



Annual Report
2015

ART Business Loans

This annual report comprises the Chairman's and Chief Executive's Reports and the group Profit and Loss Account and Balance Sheet of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited for the year ended 31 March 2015. This summary financial information is not the statutory accounts but is a summary derived from the full financial statements which have been audited.

The auditor's report contained within the Report of the Directors and Consolidated Financial Statements of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited for the year ended 31 March 2015 was unqualified.

Copies of these financial statements, which were approved by the directors on 18th June 2015, can be obtained from ART, Faraday Wharf, Holt St, Innovation Birmingham Campus, Birmingham B7 4BB.

Board of Directors

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

Craig Errington (Chairman)	Chief Executive, Wesleyan Assurance Society
Ian Forrest (Deputy Chair)	Consultant, Squire Patton Boggs
Professor John Bryson	Professor of Enterprise and Competitiveness, University of Birmingham (resigned 26/9/14)
Winston Duguid	Former MD of Bowater Building Products – now Non-Exec Director at several organisations in the Midlands and South West
Dr David Hardman MBE	Chief Executive Officer, Innovation Birmingham
Andeep Mangal	Managing Partner, Thapers Chartered Accountants
Beverley Nielsen	Director of Corporate Affairs, Birmingham City University
Professor Monder Ram OBE	Director, Centre for Research in Ethnic Minority Entrepreneurship, University of Birmingham
Mark Round	Regional Director, West Midlands, Business Banking, NatWest (Resigned 27/2/15)
Christopher Tucker	Retired Area Director, Commercial Banking, Lloyds Banking Group
.....	
Sir Adrian Cadbury - Honorary President	Appointed Hon President on retirement as Chairman in September 2004

Staff

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

CHAIRMAN'S REPORT

We started the year with expectation high that we would be able to achieve further growth and had planned loan delivery to increase by a further 35%. Demand during the first six months proved to be so overwhelming that we needed to obtain further funding, which has resulted in lending exceeding £3million for the year and an overall 77% increase. An impressive year.

We have been able to achieve these results with increased support made available from the Regional Growth Fund CDFI programme in association with Unity Trust Bank and The Co-operative Bank.

I mentioned in my report last year that funding for the wider CDFI sector remained short term and ad hoc. It is disappointing that we are still waiting for longer term strategic support to be made available locally or nationally. The excellent value for money and impacts achieved, many of which are highlighted in this report, have not succeeded in gaining any firm commitment from funders for the future. However, there are negotiations ongoing across a number of areas that we are hopeful will bear fruit in the year ahead.

We are planning further growth in our lending in 2015/16 and look forward to announcing news that more businesses are to be supported both in the year ahead and in the future. The demand is clearly still there from businesses unable to meet their requirements from the banks.

The Board congratulates the small, and highly experienced, staff team on their excellent year and I also extend my thanks to all Directors who have served during the year and to our local and national supporters and partners.

Craig Errington

Chairman

18th June 2015



CHIEF EXECUTIVE'S REPORT

A record year in so many ways has seen loan delivery above £3million and also the number of loans delivered exceeding 100 in a single year for the first time in our history.

We have worked towards rebranding as ART Business Loans, which we believe represents a clearer image of what we do to all our potential partners and borrowers.

What has not changed at ART since our launch has been a focus on the wider impacts of our lending activity. Our trade association, the CDFA, has introduced an economic indicator tool this year, which has been approved by Government departments. This has revealed that ART lending activity contributed over £22 million to the UK economy in 2014/15. An impressive statistic and one which we hope, in conjunction with the inspirational case studies that appear in this report, our annual newsletter and on our new website, will encourage supporters to join ART to achieve further growth in the years ahead.

Our target geographic area has extended to the whole of the West Midlands. However we are still supporting those most underserved in terms of access to finance and within that geography over 75% fell into that category in 2014/15.

The details of our achievements contained within this report should be read against the backdrop that we only make loans as an additional source of finance when a bank has declined – we are not in competition with the banks - and that job creation and preservation remain at the top of our agenda, after we have assessed the potential viability of the loan application.

We look forward to achieving further growth in the year ahead and providing access to appropriate finance to support the ambitions and hopes of more businesses.

I would wish to thank all our partners and supporters for their ongoing help in achieving record delivery. In particular though, my thanks are extended to the staff team for their dedication and hard work and to our voluntary board members for their strategic guidance and encouragement.

Dr Steve Walker

Chief Executive

18th June 2015



Supplementary Material

Group Profit and Loss Account

	31st March 2015	31st March 2014
	£	£
Turnover	808,082	783,634
Administrative expenses	(761,240)	(757,410)
Operating profit	<u>46,842</u>	<u>26,224</u>
Interest receivable and similar income	6,474	55,296
Interest payable and similar charges	(53,304)	(81,372)
Profit for the financial year	<u>12</u>	<u>148</u>

Administrative expenses include provision to write off specific bad debts together with provision for further potential bad debts as at 31 March 2015. For the year ended 31 March 2015 the charge for bad debts and the general bad debt provision totalled £396,861 (2014 £414,523). During the year, bad debts recovered amounted to £133,345 (2014 £42,715).

Turnover includes £249,758 (2014 £411,440) from capital grants utilised.

Group Balance Sheet

	31st March 2015	31st March 2014
	£	£
Assets		
Tangible fixed assets	7,739	5,689
Debtors	4,406,435	3,040,049
Cash at bank	<u>3,096,945</u>	<u>2,000,471</u>
	<u>7,511,119</u>	<u>5,046,209</u>
Liabilities		
Creditors due within one year	405,156	216,500
Creditors due after more than one year	<u>3,300,000</u>	<u>2,200,000</u>
	<u>3,705,156</u>	<u>2,416,500</u>
Net assets	<u>3,805,963</u>	<u>2,629,709</u>
Represented by:		
Member share capital	483,150	461,400
Other reserves	3,280,619	2,126,127
Profit & loss account	<u>42,194</u>	<u>42,182</u>
	<u>3,805,963</u>	<u>2,629,709</u>
Other reserves comprise		
Guarantee reserve	213,799	213,799
General loan fund	102,076	132,320
ASLP loan fund	92,976	56,532
Small Business Loans	647,175	608,788
Regional Growth Fund	<u>2,224,593</u>	<u>1,114,688</u>
	<u>3,280,619</u>	<u>2,126,127</u>

ART Business Loans

Thanks to all our members and supporters

The **co-operative**
bank


unity trust
bank

Supported by the
 Regional Growth Fund


cdfa
charter member of community development finance association

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

Telephone: 0121 359 2444

Mail: Faraday Wharf, Holt St
Innovation Birmingham Campus
Birmingham B7 4BB

E Mail: art@artbusinessloans.co.uk
Website: www.artbusinessloans.co.uk



ART Business Loans and Aston Reinvestment Trust are the trading names of: ART SHARE
(Social Help Association for Reinvesting in Enterprise) Limited
– a Community Benefit 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, Innovation Birmingham Campus, Birmingham B7 4BB

ART Business Loans – West Midlands

ART BUSINESS LOANS



ART was founded in 1997 by its first chairman, Sir Adrian Cadbury. The initial mission remains to this day, which is to provide finance to businesses and social enterprises that need funding to grow, and also to support employment.

With support of the Government's Regional Growth Fund, ART Business Loans can now assist businesses across the West Midlands with loans of up to £150,000.

We know that getting loan finance can be problematic, but with a personal lending approach we know we are able to support the growth of many businesses in the West Midlands.

Contact us for an application form
www.artbusinessloans.co.uk
art@artbusinessloans.co.uk
0121 359 2444



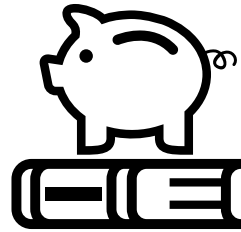
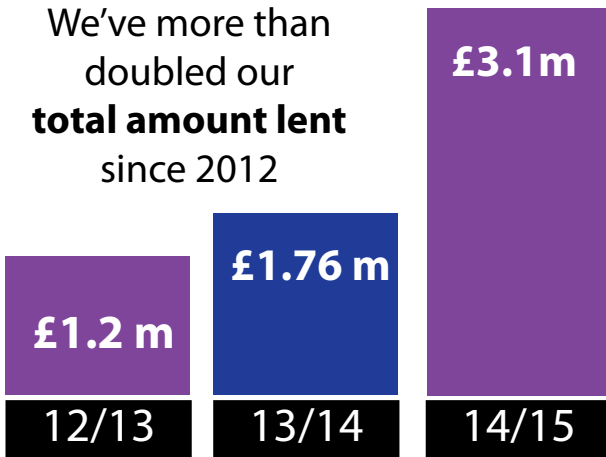
Supported by the
 Regional Growth Fund



2014/15 At-A-Glance



We've more than doubled our **total amount lent** since 2012



Our total loan book stands at **£4.4m**

550 jobs have been supported in 2014/15



The average loan taken out is **£31,000**



101 loans have been drawn in 2014/15

Since the launch of ART in June 1997....

800+

Loans

6250+

Jobs

£17.5m

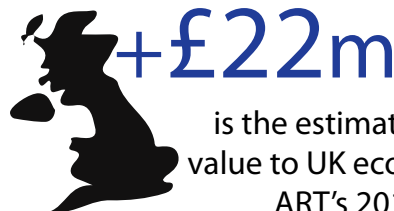
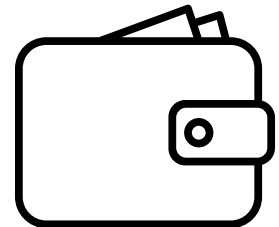
Total loans

Over **75%**

of loans have been used in disadvantaged areas of the West Midlands

£2.86k

= average cost of each job supported by the public purse in 2014/15



+£22m is the estimated added value to UK economy from ART's 2014/15 lending activity

www.artbusinessloans.co.uk

JOBS OPPORTUNITY GROWTH INNOVATION ENTERPRISE

ART Business Loans – West Midlands