STEPHENSON FUND.

Institution of MECHANICAL ENGINEERS

Improving the world through engineering
The inspiration behind the Stephenson Fund, was the Institution of Mechanical Engineers’ original statement of purpose set out by founder George Stephenson in 1847 to “give an impulse to invention likely to be useful to the world”.

The fund, set up in 2015, aims to help companies overcome the investment hurdle between Research and Development and bringing a product to market.

The first five investments by the Stephenson Fund, which is initially worth a total of £2 million, were in blade compressor company Lontra, fuel cell catalyst developer Analyst, sensor company Oxsensis, fusion energy company Tokamak Energy and space technology business Oxford Space Systems.

The Institution is now looking for further investments which are the right match. These are investments at an early stage, where a company is in most need of financial support, and into technologies that have a real chance of revolutionising the way we live. The Institution is committed to ensuring that these are sound commercial investments, to enable the Fund to thrive in the long-term.

The investments are not just about providing capital, but about connecting these companies to the vast resources and network of the Institution and its membership.

Stephenson Fund investments are typically £50,000–£200,000, almost always alongside other investors. Achieving the right balance of technical innovation, commercial prospects and attractiveness from the investment point of view is not always easy to achieve and we are conscious that, with limited resources within the Fund, we will not be able to offer investments to all companies that apply. Any dividends or profit the Institution makes will be reinvested into the Fund.

Entry criteria

The Stephenson Limited Liability Partnership Fund is independently managed by specialist venture capital company Midven Ltd. Midven’s role includes evaluating potential investment according to the following criteria:

- The technology uses a substantial element of mechanical engineering, and is highly innovative.
- Whilst there can be no single definition of innovation, an important part of creating and defending value in an innovative enterprise is usually the filing of patents. Midven would expect to see relevant Intellectual Property safeguards in place, usually in the form of filed patents.
- There is evidence that the invention can address a clear unmet market need. Generally this will take the form of customer joint development programmes, successful evaluations, or early sales.
- There is a suitable investment vehicle in which to invest ie a corporate entity such as a limited liability company.
- There is at least the core of a management team with relevant commercial experience.

If you feel your innovation projects meet these criteria, then the preferred route would be for you to contact Midven by e-mailing Mark White at mark.white@midven.co.uk with your business plan and explanation setting out the key elements of the opportunity.