



Annual Report 2022

25 years supporting the local economy



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 2022. 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 2022 was unqualified.

Copies of these financial statements, which were approved by the directors on 24th June 2022, 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:

Malcolm James Brookes	Interim Chair, Al Rayan Bank
Kirsty Lee Davies	MD of Professional Polishing Services Ltd
Christopher Charles Davis (Deputy Chair)	Retired Area Regional Credit Director, Barclays Bank
Peter Winston Duguid (resigned 24/9/21)	Former MD of Bowater Building Products – now Non-Exec Director at several organisations in the Midlands and South West
John Stephen Forrest (resigned 24/9/21)	Consultant, Squire Patton Boggs
Jonathan Peter Addis (appointed 20/7/21)	Private Equity Adviser & CFO. Formerly Group CFO at UK Power Reserve.
Darren Hodson	Corporate Finance Partner, Smith Cooper LLP
Manjit Kang (resigned 7/12/21)	Senior Relationship Manager, Corporate & Commercial Banking, NatWest
Dr Nick Venning DL (Chair)	Former Marketing Director, Global Industries at PwC
Dr Steve Walker	Chief Executive and Director, ART Business Loans
Rebekah Eden (appointed 25/10/21)	Deputy Director for Analysis at the Department for Business Energy and Industrial Strategy
Susan Margaret Farmer (appointed 1/11/21)	HR Director at BNP Paribas
Thomas Horton (appointed 20/9/21)	Director Thin Cats

Staff

Dr Steve Walker	Chief Executive
Yasar Irfat	Finance and Operations Manager
Martin Edmonds	Loans Manager
Graham Donaldson	Loans Manager
Rozna Haque	Loans Manager
Sudip Sangha	Finance and Operations Officer

CHAIRMAN'S REPORT

In our 25th year it is a pleasure to report a further successful year in terms of loan delivery, impact and profitability. ART has traded strongly during the last year, and we have achieved a healthy final net profit.

Summary Accounts can be found within this Annual Report and full Audited Accounts accessed via our website.

Whilst ART achieved all of its key targets for this year, the winding down of Government COVID-related support will inevitably mean market volatility in the year ahead. We face a period in which the outlook for investment and growth will be uncertain.

As highlighted in my report last year, the key to the long-term growth of ART remains finding additional capital to lend and the continuance of government-backed guarantee schemes. At the time of writing, I am expecting that ART will be shortly accredited to deliver loans under the latest Recovery Loan Scheme.

National efforts, through our trade association Responsible Finance, have again been increased to seek further capital for the sector and there have been encouraging signs that such may materialise. Indeed this would seem essential to the re-energisation of the Levelling Up agenda post-COVID.

In addition, we continue to seek private investment to ensure a broad capital base and sufficient funds to meet our long-term growth objectives.

It is against this background that we have recently undertaken a major strategic review and set out clear objectives and plans to the five-year horizon.

The ART Board has been refreshed and a number of experienced members have retired after many years' service. Our sincere thanks are extended to Winston Duguid, Ian Forrest and Manjit Kang. Following an external recruitment exercise, new board members Jon Addis, Rebekah Eden, Susan Farmer and Tom Horton have joined the team and, as ART seeks to set out its strategic aims, are already making their impact felt.

Finally, but particularly, congratulations and thanks to all our staff at ART who have shown great character, flexibility and resilience during these difficult times.

Dr Nick Venning DL
Chairman
August 2022



CHIEF EXECUTIVE'S REPORT

I am proud to report that after 25 years, through credit crunch, recession and pandemic, ART remains true to its mission. We continue to provide access to appropriate finance supporting enterprise and targeting job creation and preservation in underserved areas and communities.

We have last year successfully used the Recovery Loan Scheme following accreditation by British Business Bank and, with substantial support from our bankers, Unity Trust, have been able to meet demand from both existing and new clients.

Demand during the year was variable. It has been affected by general economic uncertainties and the fact that many small businesses are either reluctant to borrow to grow, or have indeed already borrowed using one of the COVID-related loan schemes and have sufficient funds available. Our average loan size has remained higher than before COVID, as we have seen different types of businesses approaching ART for support, and we have completed a number of joint deals with other lenders which has been an increasing trend.

Our customer base continues to be very well spread, sector wise. Some businesses have prospered in and post the pandemic while others have obviously struggled. However, our default and final bad debt positions are lower than had been anticipated.

As we move forward in 2022, we remain reliant upon the continuation of Government-supported guarantee funds. Our major challenge has been and continues to be the pursuit of additional capital, as the guarantee requires us to lend our own money. We have been negotiating for many months with a large potential investor running alongside Unity our supportive bankers. We hope to be able to announce pioneering news as we celebrate our 25th anniversary year which would indeed complement the initial pioneering fund raise from individuals and corporate member shareholders when we started in 1997.

My sincere thanks are extended to the experienced staff team who have adapted well to all the changed working circumstances and practices. I would also like to thank Christine Allen-Lloyd who retired from ART after 20 years for her support and enthusiasm and we all wish her well for the future. We have welcomed Sudip Sangha, an experienced accounting professional who has soon become an important member of the team. We will all continue to review together the most suitable ways to work and support our clients and contacts as times and opportunities change, impacting both ART and the fortunes of the businesses we support.

Lastly, I also wish to thank Nick Venning, ART Chair, and all members of the Board for their support and guidance during the last 12 months.

Dr Steve Walker
Chief Executive
August 2022



Summary financial information

Group Statement of Comprehensive Income For the year ended 31 March 2022

	2022 £'000	2021 £'000
Turnover	864	847
Administrative expenses	(534)	(629)
Operating profit	330	218
Interest receivable and similar income	3	2
Interest payable and similar charges	(120)	(93)
Profit/Loss for the financial year	213	127

Group Balance Sheet As at 31 March 2022

	2022 £'000	2021 £'000
Assets		
Tangible fixed assets	4	1
Debtors	6,608	6,036
Cash at bank	6,054	6,323
	12,662	12,359
Creditors due within one year	(2,206)	(2,176)
Net current assets	10,456	10,183
Total assets less current liabilities	10,460	10,184
Creditors due after more than one year	(8,145)	(8,158)
Net assets	2,315	2,026
Capital and reserves		
Member share capital	1,190	1,114
Profit and loss account	1,125	912
	2,315	2,026

You can view our full Audited Accounts on line at www.artbusinessloans.co.uk/resources/
or from our website www.artbusinessloans.co.uk/resources



INVEST IN THE FUTURE!

**JOBS INNOVATION ENTERPRISE GROWTH
OPPORTUNITY IMPACT ACCESS TO FINANCE**

A five year investment in ART Business Loans (currently renewable) will earn you up to 9.1% return per annum in the form of a tax relief (CITR) and put your money to positive use, supporting access to finance for businesses.

ART lends to viable small businesses across the West Midlands region, unable to acquire their full financial needs from the banks.

It has proved a lifeline to many during its 25 year history – supporting cashflow, protecting jobs, and helping businesses in diverse sectors to survive, diversify or grow. Individuals or companies can invest in ART Business Loans, which is an accredited Community Development Finance Institution.

To find out more visit

www.artbusinessloans.co.uk/invest-in-art/

or email ART's CEO steve.walker@artbusinessloans.co.uk



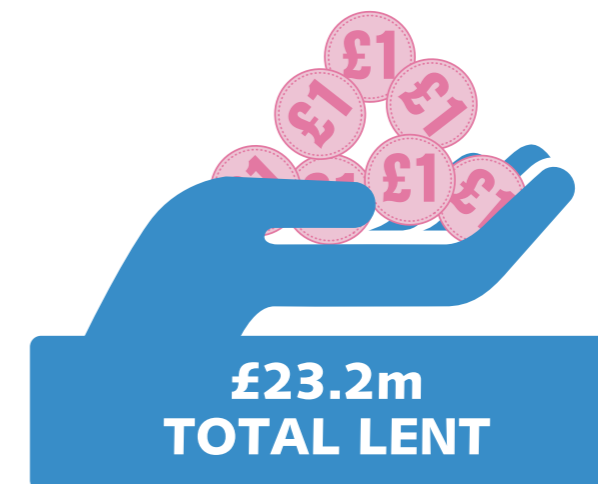
"I am delighted to personally support local businesses and the West Midlands economy by investing in ART Business Loans."

Paul Faulkner
Personal Investor



"As an early investor in ART Business Loans, it has been my pleasure to watch it flourish for 25 years. It feels like a great way to give something back to Birmingham and know that it will go to help launch someone else with a very good start."

Annie Murray, Author
Personal Investor



ART Business Loans

Thanks to our members and supporters



Supported by the
 Regional Growth Fund



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

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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