



# Annual Report 2013

**JOBS**  
**OPPORTUNITY**  
**GROWTH**  
**INNOVATION**  
**ENTERPRISE**



# ART (Aston Reinvestment Trust)

## Board of Directors

The Directors during the year under review were:

<b>Craig Errington (Chairman)</b>	Chief Executive, Wesleyan Assurance Society
<b>Mrs Philippa Holland OBE (Deputy Chair)</b>	Retired Director of Local Government Practice, Government Office for the West Midlands
<b>David Alcock</b>	Senior Associate, Anthony Collins Solicitors LLP
<b>Professor John Bryson</b>	Professor of Enterprise and Competitiveness, University of Birmingham
<b>Winston Duguid</b>	Former MD of Bowater Building Projects – now Non-Exec Director and School Governor
<b>Ian Forrest</b>	Partner Squire Sanders (UK) LLP
<b>Ray Lowe</b>	Retired former Senior Executive, Wesleyan Assurance Society
<b>Andeep Mangal</b>	Managing Partner of Thapers Chartered Accountants
<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>Martin Edmonds</b>	Loans Manager
<b>Andy King</b>	Loans Manager
<b>Barbara Seaton</b>	Operations Manager



## CHAIRMAN'S REPORT

Our mission is to provide loans for viable businesses and social enterprises in the Birmingham area when banks are unable to help or have done all that they can.

I am pleased to report that Management has been successful in pursuing this objective as evidenced in the Chief Executive's report. We are very proud to have supported the creation and safeguarding of jobs in what continue to be very difficult economic conditions.

The final approval from the Regional Growth Fund and release of new funds was not achieved until October 2012, half way through the year. It was encouraging to receive positive support from the Business Secretary, Vince Cable, when he launched the new funding source at ART borrower Utensa in October 2013. We are now working closely with the CDFA and our local partners in exploring additional support and expect that during 2013 we will be able to announce further progress.

We were unsuccessful in our merger talks with the Black Country Reinvestment Society but continue to have a good working relationship with them.

We continue to explore partnership opportunities and an excellent working relationship has been forged with Finance Birmingham, allowing each organisation to cross-refer appropriate opportunities and more generally raise awareness of services offered.

We have also strengthened our links with accountancy bodies and will continue to explore opportunities that offer benefit for the business community in the Greater Birmingham area.

On behalf of the Board, I would like to thank management and staff for their excellent work in making ART the success it is today. I would also like to thank my fellow Board members for giving their valuable time free of charge in support of this very worthy cause.

**Craig Errington**  
Chairman

**"We are very proud to have supported the creation and safeguarding of jobs in what continue to be very difficult economic conditions"**



# Summary Financial Statement

## Group Profit and Loss Account

	31st March 2013	31st March 2012
	£	£
Operating income	763,946	654,539
Interest receivable and similar income	55,927	45,861
	<u>819,873</u>	<u>700,400</u>
Administrative expenses*	767,979	664,420
Interest payable and similar charges	60,699	46,923
	<u>828,678</u>	<u>711,343</u>
Retained deficit	(8,805)	(10,943)
Reallocation of capital reserves	-	80,026
Total recognised gains and losses	<u>(8,805)</u>	<u>69,083</u>

\*Administrative expenses include provision to write off specific bad debts together with provision for further potential bad debts as at 31 March 2013 which have not been written off. For the year ended 31 March 2013 specific bad debts written off and the general bad debt provision total £449,417 (2012 £386,403). As a result of the utilisation of pool funds, guarantee reserves and the write back of share capital, other operating income includes £449,417 (2012 £386,403).

During the year, bad debts recovered amounted to £26,875 (2012 £14,959), making the net specific bad debt write off £422,542 (2012 £371,444).

### 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 2013.

### 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 2002 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 2012 and complies with the applicable requirements of the Industrial and Provident Societies Act 1965 to 2002, and the regulations made thereunder.

### Eden Currie Limited

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

Date: 22nd June 2013

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

## Group Balance Sheet

	31st March 2013	31st March 2012
	£	£
<b>Assets</b>		
Tangible fixed assets	3,082	3,873
Debtors	2,519,268	2,738,830
Cash at bank	1,784,871	1,653,114
	<u>4,307,221</u>	<u>4,395,817</u>
<b>Liabilities</b>		
Creditors due within one year	624,618	613,720
Creditors due more than one year	1,557,853	1,692,125
	<u>2,182,471</u>	<u>2,305,845</u>
<b>Total assets less liabilities</b>	<u>2,124,750</u>	<u>2,089,972</u>
<b>Represented by:</b>		
Member share capital	450,150	464,650
Guarantee reserve	213,799	213,799
*Other reserves	1,418,767	1,360,684
Profit & loss account	42,034	50,839
	<u>2,124,750</u>	<u>2,089,972</u>
<b>*Other Reserves</b>		
Key Loan Fund	-	22,182
General Loan Fund Reserve	184,219	166,202
ASLP Loan Fund Reserve	111,532	165,123
Small Business Loans Reserve	753,591	1,107,177
Regional Growth Funds	469,425	
	<u>1,518,767</u>	<u>1,460,684</u>
<b>General bad debt provision</b>	(100,000)	(100,000)
	<u>1,418,767</u>	<u>1,360,684</u>

## CHIEF EXECUTIVE'S REPORT

After the delay in the arrival of our new Regional Growth Funding support it was pleasing that the second half of the year saw an increase in applications and loan sanctions. This has enabled the new year, from April 2013, to start with huge promise.

Without a doubt some of the cases which we were able to support last year would not have been the sort of cases we would have seen prior to the credit crunch, which resulted in a reduction in the availability of finance - especially at the smaller end of the small and medium sized business sector. Although we are still seeing and supporting a large number of early stage businesses, we have seen far fewer pure start-up businesses. Many of the businesses we have supported have been using a blend of funding. In many cases they are partly supported by the banks.

The reduction in public sector funding to provide subsidised business support has proved particularly difficult for start-up businesses in disadvantaged areas, but we have been working closely with schemes that have been introduced to support growth, job creation and preservation in our target areas.

Over the past two years we have increased our loan delivery by 45% but now have plans, supported by the ART board, to more than double loan delivery in 2013/2014.

We remain committed to not only providing access to finance, but also to offering help and assistance to the wider business community in seeking advice with access to finance. It has been encouraging to witness the increased role being undertaken by local schools, colleges and universities in supporting enterprise and improving business knowledge. We hope that, in the year ahead, we will see an even more joined up approach to benefit those small businesses that require help to meet their objectives.

I would like to thank the small ART staff team for their continuing enthusiasm and hard work, and also our voluntary board members for their time and support in the last year. We are all looking forward to the challenges linked to our growth plans in the year ahead.

**Dr Steve Walker**  
Chief Executive

**“Over the past two years we have increased our loan delivery by 45% but now have plans, supported by the ART board, to more than double loan delivery in 2013/2014.”**



# ART - Aston Reinvestment Trust

Thanks to all our members and supporters

The **co-operative**  
bank

Supported by the

 Regional Growth Fund

 **FAIR**  
FINANCE  
consortium

  
unity trust  
bank

  
cdfa  
charter member of community development finance association

 Esmée  
Fairbairn  
FOUNDATION

 **Birmingham City Council**

For all enquiries on loans  
and investments  
or to support ART

Telephone: 0121 359 2444

Mail: 69 Aston Road North,  
Birmingham B6 4EA

E Mail: [ART@reinvest.co.uk](mailto:ART@reinvest.co.uk)  
Website: [www.reinvest.co.uk](http://www.reinvest.co.uk)

  
**ART**  
**BUSINESS LOANS**

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 – Fast, Flexible Finance for Business**

# Loans to Go Loans to GROW

## Highlights of the year

- Secured Regional Growth Fund finance
- Vince Cable visited ART client
- Loans delivered since 1997 tops £12m
- Over 5,000 jobs created or safeguarded since 1997 with ART loan support
- Over 650 loans delivered since 1997



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