

FOCUS ON Sunderland

Summer 2024

North East Fund

Supported by the European Regional
Development Fund



**Dozens of
Sunderland
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 the Sunderland

area have received investment from The North East Fund, some of which are profiled in this newsletter. **Advanced Electric Machines (AEM)**, a leader in sustainable motor manufacturing for the automotive industry, software-as-a-service provider **Clixifix**, energy and utilities broker **Troo**, **Maxim Facilities Management** and textiles manufacturer **Speedings** are all fine examples of the innovation that characterises today's thriving Sunderland business community.

Many companies from the area have also benefited from investments from our predecessor funds. **Clixifix** received initial investment from the JEREMIE fund in 2016 and a further £300,000 from the North East Innovation Fund in 2020, while **Hyperdrive Innovation** secured a significant investment from the JEREMIE fund to fast-track its battery management technology.

Both of these companies are profiled in more detail elsewhere in this newsletter.

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 James Holloway or 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.

Sunderland: a hotbed of innovation

Prof. James Widmer, CEO and co-founder
of Advanced Electric Machines



Forward-thinking, innovative Sunderland-based companies are playing a key role in turbo-charging the local economy with help from the North East Fund.

Our funds have invested in over 60 Sunderland based companies, 19 of which have secured cash from our Innovation Fund, which was established to invest in technology-focused businesses.

Advanced Electric Machines received an initial cash boost from the Innovation Fund in 2019 and a further £2.5 million in three funding rounds since then, culminating in a £23 million round in November 2023. The company, a leader in sustainable motor manufacturing primarily for the automotive industry, is using the funding to scale up production capacity at its Washington facility, bolster its R&D capabilities and deliver an ambitious growth plans to establish a global sales footprint.

Meanwhile, **Clixifix** received initial investment from the JEREMIE fund in 2016

and further investment from the Innovation Fund in 2020. The Houghton-le-Spring-based company – a software-as-a-service platform that enables aftercare teams in the construction sector to deliver more efficient defect management and repair services – used the funds to increase its corporate customer base to more than 250, boost the number of users of the platform to over 20,000, and create more than 20 new jobs. Earlier this year, Clixifix was acquired by Norwegian company SmartCraft in a move that will enable the North East firm to further grow its operations in Houghton-le-Spring and benefit from SmartCraft's presence across Europe.

Further back in time, **Hyperdrive Innovation** received an initial £120,000 investment from the JEREMIE fund in 2012, when it was a start-up company on the road to developing its innovative battery management technology. It received further significant investment from the JEREMIE fund as it grew and in 2021 was acquired by clean energy company Turntide Technologies. The US company invested over £100 million when it bought Hyperdrive, **Avid Technologies** (also a JEREMIE fund investee) and Borgwarner Gateshead and together they became Turntide's transport division, which aims to

streamline the electrification of commercial and industrial vehicles.

Turntide and Hitachi Rail have teamed up to form a partnership that will see the first trial of a battery powered train operate across the UK this summer. A powerful battery unit will be retrofitted onto a TransPennine Express train, with Hyperdrive's technology helping to improve energy efficiency, reduce emissions and fuel costs by up to 30%. It will also enable intercity trains to enter and leave non-electrified stations in battery mode to improve air quality and reduce noise pollution.

60 Sunderland firms have secured cash from the North East Fund

Max growth for facilities management firm



A facilities management specialist has hit a major revenue milestone after benefiting from financial investment.

Maxim Facilities Management recently hit the £15 million annual turnover mark after receiving cash from the JEREMIE Fund between 2013 and 2016 – a five-fold increase in revenue since the first investment.

The company, which specialises in independent contract cleaning and facilities management for clients including Hitachi, Quorn Foods and housing provider gentoo, now employs more than 1,500 people across its four UK locations and is aiming to become a £20 million turnover business by the end of 2025.

Graham Conway, founder and managing director of Maxim

The JEREMIE Fund helped Maxim hit £15m annual turnover

Triple win for Sunderland energy broker



Troo team members L-R Peter McLeod, Andrew Richardson and Rachel Richardson, with Alex Simpson of Mercia

Investment from the North East Venture Fund has benefited a Sunderland energy broker in multiple ways.

Troo first secured cash from the fund in 2018, two years after it started trading, and used the money to fund a move to bigger premises at Doxford International Business Park.

The company subsequently received a further £500,000 from the fund, which has helped it to bolster its senior management team and embark on a recruitment drive to hire a further 50 staff.

An energy and utilities broker, Troo specialises in helping SMEs reduce their energy costs and overheads.

Troo CEO Andrew Richardson:

“Energy is a big overhead for many organisations and Troo helps them save money and time with fair pricing and support. The Venture Fund’s investments enabled us to continue our high growth trajectory while continuing to deliver value for our customers.”

Speedings eyes rapid growth

A family textiles manufacturer is one of 25 Sunderland firms to benefit from the North East Small Loan Fund.

Speedings, which makes and supplies robust, innovative textile products for the emergency services and industrial clients, received a £100,000 loan from the fund in 2023. The company, which has Nissan and Rolls Royce on its roster of clients, is using the cash to support its product development plans and the evolution of a new knowledge transfer partnership with Sunderland University.

The goal now is to increase annual turnover by around 50 per cent over the next three years, with up to ten new jobs expected to be created during that period.



Robert Hammal, MD of Speedings, with Mike Guellard of NEL Fund Managers

Working together to spread the word



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 also 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 signpost companies to those programmes and provide guidance on how to access them, as well as venture capital and loan funding.

James Holloway focuses on Sunderland and holds drop-in sessions at the likes of Sunderland Software City and the Elephant Tea Rooms. James 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 Sunderland-based companies, on 0191 211 2300 or james.holloway@northeastfund.org

James provides guidance on the evolving business support landscape