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Sustainable Hockerton Limited  
Director's Report

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Turbine in distance as seen north of the turbine.



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Directors Report  
for year-end 31st March 2022, including updates to 31st August 2022  
Presented at the AGM on the 1<sup>st</sup> October 2022  
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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. The Photovoltaic (PV) arrays continued to operate well although a repair was necessary to an inverter. 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 2021 to the 31<sup>st</sup> March 2022 with some updates to the end of August 2022.

## **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, Simon Tilley and Jenny Piercy, both stood for re-election and were re-elected at the AGM.

This year Edward Compton and Bryan Norris will stand down at the AGM and both will stand for re-election.

### **Membership**

There was one change of membership.

Members at beginning of year 78

Members ceased during year 1

Members admitted during year 0

Members at end of year 77

### **Members joining**

None

### **Members leaving**

Mrs Aileen Colinson

### 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.

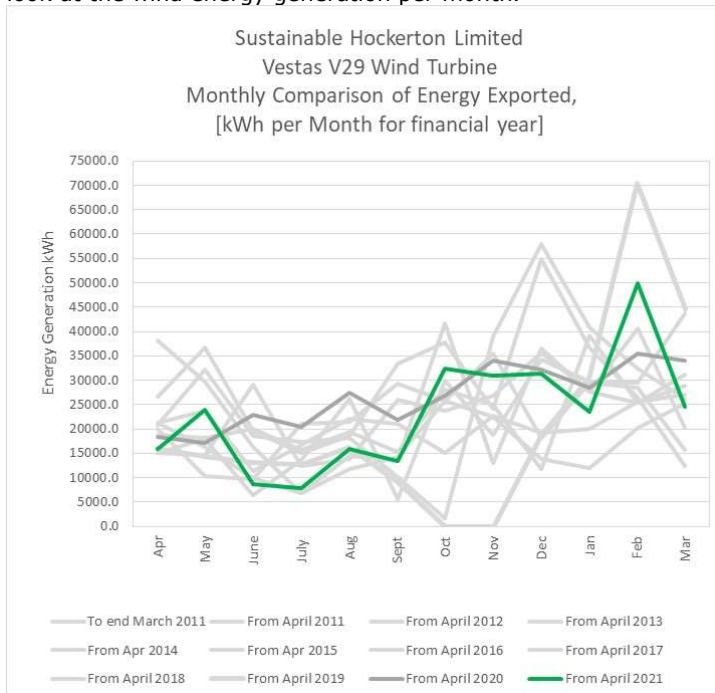
**Table 1 - Energy generation and Carbon Dioxide displaced**

	<b>This financial year, To end March 2022</b>	Previous financial year
Energy produced Turbine [kWh]	<b>305721</b>	319189
Energy produced PV [kWh]	<b>73287</b>	84545
Displaced Carbon Dioxide Equivalent Total [tonnes]	<b>73</b>	86

Using data from: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting#conversion-factors-2016> UK electrical generation 0.212 2021, kg CO<sub>2</sub>e 0.193 kg CO<sub>2</sub>e 2022

**Commented [TS1]:** Take the figures from the link below and my spreadsheets: "C:\Users\User\OneDrive\HHP REM\SHL or SHOCK Sustainable Hockerton\MONTHLY INVOICING AND PRODUCTION\Production records"

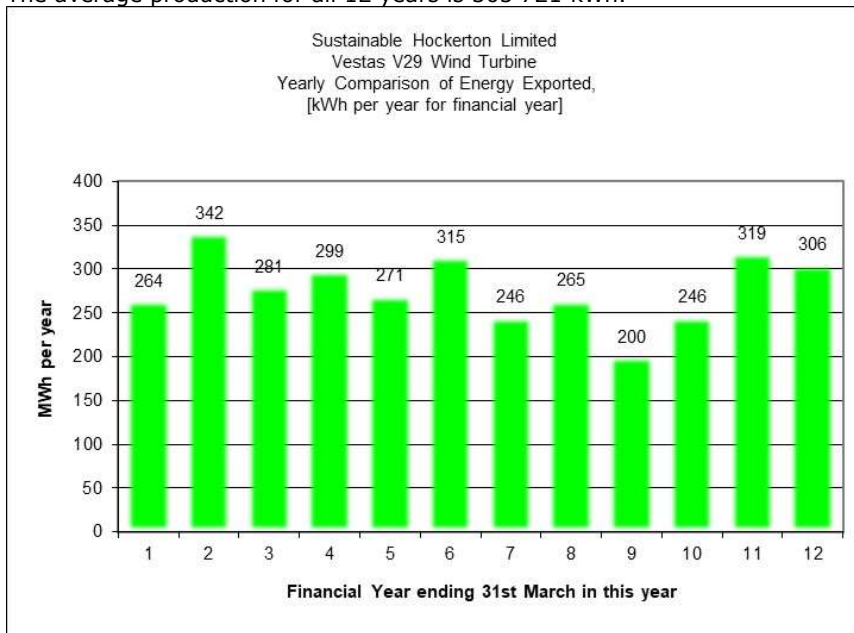
We can look at the wind energy generation per month.



**Commented [TS2]:** <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting#conversion-factors-2016>

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

The average production for all 12 years is 305 721 kWh.

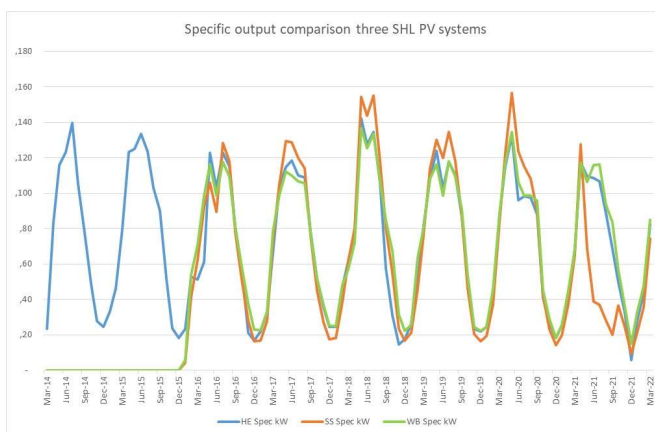


PV generation:

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 numerically calculated from 45 000 divided by 50.

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

Specific output in kWh per kW	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
2021 22	849	522	908



## 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, 62 people attended.

Commented [TS3]: Quickbooks and spreadsheet village pot

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 £4242 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, Coventry 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 5471 hits/m. The eligible items list for things supported by SHL in the village 29 hits/m. The "Story So Far" document has been downloaded at a rate of 57 times a month, the "Invitation to Invest" 55 times per month and the Village Survey 16 times per month.

Commented [TS4]: Use <http://www.sustainablehockerton.org> then type /cpanel



#### **4.4. Employment**

Hockerton Housing Project has project-managed the running of the turbine. To achieve this approximately 25 days of work was required. This was split between the Society's administration 21 days, turbine management 1 days, PV management 1 days and helping support village sustainability projects 2 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 2022, our turnover was £110 220 and the surplus after tax was £34 798 (See note 3 of the Financial Statements). Interest was paid to members at 7% in June 2021 totalling £16 468. 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 £15 417.

In 2021 we allocated £13 065 (This year in June 2022 £24 389) to supporting sustainability in the village, this brought the allocation since inception to £66 188 (£90 577 to June 2022). The total amount spent by the end of March 2022 was £46 194 leaving £19 994 allocated to the village but still not spent and in our account.

The fixed assets stood at £126 743. Net current assets were £285 304 of which cash at the bank and in hand £257 434.

### **5.3. Accounting period**

The accounting period covered by the financial reports is from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

## **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 2022 to ratify the interest payment made to members in June 2022 of 7.5%. The process of ratification is out of sync with the accounts. This payment of 7.5% will be recorded in the accounts of the financial year 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. The accounts presented in the October 2022 AGM show the interest payment of 7% which was ratified at the 2021 AGM and related to the 20 - 21 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 £13 000 and in June this year was £24 389.

## **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 , Energise Africa Bond "BBOX" and the Bristol Energy Cooperative.

## 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 2022.

**Sustainable Hockerton Ltd**  
**Trading Profit and Loss Account**  
**For The Year Ended 31 March 2022**

	2022		2021	
	£	£	£	£
<b>TURNOVER</b>				
Electricity		24,679		23,622
Certificates		85,541		89,669
		<b>110,220</b>		<b>113,291</b>
<b>COST OF SALES</b>				
Rental of site	5,783		2,750	
Meter rental	552		656	
Electricity usage	2,874		2,275	
Turbine maintenance	12,029		7,490	
		<b>(21,238)</b>		<b>(13,171)</b>
<b>GROSS PROFIT</b>		<b>88,982</b>		<b>100,120</b>
<b>Administrative Expenses</b>				
Village sustainability	3,916		3,278	
Insurance	3,591		2,633	
Accountancy fees	1,175		979	
Professional fees	253		-	
Management fees	10,192		10,454	
Share interest	15,714		13,122	
Subscriptions	257		567	
Bad debts written off	25		-	
Depreciation of fixtures and fittings	4,722		4,720	
Depreciation of leasehold land and property	15,453		15,445	
Sundry expenses	11		60	
		<b>(55,309)</b>		<b>(51,258)</b>
<b>Other Operating Income</b>				
Other income - contributing to other operating income	5,020		4,274	
		<b>5,020</b>		<b>4,274</b>
<b>OPERATING PROFIT</b>		<b>38,693</b>		<b>53,136</b>
<b>Other interest receivable and similar income</b>				
Bank interest receivable	2,887		1,176	
		<b>2,887</b>		<b>1,176</b>
<b>PROFIT BEFORE TAXATION</b>		<b>41,580</b>		<b>54,312</b>
<b>Tax on Profit</b>				
Corporation tax charge	11,330		7,648	
Deferred taxation	(4,548)		(1,118)	
		<b>(6,782)</b>		<b>(6,530)</b>
<b>PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR</b>		<b>34,798</b>		<b>47,782</b>

**Sustainable Hockerton Ltd**  
**Balance Sheet**  
**As at 31 March 2022**

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	4		107,201		127,098
Investments	5		19,542		11,692
			<b>126,743</b>		<b>138,790</b>
<b>CURRENT ASSETS</b>					
Debtors	6	42,704		33,605	
Cash at bank and in hand		257,434		220,012	
		<b>300,138</b>		<b>253,617</b>	
<b>Creditors: Amounts Falling Due Within One Year</b>	7	<b>(14,754 )</b>		<b>(10,530 )</b>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<b>285,384</b>		<b>243,087</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>412,127</b>		<b>381,877</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred Taxation			(13,298 )		(17,846 )
<b>NET ASSETS</b>			<b>398,829</b>		<b>364,031</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		234,250		234,250
Profit and Loss Account			164,579		129,781
<b>SHAREHOLDERS' FUNDS</b>			<b>398,829</b>		<b>364,031</b>

## **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 £91.72 per MWh peak rate and £79.90 per MWh off peak rate and in winter £148.49 and £118.33 respectively. They have been chosen partly because of their ethical credentials. We pay for import 25.92p per kWh peak rate and 20.06p per kWh off peak. (In other words, £259.20 per MWh and £206.60 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

In the near future It is likely that the bulk of the income of the generators will be from the Feed in Tariff payments however as electricity prices rise proportionately more income will be received from this revenue stream seven years.

Feed in Tariff and energy sales rates:

<b>Generator</b>	<b>Energy Sales</b> (£/MWh) at end of financial year	<b>Feed in Tariff</b> (£/MWh) at end of financial year
Wind turbine	79 to 148	254.2
Hockerwood Eggs PV	58.1	146.4
Stormsaver PV	55.7	129.7
The Grange Centre PV	55.7	129.7

These FIT rates 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 being paid on income and will be : **£11 329.89**

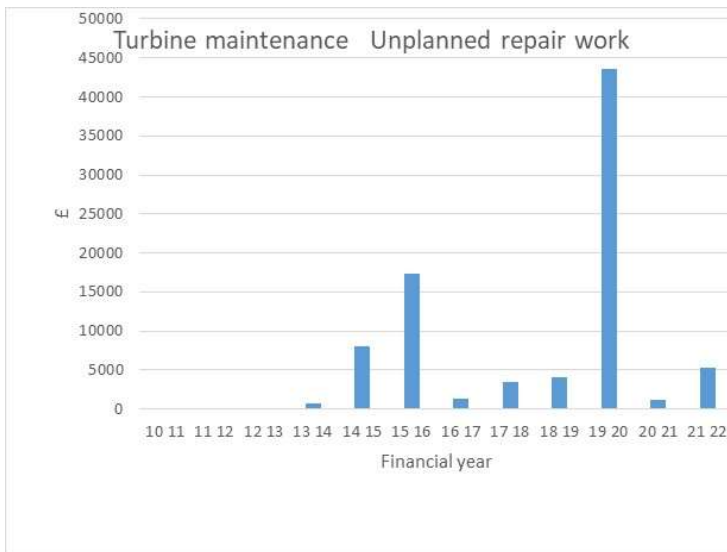
## 5.10. Bankers and Insurers

<b>The Co-operative Bank</b> PO Box 250 Delf House Southway Skelmersdale WN8 6WT	<b>Zurich Insurance plc</b>  Policy Number: XAO1220548453 Renewal Date: 6th October 2022
<b>Triodos Bank NV</b> Deanery Road Bristol BS1 5AS	

## 6. Technical update

### 6.1. Operation Reliability

Below is a graph of maintenance costs for unplanned repairs:



**Commented [TS5]:** C:\Users\User\Documents\Sustainable Hockerton\Management\Company type - Constitution Governance\AGM\Record of maintenance costs\Turbine maintenance Unplanned repair work.xlsx

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:

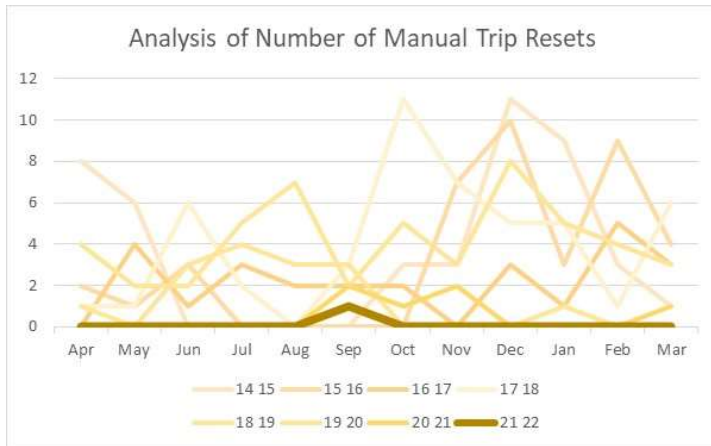
<http://hockerton.romaxinsight.com/hockerton/>

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.

**Commented [TS6]:** C:\Users\User\Documents\Sustainable Hockerton\Turbine technical\Monitoring\Analysis of resets on turbine.xlsx





In 21 22 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 although one inverter in the Stormsaver system did need replacing.

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

A fourth PV installation at Beermats Brewing in Winkburn is currently being scoped but with slow progress.