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POINT4UK Ltd



Business Overview

ESTABLISHED: 2013

LOCATION: Grantham, Lincolnshire, UK

LISTING: Unlisted

TYPE OF COMPANY: For profit

NUMBER OF EMPLOYEES: < 10

BUSINESS AREA:

Vegetation management; Electricity;
Power Infrastructure

COMPANY WEBSITE:

www.point4uk.com

BUSINESS OVERVIEW

POINT4UK Ltd (Point 4) develops integrated vegetation risk management solutions for major infrastructure operators. The company's initial focus is on the electricity distribution sector and it will then expand into the rail, telecommunications, highway and port infrastructure sectors.

Point4's target markets are currently the UK and Ireland where the company offers a value added service to substantially mitigate risks of power outages. This saves the industry millions of pounds in fines for "Customer Minutes Lost", and substantially improves operational efficiencies.

Point4 has established partnerships with leading service providers and consultancies including Arbonaut (Finland) who specialise on the data processing, and EA Technology who are a major consultancy operating in the engineering services sector.

The company has acquired a complementary business called Pole Strengthening Systems Ltd (PSS). PSS has patented a system to prolong the life of distribution and telegraph poles by 20 years. The rights have been sold on licence to Babcock International PLC and the business has a further sales contract with them.

SOCIAL MISSION

Point4 was established to address the challenge of inefficient management of vegetation risks to critical infrastructure and alleviate the negative social and environmental impacts. Point4's core business model is to serve as an enabler of more efficient and effective vegetation management. The initial target market consists of electricity District Network Operators (DNOs), expanding to other infrastructure operators in the future.

Increasing rates of vegetation growth due to climate change has been identified as a major threat to the integrity of the UK power network (Energy Network Association, 2011). Furthermore, the Electricity Safety, Quality and Continuity Regulation mandates that 20% of the UK electricity network be made storm resilient over a 25 year period (SP Energy Networks, 2014). These challenges are unlikely to be addressed within the limited vegetation management budget afforded to DNOs by the regulator, currently set at £100 million per annum across the sector.

WHO BENEFITS?

ELECTRICITY CONSUMERS: Across the UK network, an average of 21,646 network interruptions occur each year specifically for the purpose of removing vegetation encroaching on Overhead Transmission Lines. Point4's solution aims to reduce the occurrence of planned and unplanned outages by approximately 50% with the ultimate aim of eliminating them entirely.

DISTRIBUTION NETWORK

OPERATORS: The solution enables DNOs to more effectively manage vegetation risks by predicting areas of the network that are likely to be at risk, and streamlining the process of removing risky vegetation before unplanned outages occur.

THE ENVIRONMENT: Surveillance of transmission and distribution lines typically requires using a combination of aircraft, typically a small helicopter, and ground staff on foot or in vehicles. Surveys of the entire 300,000km UK electricity transmission distribution network require aircraft operating over long periods every year, resulting in significant emissions of greenhouse gasses and air pollutants. Adoption of the Point4 system enables the frequency of aerial survey flights to be reduced by approx. 75%, therefore limiting environmental impact.

Commercial and Financial Summary

FINANCING

The company secured Enterprise Investment funding in the 4th Quarter of 2016 to enable it to reach operational capability, and has filed abbreviated unaudited accounts pursuant to the Companies Act 2006. The amounts appearing on the Balance Sheet and Income Statement for Financial Statements as at 31 May 2016 (latest available) are less than £500,000.

BUSINESS HIGHLIGHTS

The company completed its funding round in the last quarter of 2016 raising £350,000, to provide working capital following the development of proprietary technology.

In December Point4 acquired 100% equity of Pole Strengthening Support Ltd. PSS has patented a unique solution for preserving the life of the 60 million distribution and telegraph poles in the UK and Europe. The patent rights were sold under licence to Babcock International PLC.

A roadmap is underway for trials with UK Power Networks and Scottish & Southern Energy.

Due to efficiencies and savings of Point4 service, the Power Networks Demonstration Centre is working with Point4 to integrate the service into industry through its key members Scottish Power Energy Networks, Scottish & Southern Energy and UK Power Networks.

The company is now a member of techUK.

The company has completed a proposal to investigate the use of Earth Observation data for the management of vegetation in power line corridors in conjunction with Leicester University.

Point4 is developing a global infrastructure to transmit mission critical data from the field with the support of Inmarsat and Galaxy1, who are providing support services for geo-spatial data via the Inmarsat BGAN satellite network.

Impact Assessment Matrix

ECONOMIC IMPACT

	MEASUREMENT	REPORTED OUTCOME
Outage Restoration	Cost savings to DNOs associated with a reduction in planned and unplanned outages	To be reported

SOCIAL IMPACT

	MEASUREMENT	REPORTED OUTCOME
Electricity Supply	Number of end customers benefiting from Point4 technology	To be reported

ENVIRONMENTAL IMPACT

	MEASUREMENT	REPORTED OUTCOME
Gas Emissions	Metric Tons of greenhouse emissions avoided	To be reported
	Volume of water saved per year Metric Tons of air pollutant emissions avoided	To be reported

GOVERNANCE

	MEASUREMENT	REPORTED OUTCOME
Governance	Engagement with stakeholders: Utility Network and Infrastructure Operators, the Electricity Network Regulator (Ofgem), investors	Discussions with DNOs and regulatory bodies

MUST READ

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