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Sustainable Hockerton Limited  
Director's Report

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Turbine in distance as seen from Southwell.

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Directors Report  
for year-end 31st March 2021, including updates to 31st August 2021  
Presented at the AGM on the 2<sup>nd</sup> October 2021  
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Picture: by Simon Tilley

**Authors:** Simon Tilley in conjunction with other directors

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# **1. Introduction**

Sustainable Hockerton Limited (SHL) has had another successful year with the turbine operating more reliably subsequent to the major repairs last year. The Photovoltaic (PV) arrays continued to operate well. We have received income from the sale of electricity, certificates and the Feed in Tariff via Good Energy Ltd. The two newer PV systems receive their tariff from Ecotricity.

In this financial year some surplus was again retained, interest paid out to members and money allocated to village sustainability.

Hockerton Housing Project Trading limited has continued to manage the day to day running of the Society, turbine and PV system.

This report sets out the environmental, social and economic impacts of the Society. It covers the period from 1<sup>st</sup> April 2020 to the 31<sup>st</sup> March 2021 with some updates to the end of August 2021.

## **2. Directors and Members**

### **Directors at Financial Year End:**

Bryan William Norris (Chair)

Simon Robert Tilley, (Secretary and Treasurer)

Geeta Lakshmi

Edward Compton

Jenny Piercy

Last year two directors stood down, Geeta Lakshmi and Bryan Norris, both stood for re-election and were re-elected at the AGM.

This year Simon Tilley and Jenny Piercy will stand down at the AGM and both will stand for re-election.

### **Membership**

There were no changes of members.

Members at beginning of year 79

Members ceased during year 2

Members admitted during year 1

Members at end of year 78

### **Members joining**

Richard McCane

### **Members leaving**

Mr Terry Tilley

Mr Christopher Richardson

### 3.Environmental Report

#### 3.1. Energy and Carbon Dioxide

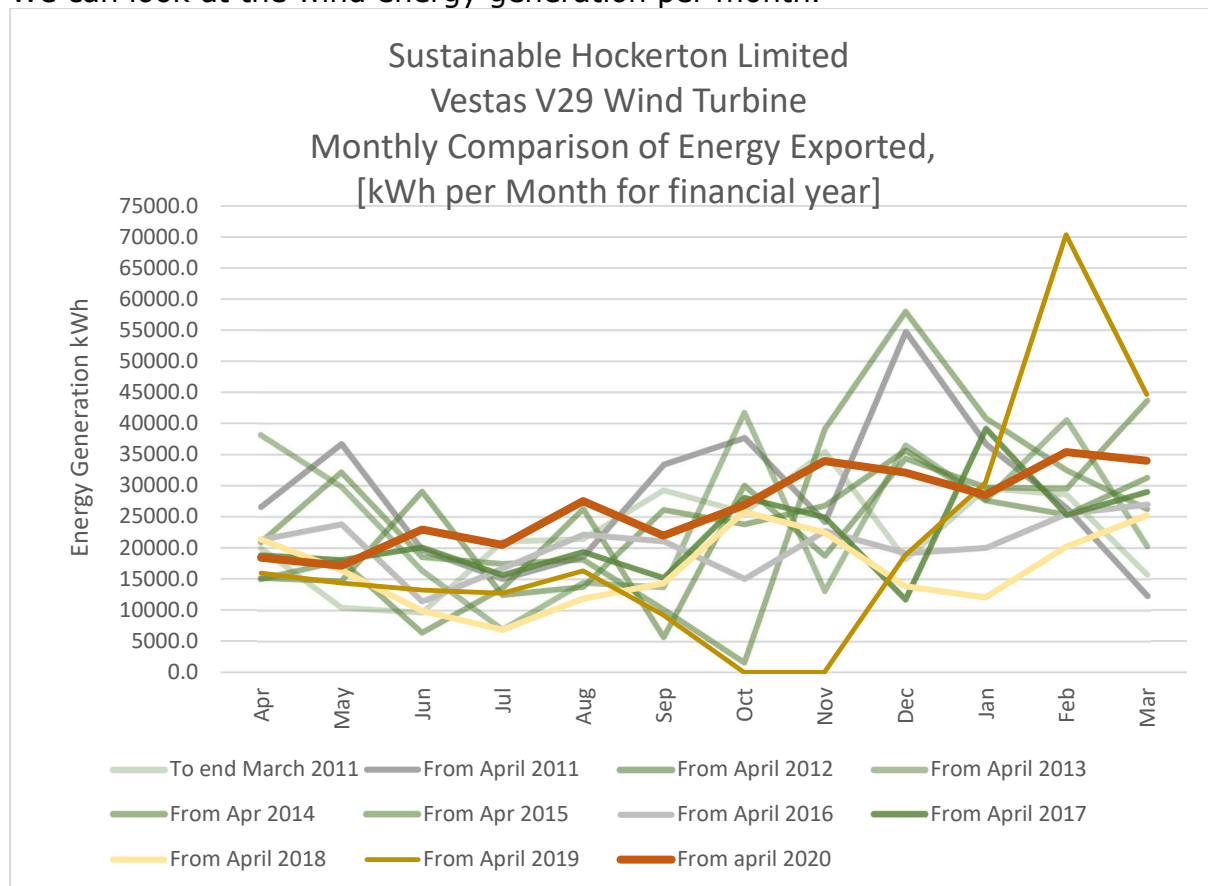
To assess the environmental benefit of the turbine and PV systems we can look at the electrical energy produced from the wind and sun and the Carbon Dioxide displaced from the grid.

**Table 1 - Energy generation and Carbon Dioxide displaced**

	<b>This financial year, To end March 2021</b>	Previous financial year
Energy produced Turbine [kWh]	<b>319189</b>	245969
Energy produced PV [kWh]	<b>84545</b>	87 690
Displaced Carbon Dioxide Equivalent Total [tonnes]	<b>86</b>	86

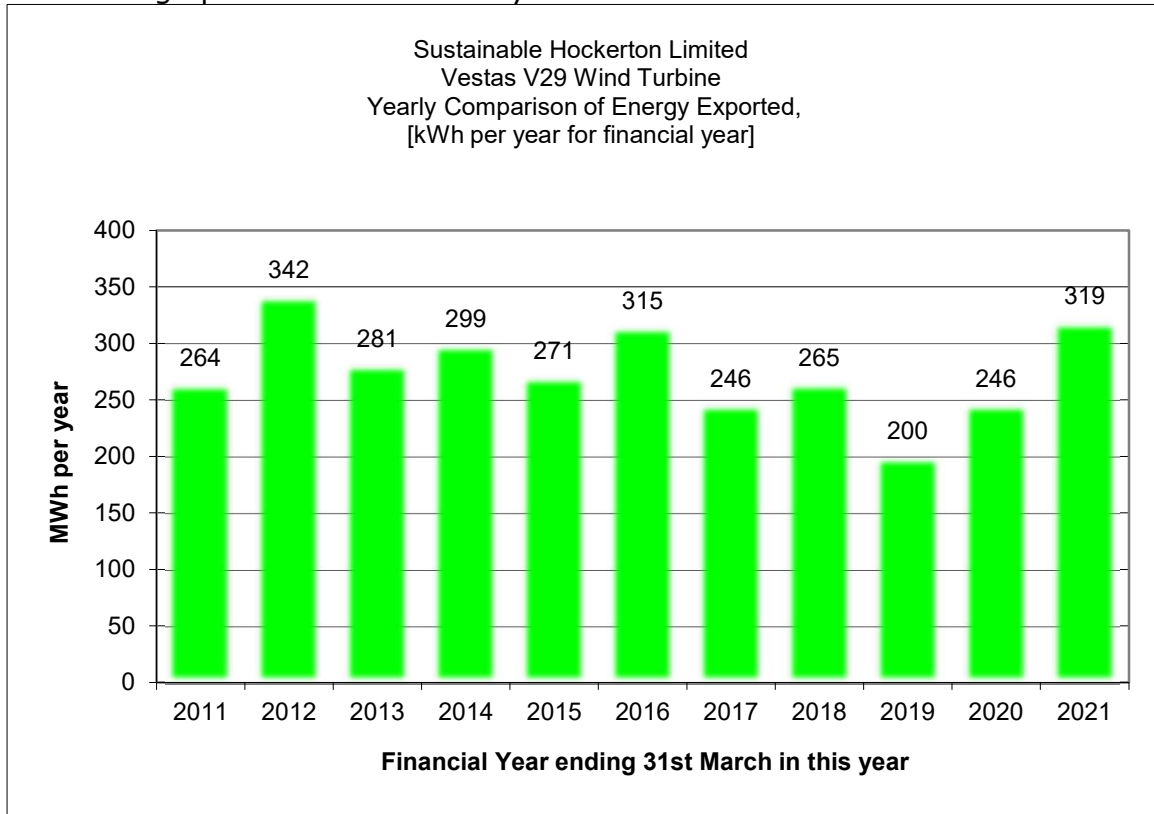
Using data from: <http://www.ukconversionfactorscarbonsmart.co.uk/> UK electrical generation 0.212 kg CO<sub>2e</sub>

We can look at the wind energy generation per month.



And we can look at the energy generation per year from the turbine.

The average production for all 11 years is 277 142 kWh.

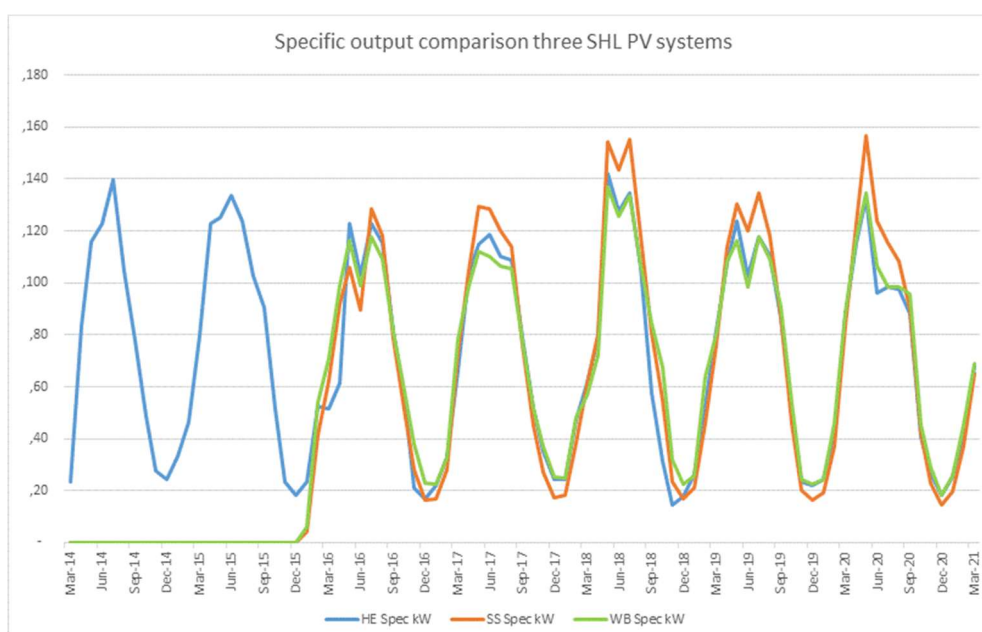


## PV generation:

There are multiple sites in operation so to make a fair comparison the specific output for each system is now given. Specific output here is the energy produced from 1 kW of the particular system across the year. So, for example a 50kW system can be viewed as 50 sets of a 1 kW system, so if in a year the 50kW system made 45000kWh of energy then each 1 kW makes 900kWh calculated from 45 000 divided by 50.

Specific output from the PV installations below per year and by month. Showing full year data only:

<b>Specific output in kWh per kW</b>			
	Hockerwood Eggs	Stormsaver	Grange Centre Wellbeing
2014 15	905		
2015 16	919		
2016 17	821	824	877
2017 18	879	880	858
2018 19	870	970	953
2019 20	900	927	902
2020 21	848	918	903



## **4. Social Report**

### **4.1. Background**

Sustainable Hockerton has continued to engage the local community and others further afield.

Below we set out the work undertaken this year to keep the community and shareholders involved in our efforts to help develop Hockerton as a sustainable community, to share lessons with others, and our impact on local employment.

### **4.2. Support for Village**

Support continued for community initiatives this year. See section 5.2 for financial details.

We continued with the offer of £200 for each household per year towards environmental improvements such as electric bikes and insulated curtains or up to £500 for insulating their house eg loft insulation. We supported local people learning about sustainability by subsidising their attendance on Hockerton Housing Project's Sustainable Living Tours, 11 people attended.

The verge on the Hockerton to Southwell road has been cut, funded by Sustainable Hockerton. This more frequent cutting than agreed by the council, has enabled people to walk more safely and easily along that route. This has had positive feedback in village meetings.

The village spent £2987.95 this year. See Financial Report below for details. Funds have been retained for use in more sustainable investment in the village as opportunities arise.

### **4.3. Presentations/Talks/Media/Outreach/Research**

Presentations on SHL have been given by directors and members in the year. These include a Hockerton Housing Project's Renewable Energy Master Class for students from Nottingham Trent University and elements of HHP Trading's Sustainable Living tour.

Our website is updated with news and output graphs. the website in the last calendar year has averaged 3658 hits/m. The "Story So Far" document has been downloaded at a rate of 43 times a month, the "Invitation to Invest" 25 times per month and the Village Survey 21 times per month.



## **4.4. Employment**

Hockerton Housing Project has project-managed the running of the turbine. To achieve this approximately 26 days of work was required. This was split between the Society's administration 21 days, turbine management 2 days, PV management 2 days and helping support village sustainability projects 1 days. This is all local labour and thus will help to support the local economy.

In addition, there has been the unpaid input from the directors attending meetings; there have been 3 directors' meetings.

## **5. Financial Report**

The income from the turbine and PV systems continued with enough being made to start to replace our reserve. The reserve is there either for potential repairs, investment in new capital items and/or savings for the potential repayment of shareholders. Interest payments were also made and some money was allocated towards village sustainability. A proportion of the village's allocation from previous years still remains in the SHL bank account.

### **5.1. Background**

The wind turbine's electrical generation was sold to Good Energy Limited and FiT received. At Hockerwood eggs the PV array's electricity was sold to Hockerwood Eggs Ltd and the grid, income was also received from the FiT. We have two other PV installations at The Grange Centre and Stormsaver Ltd both in Hockerton and have a similar arrangement except they have a deemed export and not a metered export. The leases for both of these are still to be finalised. Good Energy and Ecotricity are the conduit for the various certificates of production eg REGOs and Feed in Tariff. The sale of electricity and the value of the certificates creates our income stream.

### **5.2. Summary**

For the year ending March 2021, our turnover was £113 291 and the surplus after tax was £54 312 (See note 2 of the Financial Statements). Interest was paid to members at 5.5% on 30<sup>th</sup> June 2020 totalling £13 122. This is seen as an expense in the profit and loss account and is subtracted before the surplus is calculated. Expenses also included wind turbine depreciation totalling £15 445.

In 2020 we allocated £1,000 and in June 2021 £13 000 to supporting sustainability in the village, this brought the total allocation since inception to £66 188. The total amount spent by the end of March 2021 was £41 951. By the end of May 2021, the total spend was still £42 723 leaving £23 465 allocated to the village but still not spent and in our account.

The fixed assets stood at £138 790. Net current assets were £243 087 of which cash at the bank and in hand £220 012.

### **5.3. Accounting period**

The accounting period covered by the financial reports is from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

## **5.4. Allocation of Monies**

Initially the Societies rules stated how the application of surplus was to be made and the invitation to invest outlined how revenue would ideally be spent. In 2016 new guidance was sought from members, following this the directors plan to save about one third of the turbines value to potentially repay investors after 15 to 20 years from the date of the turbines purchase. The other two thirds being targeted at investments in the form of generation equipment or other revenue generation from carbon reduction activities.

## **5.5. Interest Payments and distribution of Surplus**

This year the directors will ask the members at the AGM in October 2021 to ratify the interest payment made to members in June 2021 of 7%. The process of ratification is out of sync with the accounts. The June payment of 7% will be recorded in the accounts of the financial year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. The accounts presented in the 2021 AGM show the interest payment of 5.5% which was ratified at the 2020 AGM and related to the 19 - 20 financial year.

Directors will also ask for the ratification of the distribution of any surplus detailed in the accounts. Note that this differs from the amount the directors allocate, as not all of the allocation will have been spent. The allocation last year was £1 000 and in June this year was £13 000.

## **5.6. Investments in other organisations**

Our cash is held in two different banks: The Cooperative bank and Triodos Bank. We have also invested in the Brighton Energy Coop, Community Orchard Coop and Energise Africa Bond "BBOX".

## 5.7. Income, Expenditure and financial position

Income and Expenditure Account, and Statement of Financial Position are taken from unaudited financial statements for the year end 31<sup>st</sup> March 2021.

Sustainable Hockerton Ltd Trading Profit and Loss Account For The Year Ended 31 March 2021				
	2021		2020	
	£	£	£	£
<b>TURNOVER</b>				
Electricity		23,622		23,701
Certificates		89,669		64,173
		<u>113,291</u>		<u>87,874</u>
<b>COST OF SALES</b>				
Rental of site	2,750		1,975	
Meter rental	656		552	
Electricity usage	2,275		2,545	
Turbine maintenance	7,490		48,602	
		<u>(13,171 )</u>		<u>(53,674 )</u>
<b>GROSS PROFIT</b>		<b>100,120</b>		<b>34,200</b>
<b>Administrative Expenses</b>				
Village sustainability	3,278		5,783	
Insurance	2,633		3,447	
Accountancy fees	979		1,175	
Management fees	10,454		10,999	
Share interest	13,122		14,250	
Subscriptions	567		220	
Depreciation of fixtures and fittings	4,720		4,720	
Depreciation of leasehold land and property	15,445		15,445	
Sundry expenses	60		19	
		<u>(51,258 )</u>		<u>(56,058 )</u>
<b>Other Operating Income</b>				
Other income - contributing to other operating income	4,274		802	
		<u>4,274</u>		<u>802</u>
<b>OPERATING PROFIT/(LOSS)</b>		<b>53,136</b>		<b>(21,056)</b>
Loss on revaluation of investments	-		(2,975 )	
			<u>-</u>	<u>(2,975)</u>
<b>Other interest receivable and similar income</b>				
Bank interest receivable	1,176		1,106	
		<u>1,176</u>		<u>1,106</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>54,312</b>		<b>(22,925)</b>
<b>Tax on Profit/(loss)</b>				
Corporation tax charge	7,648		-	
Deferred taxation	(1,118)		(4,356)	
Prior year adjustment	-		(66)	
		<u>(6,530)</u>		<u>4,422</u>
<b>PROFIT/(LOSS) AFTER TAXATION BEING PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>47,782</b>		<b>(18,503 )</b>

**Sustainable Hockerton Ltd**  
**Abridged Balance Sheet**  
**As at 31 March 2021**

Registered number: IP30660R

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	4		127,098		147,263
Investments	5		11,692		19,525
			138,790		166,788
<b>CURRENT ASSETS</b>					
Debtors		33,605		43,148	
Cash at bank and in hand		220,012		135,279	
			253,617		178,427
<b>Creditors: Amounts Falling Due Within One Year</b>		(10,530)		(10,002)	
			243,087		168,425
<b>NET CURRENT ASSETS (LIABILITIES)</b>			243,087	168,425	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			381,877	335,213	
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred Taxation			(17,846)		(18,964)
<b>NET ASSETS</b>			364,031	316,249	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	6		234,250		234,250
Profit and Loss Account			129,781		81,999
<b>SHAREHOLDERS' FUNDS</b>			364,031	316,249	

## 5.8. Financial Backing and Contracts

We are grateful to Hockerton Housing Project for their continued management input and reduced project management rates.

We buy and sell our electricity for the turbine with Good Energy Ltd. Sales and purchasing both operate under a 1-year contract term. The current rate paid by them for electricity in summer is £46.61 per MWh peak rate and £39.98 per MWh off peak rate and in winter £63.11 and £51.23 respectively. They have been chosen partly because of their ethical credentials. We pay for import 13.09p per kWh peak rate and 11.05p per kWh off peak. (In other words, £130.90 per MWh and £110.50 per MWh respectively)

We sell electricity to the local businesses that host our PV systems. Currently all three pay at a rate set to one quarter of the hosts day time import rate. In the case of Hockerwood Eggs we also bill Good Energy for export per kWh exported whereas the other two systems receive a deemed export amount per kWh.

## 5.9. Income Predictions

It is likely that the bulk of the future income of the generators will be from the Feed in Tariff payments in the near future.

Feed in Tariff current rates are:

<b>Generator</b>	<b>Feed in Tariff</b> (£/MWh) at end of financial year
Wind turbine	251.19
Hockerwood Eggs PV	144.66
Stormsaver PV	129.7
The Grange Centre PV	129.7

These are index linked and will be in place until 1<sup>st</sup> October 2029 for the wind generator and 16<sup>th</sup> March 2034 for the Hockerwood Eggs PV system. The Grange Centre and Stormsaver site will run till 15<sup>th</sup> December 2035. Our income is therefore relatively secure for this period barring operational failure.

Income predictions are difficult because we depend on factors such as the wind speed for the year, reliability of production and grid reliability. Any allocation of money will be decided by the directors in post at the time. It will have to cover savings for running repairs, saving for investor repayment, interest payments to investors and ideally an amount to the village to reduce carbon emissions still further.

Corporation tax is starting to be paid on income.

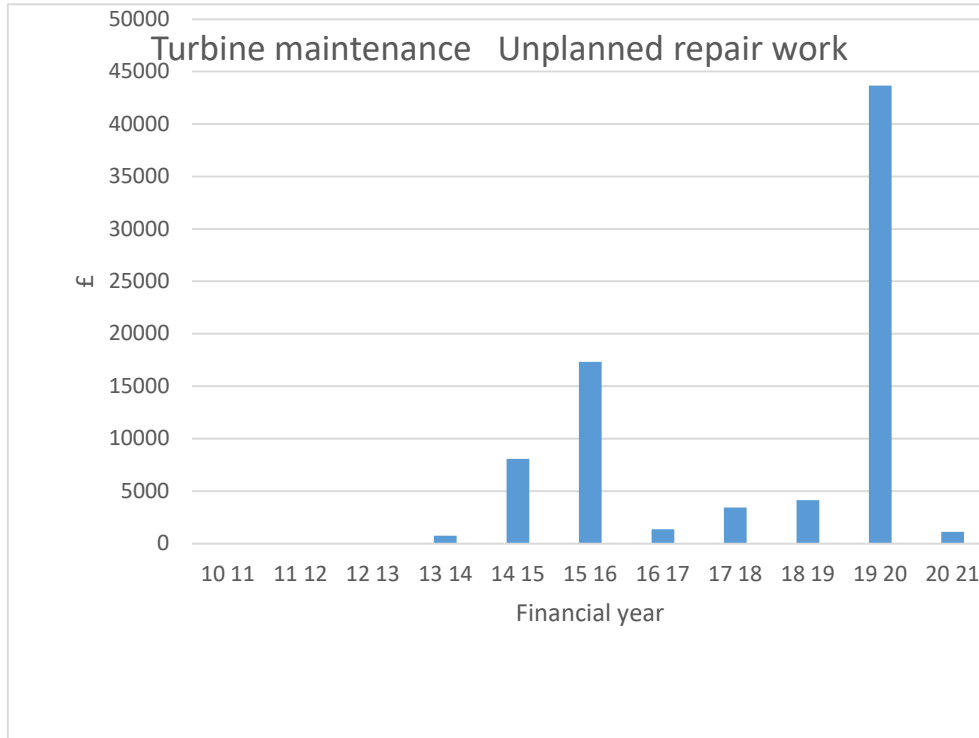
## 5.10. Bankers and Insurers

<p><b>The Co-operative Bank</b> PO Box 250 Delf House Southway Skelmersdale WN8 6WT</p>	<p><b>Zurich Insurance plc</b>  Policy Number: XAO1220548453  Renewal Date: 6th October 2021</p>
<p><b>Triodos Bank NV</b> Deanery Road Bristol BS1 5AS</p>	

## 6. Technical update

### 6.1. Operation Reliability

Below is a graph of maintenance costs for unplanned repairs:



The turbine has increased output by 27% relative to its November 2019 repairs. Calculated by comparing output before and after to a similar local turbine.

The turbine has been regularly serviced. We have a service team from Spectrum Wind Services Ltd based in Nottingham.

ONYX InSight have continued monitoring instantaneous output and the link can be found at the bottom of the page on our web site:

<http://sustainablehockerton.org/community-energy/wind-turbine/>

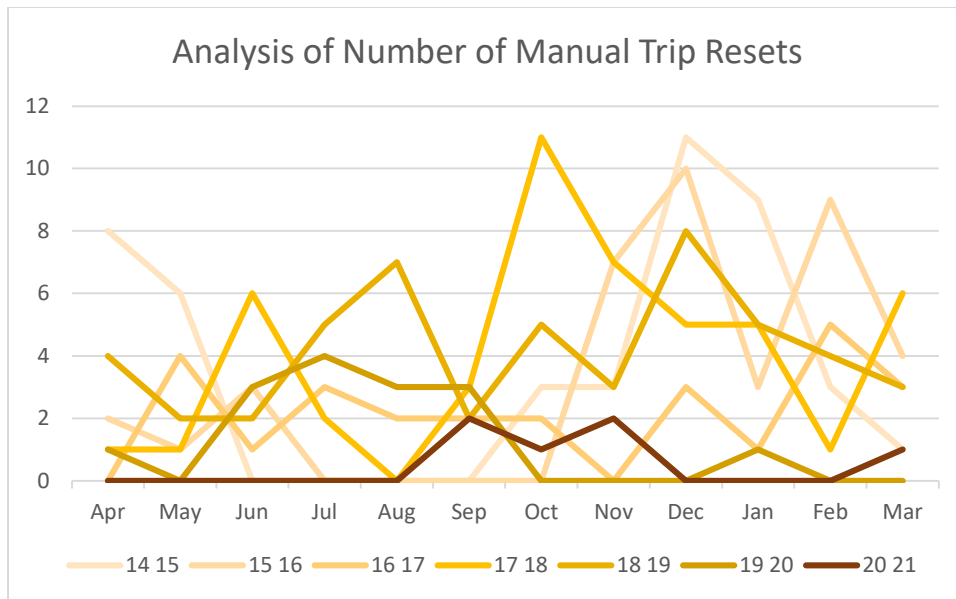
or directly using this link:

<http://hockerton.romaxinsight.com/hockerton/>

No break-ins occurred.

The G59 now automatically resets and Spectrum Wind Services can reset some faults remotely. However, the turbine itself can trip and some of these cannot currently be reset automatically or remotely. The number of such trips is graphed below by financial years.





In 20 21 the number of trips has decreased from average again.

Outputs from all the PV systems are monitored and alarms set via "meters on line" <https://secure.ss4meteronline.co.uk/index.html> should output fail.

The two PV systems installed in the Parish and Hockerwood Eggs are running well.

The leases still need to be completed for both sites. The Stormsaver lease renewal has been delayed due to Covid. The Hockerton Grange roof requires the owner to complete a land registry change caused by probate issue. Once this is complete our lease will be progressed.

A fourth PV installation is currently being scoped but with slow progress.