

FOCUS ON Gateshead

Summer 2024

North East Fund

Supported by the European Regional
Development Fund



Dozens of Gateshead companies have received investment from the North East Fund



By Jason Hobbs,
Chief Executive, The North East Fund



North East Funds' £1 billion impact

Since it was launched in 2018, the North East Fund has built on the work of its two predecessors. Over the last two decades, the three schemes have generated more than £1 billion

of investment in local companies – boosting business growth and creating thousands of jobs.

In total, they've invested almost £400 million in 2,275 North East companies across multiple sectors. The investments have

helped these businesses to secure a further £700 million from other funding partners – generating a £1.1 billion impact in the region.

I don't think any of us who were involved in setting up the funds in the early 2000s could have imagined that they would make such a big impact. The three programmes have invested on average £50 million a year, helping hundreds of companies to launch and grow and acting as a catalyst to the

Since 2003



£400m
invested

2,275 North East companies secured investment



10,994
new jobs created



£1.1bn
total funding secured



Over
12,600
jobs safeguarded

Since 2018



£128m
invested

435 North East companies secured investment



3,125
new jobs created



£391m
total funding secured



Over
2,200
jobs safeguarded

investment ecosystem in the North East.

The funds have worked alongside multiple partners, including the region's universities, professional advisors and business support agencies, to provide backing for companies which wouldn't otherwise have had the opportunity to develop innovative projects in key sectors including clean energy, manufacturing, digital and low carbon technologies and life sciences.

Providing funding on commercial terms rather than as grants means that the financial returns from successful investments are re-used to support new companies and with the aim of making the funds self-sustaining. Almost £40 million of the current programme's funding has come from returns on previous investments.

Dozens of companies from Gateshead have received investment from the North

East Fund, some of which are profiled in this newsletter. Many companies from the area also benefited from investments from our predecessor funds including the maker of Manomasa tortilla chips, **It's All Good Limited**, which used the £350,000 it received from the JEREMIE Fund in 2013 to develop its product range and fast-track its expansion. The company now employs over 265 people in Gateshead and was acquired by Valeo Foods, an international food group which owns other well-known brands including Kettle Chips.

Another beneficiary of the predecessor funds is assistive tech firm **ReciteMe**, which specialises in making websites more inclusive and easier to use. The company, which is based at Baltimore House in Gateshead's thriving Baltic Business Quarter, launched in 2009 with four staff and secured proof-of-concept funding

from the JEREMIE Fund a year later. It received further backing from our Growth Capital Fund in 2020 and these investments have helped ReciteMe to become one of the leading website accessibility software providers with more than 80 staff operating from sites in the UK, US and Australia.

It's nearly 20 years since the former regional development agency, One North East, set up the predecessor to the North East Fund and tasked it with increasing the supply of finance for local SMEs. I'm proud that we've successfully delivered on this vision.

Businesses interested in funding should contact Andrew Gibson on 0191 211 2300 or via email at info@northeastfund.org. Further information on the North East Fund can be found at www.northeastfund.org.

Hey PROTO!



An energy management firm based at Gateshead's thriving PROTO hub is helping homeowners save on their energy bills after securing more than £1 million from the North East Venture Fund.

Equiwatt, which provides an AI-powered demand management platform for reducing energy costs and carbon footprint, secured the funding over four rounds from 2020 to 2023.

The company has developed an app which incentivises customers to reduce their energy use at peak times. Through the app, users receive notifications to take part in energy-saving events at peak times by turning off or avoiding the use of appliances. The peak time events typically last for up to one hour and users are rewarded for their energy and CO2 reductions with points redeemable for retail vouchers or charity donations.

Dr Johnson Fernandes, CEO of Equiwatt, says: "Energy flexibility and proactive

demand-side energy management have become essential components of UK power generation and we see Equiwatt and our platform as a key part of the country's energy generation and usage."

The investments from the North East Fund helped Equiwatt secure more than £630,000 of grant funding from the Department for Energy Security & Net Zero. The company's app was also featured on the popular MoneySavingExpert website.

Equiwatt is based in Gateshead's PROTO, a leading-edge digital production facility for companies in the virtual, augmented, immersive and mixed reality spaces. It offers virtual production, 3D scanning, motion capture and sound recording and is the first facility of its kind in Europe.

It's also home to other tech firms that have benefited from the North East Fund, including Wordnerds and Infinity27.

Wordnerds secured a £500,000 investment from the North East Innovation Fund in 2019 to help develop its product. The company uses artificial intelligence and advanced linguistics to enable companies to monitor and detect trends from the huge volume of unstructured text written about them – the millions of tweets, emails, web chats,

online reviews, customer relationship management entries and survey results – which enables them to act on this information.

Meanwhile **Infinity27**, an immersive games design studio, is diversifying into new markets after securing a five-figure investment from the North East Small Loan Fund. The company has created bespoke skills bootcamps funded by the Department for Education, and is using the cash from the Small Loan Fund to expand its capacity to deliver more of these bootcamps and win new business outside of its home region.

PROTO is home to tech firms that have benefited from the North East Fund

Small Loan Fund brings big growth for Gateshead firms

Our Small Loan Fund provided over £1.6 million to 36 Gateshead businesses, which used the loans for multiple purposes, including taking on new staff, moving into bigger premises or developing new products. The fund supported companies across a wide range of sectors including manufacturing, engineering, information technologies, retail and services.

Beneficiaries from the Gateshead area included Infinity27 (see "Hey PROTO" section), ground screw installation firm Groundscrews4u and Etika Clothing, the UK's first ethical school uniform supplier.

Andy Gabel, who founded **Groundscrews4u**, secured £50,000 from the Small Loan Fund last year to roll out his bespoke system of ground screw foundations for use in the holiday park and leisure sectors. The new system, STAYGROUNDED®, allows customers to secure holiday lodges structurally and safely in place without pouring tonnes of concrete into the ground to make foundations, thereby making installation quicker, easier and less impactful on the local environment.

Meanwhile, **Etika Clothing** announced plans to quadruple its customer base to one hundred schools after securing £20,000 from the Small Loan Fund in 2022. The company, which supplies ethically sourced uniforms to UK primary schools after developing a unique ethical manufacturing partnership between the UK and India, said it would use the cash to enhance its business development activity and bring in skilled personnel to service growing demand.

Our Small Loan Fund provided over £1.6 million to 36 Gateshead businesses



L-R Jonathon Armitage, Investment Executive at NEL Fund Managers and INFINITY27 Founder & Managing Director Dan Baird

Groundscrews4u

GS4U's new STAYGROUNDED® system being installed



Bridging the Gap

In 2021, a £250,000 loan from our Growth Capital Fund helped established waste management company **Gap Group** to navigate business disruptions caused by the Covid pandemic and enabled it to increase its capacity to recycle small domestic appliances, creating 20 new jobs and expanding its Felling site.

This helped to increase the company's growth and turnover, subsequently enabling it to attract a multi-million pound investment and cement its position as one of Europe's leading electrical waste management companies.

Working together to spread the word

Andrew provides guidance on the evolving business support landscape



The North East Fund exists to provide growth finance to companies in Northumberland, Tyne & Wear and County Durham and our two External Engagement Officers help to raise awareness of what we can offer across all parts of the region.

They attend networking events and hold drop-in sessions at business parks and office locations – often in conjunction with representatives from Local Authorities and other business support providers. They keep up to date with the current grant funds and other types of support which are available from LAs and business support organisations such as InnovateUK and

sign-post companies to those programmes and provide guidance on how to access them, as well as venture capital and loan funding.

Andrew Gibson focuses on Gateshead and holds drop-in sessions at the likes of Proto, Baltimore House and Greenesfield Business Centre. Andrew can be contacted by companies looking to discuss finance and support options, or by other business support agencies looking for assistance in promoting their programmes to Gateshead based companies, on 0191 211 2300 or andrew.gibson@northeastfund.org

iPac goes for growth after £2 million investment



A near-£2 million funding boost from the North East Fund provided the foundations for a Gateshead based sustainable packaging manufacturer to triple its revenues.

iPac manufactures sustainable thermoformed packaging, primarily used in the food and pharmaceutical sectors, and has secured supply chain contracts with several tier-one food suppliers. The business supports an impressive list of customers, with its products packaging fresh foods and produce for all of the major UK grocery retailers.

The North East Development Capital Fund (NEDCF) first provided funding to iPac in 2019 to support investment in state-of-the-art equipment, including new thermoforming machines. The business has since tripled annual revenues to more than £20 million and in 2022 secured further support from NEDCF to expand its manufacturing lines and significantly increase headcount to more than 75 people.