



# Annual Report 2020

## ART Business Loans

This annual report comprises the Chairman's and Chief Executive's Reports and the Summary Financial Information of ART SHARE (Social Help Association for Reinvesting in Enterprise) Limited for the year ended 31st March 2020. This financial information is not the statutory accounts but is 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 31st March 2020 was unqualified.

Copies of these financial statements, which were approved by the directors on 17th July 2020, 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:

**Dr Nick Venning DL (Chairman)**

**Andeep Mangal** (resigned 27/9/19)

**Christopher Davis(Deputy Chair)**

**Kirsty Davies-Chinnock**

**Winston Duguid**

**Ian Forrest**

**Dr David Hardman MBE**

**Darren Hodson**

**Manjit Kang**

**Prof Monder Ram OBE** (resigned 27/9/19)

**Dr Steve Walker**

Former Marketing Director, Global Industries at PwC

Managing Partner, Thapersons Chartered Accountants

Retired Area Regional Credit Director, Barclays Bank

MD of Professional Polishing Services Ltd

Former MD of Bowater Building Products – now Non-Exec Director at several organisations in the Midlands and South West

Consultant, Squire Patton Boggs

Managing Director, Innovation Birmingham

Corporate Finance Partner, Smith Cooper LLP

Banker & Diversity Ambassador, NatWest Bank

Director, Centre for Research in Ethnic Minority Entrepreneurship,

Aston University

Chief Executive, ART Business Loans

## Staff

**Dr Steve Walker**

Chief Executive

**Yasar Irfat**

Finance and Operations Manager

**Martin Edmonds**

Loans Manager

**Christine Allen-Lloyd**

Operations Officer

**Graham Donaldson**

Loans Manager

**Rozna Haque**

Loans Manager



## CHAIRMAN'S REPORT

In the last year, to 31 March 2020, demand for small business loans in the West Midlands remained high and it is pleasing to report that ART was able to increase lending by over 40% to just over £3.6m, well in excess of the targeted level.

Overall trading performance was strong and, pre-COVID 19 exceptional provisions, a healthy profit had been generated.

Looking ahead, we are faced with a changed world and the coming year is likely to be unusually challenging for both ART and its clients. As you will see in this report we have made significant provisions for any gathering storm; although hopefully the full level of these provisions will not be required. ART remains well capitalised and has strong cash reserves.

Our greatest challenge, alongside the rest of the Responsible Finance sector, will remain to raise more capital to lend and build upon the already impressive impact of our activity, highlights of which are included later in this report.

At these crucial times, we particularly appreciate the support provided by our bankers Unity Trust which has been essential in enabling us to continue to meet demand. However, it has been frustrating that despite much effort, strong evidence of need and the impressive impact figures, ART and the wider Responsible Finance sector has, as yet, been unable to convince national and local government to re-enter the access to finance market for crucially underserved businesses. The levelling up agenda is most welcome but yet to be achieved.

Despite many uncertainties, ART remains committed to its mission. We will continue to seek out and engage with whatever funding streams emerge. Our priority will be to preserve business and to preserve jobs.

ART staff have adapted well to home working and we will continue to ensure that the safety and health of all remains in the forefront of our minds. The future is unknowable but we are prepared for whatever the new normal may bring.

I am hugely indebted to my fellow board members and the staff at ART for their dedication and impressive achievements in the last year. Our thanks are extended to retiring directors Andeep Mangal and Monder Ram for their much valued support over the years and a warm welcome is extended to new board member Kirsty Davies-Chinnock.

**Dr Nick Venning**  
**Chairman**  
August 2020



## CHIEF EXECUTIVE'S REPORT

It seemed at the time of writing last year's report that the previous year had been filled with uncertainty. However, that has been totally eclipsed by the uncertainty COVID-19 has brought with it since the start of 2020.

Nevertheless, ART achieved a record year in 2019-20, in terms of loans delivered, and bad debts were reduced to less than 14%.

During the financial year 2019-20, we had increased the amount we could lend under the British Business Bank's Enterprise Finance Guarantee (EFG) Scheme to £2 million per annum. This provided cover for bad debts of 15% on qualifying loans. When EFG was superseded in March 2020 by the Coronavirus Business Interruption Loan Scheme (CBILS), ART became an accredited provider of CBILS loans and the guarantee made available to us was increased to 80%. It is important to note that there was no new money available to lend, we had to lend from our existing provision.

With a portfolio of over 250 existing borrowers and limited funds available, we made an initial decision to concentrate assistance and loans under the CBILS scheme to our existing borrowers. We also offered capital and interest holidays and signposting to other sources of finance.

With further funds being made available through Unity Trust bank, we have since opened our doors again to the wider base and had lent over £1million using the CBILS scheme, by the end of the first quarter of 2020/21.

The introduction of Bounce Back loans of up to £50,000, initially provided by banks only with 100% guarantee, did impact on our lending activity in the short term, as CBILS loans from that point had to be from £50,001, whereas our average loan size in a typical year is £38,000. Like CBILS, the Bounce Back loans are due to end in the Autumn of 2020.

We are unable to quantify fully at this stage what will happen in the months ahead and last year's accounts reveal the challenge facing ART and our clients. We believe, and indeed hope, that the level of bad debt provisions raised will not be fully required. There are some encouraging signs that businesses within our existing portfolio, covering a wide range of sectors, are beginning to feel more confident in their future. Perhaps it is now more important than ever to look forward.

My sincere thanks, as always, are extended to the staff team and my congratulations on their performance in achieving a record year in 2019-20.

I also extend thanks to Nick Venning, ART Chair, and to all members of the voluntary board for their ongoing guidance and support.

**Dr Steve Walker**  
**Chief Executive**  
August 2020



## Summary financial information

### Group Statement of Comprehensive Income For the year ended 31 March 2020

	2020 £'000	2019 £'000
<b>Turnover</b>	<b>1,244</b>	<b>924</b>
Administrative expenses	(1,346)	(889)
<b>Operating profit</b>	<b>(102)</b>	<b>35</b>
Interest receivable and similar income	12	9
Interest payable and similar charges	(87)	(89)
<b>Loss for the financial year</b>	<b>(177)</b>	<b>(45)</b>

### Group Balance Sheet As at 31 March 2020

	2020 £'000	2019 £'000
<b>Assets</b>		
Tangible fixed assets	5	8
Debtors	6,076	5,183
Cash at bank	4,324	4,283
	10,400	9,466
Creditors due within one year	(1,091)	(1,435)
Net current assets	9,309	8,031
Total assets less current liabilities	9,314	8,039
Creditors due after more than one year	(7,520)	(6,073)
<b>Net assets</b>	<b>1,794</b>	<b>1,966</b>
<b>Capital and reserves</b>		
Member share capital	1,009	1,003
Profit and loss account	785	963
	1,794	1,966

You can view our Audited Accounts online at <https://artbusinessloans.co.uk/resources/>

# ART Business Loans

## Thanks to our members and supporters



Supported by the  
 Regional Growth Fund



investing  
in **your** future  
European Regional Development Fund  
European Union



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

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Innovation Birmingham Campus  
Birmingham B7 4BB

E Mail: [art@artbusinessloans.co.uk](mailto:art@artbusinessloans.co.uk)

Website: [www.artbusinessloans.co.uk](http://www.artbusinessloans.co.uk)

Established in 1997, ART Business Loans provides finance to businesses and social enterprises across the West Midlands where full bank support is not available.

- ✓ Up to £150,000
- ✓ In house decision
- ✓ Fast turnaround
- ✓ Any sector / most business purposes
- ✓ Relationship Loan Manager - real people
- ✓ The Business must be based in the West Midlands Region or an adjoining county West Midlands, Staffordshire, Herefordshire, Worcestershire, Shropshire, Warwickshire, Oxfordshire, Gloucestershire, Leicestershire, Derbyshire, Northamptonshire

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 B74BB



# ART Business Loans

## Protecting Jobs Since 1997

- Bank says no, we say give us a call
- CBILS Accredited
- £10,000 - £150,000
- Most business sectors
- West Midlands Region and adjoining counties
  - West Midlands
  - Staffordshire
  - Herefordshire
  - Worcestershire
  - Shropshire
  - Warwickshire
  - Oxfordshire
  - Gloucestershire
  - Leicestershire
  - Derbyshire
  - Northamptonshire

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# Impact on the regional economy years 2013- 2020

