



*Internet of things specialist IoT tracking devices  
(sims into hardware)*

**A brief explanation of the business opportunity for investing in  
Stonelin Communications Limited.**

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HM Revenue  
& Customs  
EIS Approved



The purpose of this document is to provide a short form synopsis reflecting the full Stonelin Communications Limited business plan. It provides a brief explanation of the technology sector the company is operating in, some recent development, the partnership with Orange Communications and a short form financial forecast.

The Directors have taken all reasonable care to ensure that the facts contained herein are true and accurate in all material aspects. However, it should be emphasised that this document is intended only as a preliminary short form explanation of the business. There may be other issues of importance to individual prospective lenders and investors who may make additional enquiries as they see necessary.

**Steven Stone BSc**  
Managing Director  
Stonelin Communications Limited

## **Introduction**

The internet of things, commonly abbreviated IoT, is presently the forefront technology in peoples' minds and provides enormous commercial opportunity.

The technology in its basic form involves extracting data from the outside world such as temperature, noise levels, motion, position, vibration, water levels and many other things. In fact, anything that can be measured.

Collecting such data requires specialist sensors remotely positioned, then there is the issue of accessing the data and interpreting it in a useful fashion and in some cases acting on this data to form a control system.

Stonelin have considerable experience in such technology gained through product development in another company the founding directors are involved in who recognised the opportunity to roll it out into a new commercial venture.

There are wide ranging economic forecasts for IoT from 1.5 trillion pounds (source, Further Research) by 2020, to 7 trillion pounds (source, International Data Corp) by 2020.

The numbers are vast and quite unimaginable. If this market achieves a small percentage of these forecasts then it presents a big opportunity for the Stonelin business sufficient to satisfy the company's very realistic and modest forecast.

## **Stonelin Communications Limited**

Stonelin Communications Limited was formed in order to design, develop and manufacture a range of electronic devices to capture useful data from the outside world and process this data into a useful format. This involves an eclectic range of skills associated with IoT technology namely, GPS,GPRS, M2M hardware, software design and app design gained by the directors through their investment and involvement in another company, Pettorway limited. This company was set up to develop and manufacture a range of pet tracking devices and is successfully running world wide. Over the past 2 years the Pettorway team have developed a significant knowledge of the technology associated with the development of such devices including GPS, GPRS, software, firmware and hardware and have embarked on developing real and profitable avenues in high volume sectors in order to further develop the technology commercially.

It became clear that as well as the pet tracking devices there are many other opportunities for this type of technology and hence the reason why Stonelin Communications was set up.

Several application areas were investigated and our initial idea centres on the time management of domiciliary care workers operating in the community, in a collaboration with a company operating in this market, Mediline, we developed a tracker ("W Trak") together with a supporting test website.

It was decided that the supporting infrastructure development cost was too high to make this the first project within the new company and we sought a product which could be taken to the market and subsequently generate rapid sales revenue. This product became the retrofit vehicle tracker known as "V-Trak". Additional to this we have the "D-Trak", a user friendly tracking device used to monitor and locate people suffering from dementia.

This provides the company with three specific projects which will be rolled out over the first three years of trading.

### **Vehicle Tracking - V-Trak**

V-Trak allows vehicle telematics to be accurately recorded and is primarily used for obtaining data from a vehicle and its driver.

Stonelin researched the market to discover that the vehicle tracking sector is a vast market serviced by a great number of companies both small and large. All of these companies have one thing in common, the trackers they offer have to be fitted by a specialist which normally involves the vehicle being off the road for a complete working day and an associated cost of between £250 and £500.

Many companies have large fleet operations which accumulate the cost both from a fitting point of view as well as off-road time and inconvenience, add this to the fact that vehicles are replaced periodically typically every two to three years, and the cost becomes massive.

The Stonelin vehicle tracker is powered from either the cigarette lighter or a USB connection in the vehicle. It is not intended for use as an anti-theft device but simply as a means to monitor vehicle location and driver vehicle performance and logistics (telematics). However, if the device is removed a warning will be sent to the monitor of the device.



*Actual unit picture  
(First sample)*



*Render design (USB modified design)*

The Stonelin UK development team have designed and developed a bespoke website in order to monitor and display all activities associated with the tracker [www.stonelincom.com](http://www.stonelincom.com)

### ***Our go-to-market strategy***

Target customers UK, Europe and the states are derived from companies operating medium to large fleets of vehicles, these will include commercial and standard cars. Such companies include hire companies, company fleet management, service companies such as deliveries, utilities and waste management.

The UK market alone is enormous, there are more than 27 million vehicles on the road and 3.2 million additions each year of which 60 percent are company vehicles.

## Dementia and Alzheimer's "lost person" tracking D-Trak

Stonelin's D-Trak design is an embedded tracker in a wrist watch device making it easier to wear and a relevant item to the wearer. The key factor in the design is that it will have a base station which is Bluetooth connected to the watch tracker. The base station acts as a charger, it will communicate with the tracker and allow it to stay in a low power consumption mode until a virtual fence set by the user's carer is breached. Once the fence is broken the tracking mode becomes active allowing the lost person to be tracked via a web platform or mobile app offering more than eight hours active tracking time.

The security of people exhibiting this condition is a major concern for relatives of the sufferers and can often lead to a complete change in lifestyle of both the sufferer and relative. In order to achieve any peace of mind, this often leads to the sufferer being institutionalised "just in case" he or she goes missing.

It is advertised that there are many devices in the market place which track lost people, however in practice this is not the case, the principle problem with any tracking device presently on the market is battery time and wearability.



Render designs.



base station

Watch type design in charger base station

It is a sad fact that dementia related illnesses are presently on the increase. Research is progressing well towards a cure however many families need a solution now to leaving their loved ones unattended and in the safest possible environment.

This is a definitive solution, it works. If the person wearing it leaves their secure and safe environment then a nominated relative or carer is alerted and tracking from the app or website can be instigated immediately. Battery life "on the move" will be 8-10 hours which is more than ample time in order to locate the person.

Every day in the UK alone there are more than 600 people diagnosed with dementia related symptoms, that's 25,000 each and every year.

Research towards a cure is extremely active and regularly reported in the media, however this does not offer a solution to the real and present every day needs for existing and newly diagnosed people and their families who are trying to lead as normal a daily life as possible.

People suffering with this disease are normally able to live relatively independent lives, particularly in the early and mid-stages of diagnosis and development. However, it is essential that relatives and carers are able to locate these people both for peace of mind and security of wellbeing. The D-Trak

solution can offer this peace of mind and hence in an ideal world all sufferers should be equipped with such technology.

### ***Our go-to-market strategy***

D-Trak is in its early stage of development however our relationship with major care provider, Mediline, has identified a need for the product in the market place. We are aiming the product at namely the aged population which provides a good collaborative entry to the market.

### **Non- interactive workforce management system, for domiciliary care workers – W-Trak**

W-Trak is a non-interactive time management system that has been developed for workers operating in the domiciliary care market.

Carers operating in the domiciliary care sector are usually employed by local authorities via a third-party company to provide care to people with a variety of needs. A carer often visits a person in his or her home usually for periods varying from 30 minutes, which is repeated a number of times per day.

There are three different “states” the carer can be in:-

1. Outdoors on the move from location to location
2. Indoors and carrying out care duties
3. Gap between visits exceeding 30 minutes which would constitute a break period.

Primarily information is collected by the tracker, notably position and time. Using these variable factors together with constants such as pay scales, algorithms can be generated to provide useful information for quantities and qualitative interpretation such as periodic salary, efficiency, reporting and accountability.

Presently a manual or at best semi-manual system is operated which can cause disputes between the various contributing parties with regard to actual time spent caring for a person. W-Trak is a GPS tracking device carried by the carer incorporating GPRS and RFID which provides a completely non-interactive way of determining the time and location of the carer. The data is accessible remotely via a web based platform of mobile app. Ultimately the data can then be used to calculate salaries as well as pay scale compliance.



*Initial Render ideas*



*first prototype*

### ***Our go-to-market strategy***

W-Trak has wide applicability in different industries. We have identified a niche in the nursing and carers industry. Elderly care in the UK is funded by local government but provided by private care companies. There are often disputes regarding the actual billing time and the current system is costly.

W-Trak simplifies communication between local government care companies and carers by allowing correct tracking of working and travelling time and simplifying the recording of billable hours.

We have been working very closely with a company called Mediline who operate more than 1500 carers in the community. Our W-Trak device has been developed through close collaboration with Mediline who are carrying out field testing and will be the first customer for this product.

### **Why invest in us**

The reason to invest in Stonelin Communications Limited is that we have an established “turnkey” team with a proven track record of delivering new technology products to the market place.

We have a product already developed and an established market place. Following on from investment revenue can rapidly be generated, utilising the funds for support infrastructure building and not just “research and development”.

Stonelin have been accepted to participate in the Enterprise Investment Scheme, which provides an excellent proposition for the high rate tax paying investors.

### **Short Term Objectives**

To date the directors have invested through Pettorway Limited and their own funds in order to instigate the start-up of the projects. Hardware prototypes of the V-Trak and W-Trak have been designed and samples made for testing and carry out feasibility studies. A test server has been commissioned and a trial software platforms developed to process data.

Following investment we will increase both the technical and sales staffing levels and focus on sequentially developing the product to production in order to rapidly generate sales revenues as detailed in the financial forecast and in order to support on-going project development.

### **Growth through leveraged partnership**

The directors understand some businesses are able to be grown organically through development and trade, however this is not possible in high volume commercial sectors such as the communications industry which requires cutting edge technology ideas to be converted into multimillion volume device production and the players within the sector need to have the means and resource to implement this.

Stonelin have been able to develop the primary ideas and products on the back of its other self-funded sister company Pettorway Limited (Inc.), The company has developed preliminary technology as the basis for this business plan and is looking to “turn it into a business” through raising investment and strategic partnership.

## Orange Communications Limited

Orange provides connectivity on which the platform is run and will continue to provide support to existing and all new products. It is hoped that ideas and introductions will continue to flow from Orange. They have already made a number of introductions to both new project potential and logistics partners to assist the growth. Stonelin are in turn able to offer Orange the quickest possible solution to a connected hardware opportunity.

### Financial summery

The table below shows a snap shot of the financial performance for the company's first three years' development and trading.

| Year             | 2017-18 (£ k) | 2018-19 (£ k) | 2019-20 (£ k) |
|------------------|---------------|---------------|---------------|
| Sales Revenue    | 1,102         | 2,503         | 4,680         |
| Direct Costs     | 446           | 1,037         | 1,729         |
| Gross Profit     | 655           | 1,455         | 2,951         |
| Overheads        | 510           | 586           | 694           |
| Net profit trade | 145           | 869           | 2,257         |

*Note forecast is for effectively Three Years trading*

### Investment

Stonelin Communications Limited is looking for equity funding to the sum of between £250,000 and £1,000,000 for which it is offering an equity stake in the issued voting shares of the company of between 10% to 40%. At the end of the third year of trading the company forecasts an annual profit of £1,774,000 resulting in a total estimated value for the business of £14 Million (8 times multiple minimum). At this point the directors and shareholders would look to consider a suitable exit route through a trade sale of IPO or a continued expansion of the company through strategic acquisition and partnership.

### Summary

Stonelin Communications Limited represents an investment opportunity in a growing market sector, namely the connected and Internet of things, M2M market specifically starting with the vehicle telematics market and progressing through development to addressing significant issue such as dementia and work force time management. All of which will generate progressive cash flow and accumulative development funds.

### References

|                    |   |
|--------------------|---|
| Video presentation | <a href="https://www.youtube.com/watch?v=HLkFHIWRmVI">https://www.youtube.com/watch?v=HLkFHIWRmVI</a>                   |
| Invesdor           | <a href="https://www.invesdor.com/en/pitches/800?ref=stonelin">https://www.invesdor.com/en/pitches/800?ref=stonelin</a> |
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