

# Social Impact Report

31 March 2018



## Welcome to NEL Fund Managers' Social Impact 2018

NEL Fund Managers is an employee owned fund management company, specialising in achieving blended returns and positive impact for our investors. The place-based economic generation funds that we've managed, for almost 30 years, have varied in geography and although our main focus has been on the North East of England, we have partnered to invest funds across the UK. We have applied our fund management experience and expertise as far reaching as the UAE.

Since NEL was founded in 1989 we've managed 13 investment funds with a combined value of over £90m. In that time, we have achieved great success in helping to combat a huge range of challenges, both directly through investment in businesses to support

job creation for example, and indirectly by providing the funds needed by businesses to either establish or expand the pioneering work they do to make our world a better place.

Whilst all of our investments are made with a mission of inclusive and sustainable economic growth and job creation (Sustainable Development Goal No. 8), we are proud to have been able to support businesses with the funding needed to achieve many more of the UN's Sustainable Development Goals ("SDG"). The enclosed 3 case studies contribute to the promotion of good health and wellbeing (SDG No. 3), improvement of industry innovation and infrastructure (SDG No. 9) and preserving life below water (SDG No. 14).

For our first impact report we'd like to take a reflective view on recent years and celebrate the success of our most recently invested fund, the Finance for Business North East

Growth Fund, as well as focusing on some key points from the last 12 months which we thought you might like to read about.

We are proud of what we have achieved as a team, both in our mission of inclusive and sustainable economic growth and job creation, and also our impact in the communities which we live, and we're delighted to be able to share them with you.

Strengthening our  
**local economy**  
by accelerating  
the **potential**  
of ambitious  
**North East**  
businesses.

# Yvonne Gale

## Chief Executives Statement



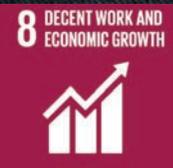
Thank you for reading NEL's first impact report. It is with great pride that I can present this to you and demonstrate the tremendous efforts we have been making as impact investors to strengthen our economy and support job creation.

As well as taking a look back at what has been achieved historically, I'm also presented with the opportunity to talk about our investment mission going forward. You will see from this report the excellent work which has been achieved by NEL and its funds to date but going forward we have even more of an opportunity to extend this positive impact drive.

2018 brought with it £27million of funding to be invested by NEL in ambitious North East SMEs. We are on the lookout for businesses in the region who we can work with to help maintain the momentum of positive impact, with the view of creating jobs, prosperity and a sustainable economy.

We're very pleased to be able to support some amazing businesses in their endeavours to not only realise their own potential as enterprises and employers, but also in assisting with wider problems supporting some of our nations sustainable development goals.

I must take this opportunity to acknowledge the great work carried out by the NEL team in ensuring our investors funds are intelligently placed and thank them all for their unique contribution to the success of our business and the funds we manage."



## Fund Performance

# North East Growth Fund

# 841

Jobs  
Created

# 984

Jobs  
Safeguarded

# £30m

Invested in  
North East Businesses

# 146

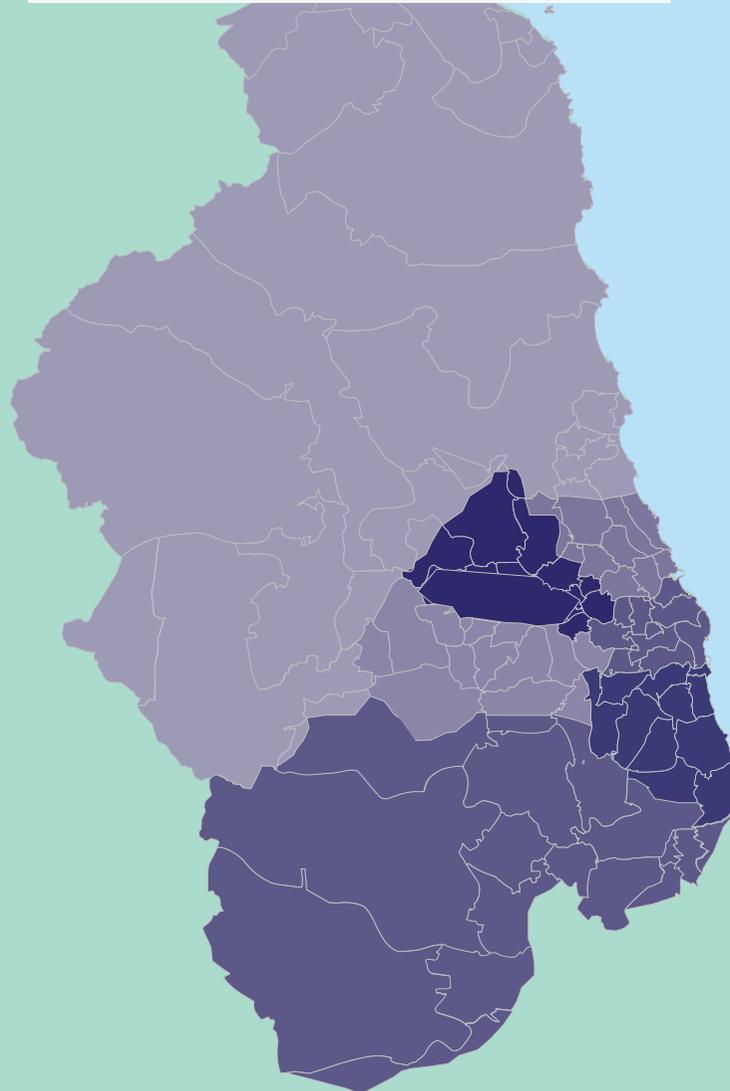
Investments in  
local Businesses

# £26m

Additional Finance  
brought in to region\*

# 26

Apprenticeships  
Created



\*as a direct result of our investments

## Case Study

# One Gym



A successful County Durham headquartered fitness business is going from strength to strength after opening its latest gym on Teesside.

OneGym has added a 12,000 sq ft fitness facility on the border on Ingleby Barwick and Thornaby to its existing successful branches in Bishop Auckland, Newton Aycliffe and Redcar.

Brothers Paul and David Pearson set up OneGym in 2012 to offer users access to all of the latest fitness equipment and classes without costly add-ons like swimming pools that they don't necessarily want to use.

Each of its previous gym openings have been funded through

investments from the Finance For Business North East Growth Fund, which is administered by regional fund management firm NEL Fund Managers, as well as with capital from NatWest Bank and the firm's management team.

NEL has once again backed OneGym's plans, with a further £250,000 Growth Fund investment enabling the new Teesside Estate facility, which includes a range of state-of-the-art fitness equipment, two studios which host over 40 classes every week, dedicated space for spinning classes and changing room saunas, to open.

Six new full-time jobs have been created in the new branch, taking the total number of people employed by OneGym to 22, and a further 16 freelance fitness instructors take a range of classes across the company's sites.



## Case Study

# Patrick Parsons

A thriving North East consulting engineering business has praised the impact on its development of its decade-long relationship with regional fund management firm NEL Fund Managers after exiting its final investment agreement with them.

Newcastle-headquartered Patrick Parsons Consulting Engineering worked with NEL in 2011 to secure a £250,000 investment from the Finance For Business North East Growth Fund which it used to grow its work overseas, upgrade its IT systems and recruit the expert staff required to deliver a range of new services.

Since then, Patrick Parsons has increased its workforce from 26 to 225 people, with 60 of these employees being based in Newcastle, and has seen its annual turnover grow from £750,000 to over £18m.

It has also expanded its office network to cover nine locations in the UK through both organic expansion and tactical acquisitions, and has established an overseas presence in both Dubai and Sydney.

Patrick Parsons Ltd provides full civil and structural engineering design services to a wide variety of clients and markets, working both domestically and right around the world on schemes ranging from structural surveys to multi-million pound new-build developments.



## Case Study

# Orcalight

A specialist North East manufacturer is looking to build on its international underwater success by targeting new markets with new products.

Orcalight manufactures the world's most powerful dive light, which has been used in the filming of the BBC's forthcoming landmark natural history programme Blue Planet II.

The County Durham-based firm was originally approached by Doug Anderson who was filming for the BBC in 2013 to develop a one-off, high-quality LED dive light for a special test, and they were so impressed by the results that they suggested that it should be manufactured

on a commercial basis.

After carrying out research and development work on prototype products with some of the world's leading underwater professionals, the 22,000 Lumen Orcalight was officially launched in 2015 with the help of a six-figure investment from the Finance For Business North East Growth Fund which is managed by NEL Fund Managers.

Since then, Orcalight has become firmly established as a leader in its field, with sales of the light being channelled through its [www.orcalight.co.uk](http://www.orcalight.co.uk) website and a network of distributors and resellers.

# NEL Fund Managers Limited

Employee Owned Trust since 2016

## Our People



NEL Fund Managers is an employee owned fund management company. The team took control of the business in 2016 in what is thought to be one of the first EOTs to be formed in the UK since they were introduced in 2012.

Being an employee owned business means our 13-strong team are even more committed to the success of the business and have more control over its future direction. This is represented in the years of service given by the team totalling 161 years combined, and 70% of them being with NEL for 10 years or more.

As a team we commit to our mission of creating positive impact and this seeps in to our lives not only in work, but out of work too. We pride ourselves on our commitment to the communities in which we live and do what we can to make a difference here.

## Within our community we...

Gave blood

Princes Trust  
Voluntary Activities

Sat on  
Advisory panels

Volunteered at  
Scouts, Cricket  
& Rugby Clubs



## Raised money for charity through...

Charity walks

Sponsored  
abseil

The Whitley  
Womens Choir

Monthly  
Donations





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