Organisations ART has worked with over the past year, on a variety of events and initiatives, include: ICAEW and ACCA (accountancy bodies) Business Birmingham and Winning Moves (Enterprise Catalyst Programme); Growth Accelerator; University of Birmingham; Churches Together (Jabula Loud Conference); Birmingham Post/Bournville College (Business Growth Fund); Birmingham City Council; iSE and SEWM (social enterprise support and advocacy).

Steve Walker has also served on a number of national, regional and local access-to-finance advisory groups and selection panels.

Call ART on 0121 359 2444 if you are interested in finding out more.



MEASURING IMPACT

Community Development Finance Institutions (CDFIs) have been around for approaching 20 years, designed to address the issue of banks closing branches and pulling away from lending small loans to small businesses. Such loans they categorise as 'high risk' and not able to provide a worthwhile return on investment. But what benefit has there been in having a flourishing CDFI sector dedicated to supporting enterprise?

Figures are available, published annually by the Community Development Finance Association, which detail how many businesses have been supported by CDFI loans, how many jobs have been created or preserved and how much money has been lent. Less is known about the broader context, so in the past year ART, together with other local CDFIs, has been working with the University of Birmingham to assess the wider social impact of CDFI enterprise lending activity. The key findings will be published on ART's website as soon as they are available. www.reinvest.co.uk

Unity Trust Bank, which has been the largest commercial supporter of the CDFI sector in recent years, has compiled its own social impact report. Featuring ART as a case study, the report highlights the difference the bank's social lending is making to UK communities. ART has benefitted from loans which 'match' public sector funding and double the amount of money available for it to lend to small businesses and social enterprises in its target areas. You can see the report on the bank's website www.unity.co.uk/impact.

The 'Our Birmingham' team calculated in June 2013 that ART had impacted positively on around 15,000 people as a result of the jobs it has helped to protect or create since it started. In a blog post entitled 'Don't Panic – create jobs like our local investment trust' the team drew attention to West Midlands Police Commissioner Bob Jones' warning that the number of offences committed might be expected to rise as a result of high unemployment and increased levels of poverty. The 'Our Birmingham' team called for others to follow ART's lead in working to alleviate poverty through enterprise, which has always been a key aspect of ART's mission. www.ourbirmingham.org

ONGOING SUPPORT FOR SOCIAL ENTERPRISE

ART continues to look out for opportunities to lend to social enterprises and also 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

Our sincere thanks to all our members and supporters:

The co-operative bank

unity trust bank

Supported by the
Regional Growth Fund

f FAIR FINANCE consortium

cdfa

ef Esmée Fairbairn FOUNDATION

Birmingham City Council

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