

Business investor NEL Fund Managers completes record investment year

North East business investor NEL Fund Managers has completed its busiest ever year after making investments in regional firms worth a total of almost £5.9m.

The Newcastle based organisation completed 62 separate investments in businesses across Tyne and Wear, Northumberland and County Durham during 2022, topping last year's previous record total by just under £250,000. It is now set to increase its focus during 2023 on making investments in regional businesses that are contributing to the ESG (environment, social and governance) agenda. NEL is responsible for managing two elements of the £120m North East Fund Supported By The European Regional Development Fund – the £9m North East Small Loan Fund and the £18m North East Growth Capital Fund.

It has also been an accredited provider for the Government's Recovery Loan Scheme (RLS) for the last 18 months and was recredited in the autumn for the new iteration of the RLS, with more than £4m being made available through the scheme to regional firms. An additional £1.4m of private sector leverage has been secured by NEL's 2022 investees as a result of the growth capital they received this year, while they have already created around 60 new jobs and are forecast to create a further 310 over the lifetime of their investments.

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More than 1,000 hours of growth and investment support has also been provided to a further 156 companies that haven't yet received financial backing from the North East Fund.

Jonathan Luke, chief executive at NEL Fund Managers, said: “There’s no denying that 2022 has been a tough year for many, but it has also proved once again how incredibly resilient and resourceful the North East business community is – success is often hard won and that enduring mindset will see many companies through these difficult times. We’ve taken confidence from the positive and progressive conversations we’re having with many current and potential investees on the ways in which they’re working to overcome the challenges that we’re all facing, and overall, the regional economy seems to be coping better than might have reasonably been expected.

“While we’ve always been and will remain a generalist investor, working with businesses that support the low carbon and Net Zero agendas has been an increasing focus for us in recent years and we’re expecting to see this become even more important in 2023 and beyond. Putting ESG principles at the heart of their operations is fast becoming essential for every type of business, rather than simply something that’s the right thing to do, and it impacts not just on their own ways of working, but on their suppliers, customers, stakeholders and employees.

“Our investments continue to have a positive impact in terms of creating and sustaining regional employment, supporting new ideas and innovation, and unlocking further sources of capital is already clear to see, and we’re looking to make an even bigger impact more next year.”

Jason Hobbs, CEO of The North East Fund, added: “NEL has again provided great support to the North East business community – at a time when other funding providers were scaling back lending, NEL’s team was active in the market and making a real difference to many companies.

“We’re delighted that growth capital from The North East Fund, provided by NEL and our other fund managers, has helped so many of the region’s businesses to continue trading and to

grow during turbulent times, and that we will be able to continue providing finance throughout 2023.”

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