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Sustainable Hockerton Limited  
Director's Report

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Directors Report  
for year-end 31st March 2023, including updates to 31st August 2023  
Presented at the AGM on the 23<sup>rd</sup> September 2023  
Version 0.0

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Date issued: 23<sup>rd</sup> September 2023

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Picture: by Spectrum

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## **1. Introduction**

Sustainable Hockerton Limited (SHL) has had another successful year with very good income made due to the increased value of electricity. The turbine operated reliably. The Photovoltaic (PV) arrays continued to operate well too, except for an inverter replacement at Hockerwood eggs.

We have received income from the sale of electricity, certificates and the Feed in Tariff (FIT) via Good Energy Ltd. The two newer PV systems receive their FIT 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 2022 to the 31<sup>st</sup> March 2023 with some updates to the end of August 2023.

## **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, Edward Compton and Bryan Norris, both stood for re-election and were re-elected at the AGM.

This year Geeta Lakshmi and Jenny Piercy 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 77

Members ceased during year 0

Members admitted during year 0

Members at end of year 77

### **Members joining**

None

### **Members leaving**

None

### 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 2023</b>	Previous financial year
Energy produced Turbine [kWh]	<b>285234</b>	278193
Energy produced PV [kWh]	<b>80324</b>	73287
Displaced Carbon Dioxide Equivalent Total [tonnes]	<b>76</b>	68

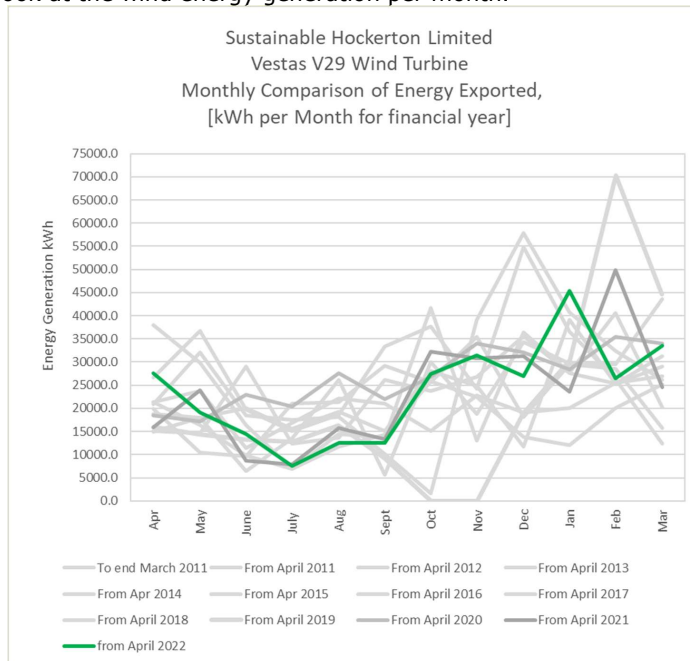
NB error in 2022 turbine production figure in last report stated as 305721 but was actually 278193 also carbon corrected. Using data from: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting#conversion-factors-2016> UK electrical generation 0.207 2023, kg CO<sub>2</sub>e was 0.193 kg CO<sub>2</sub>e

**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"

**Commented [TS2R1]:** SHL meter readings prouction data submitted to OFGEM

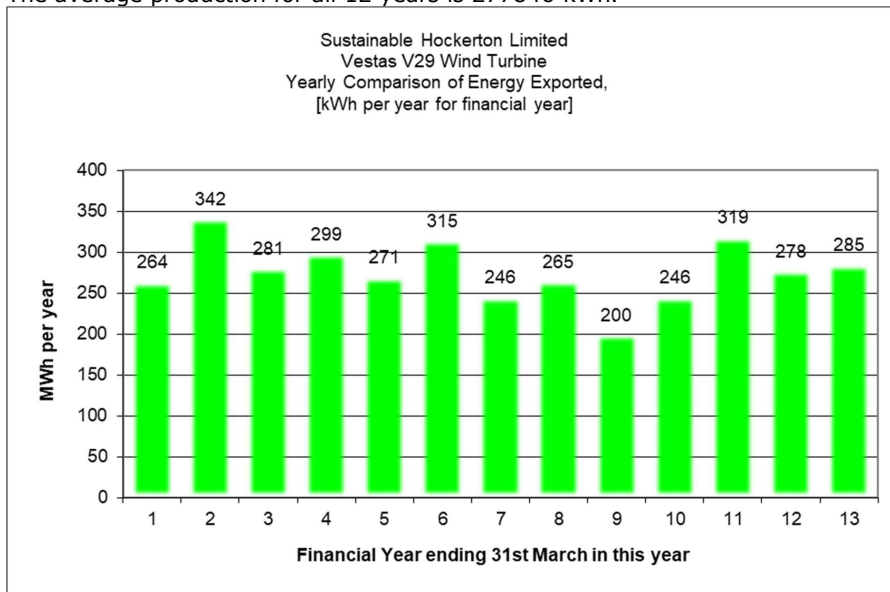
**Commented [TS3]:** <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting#conversion-factors-2016>

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 12 years is 277846 kWh.



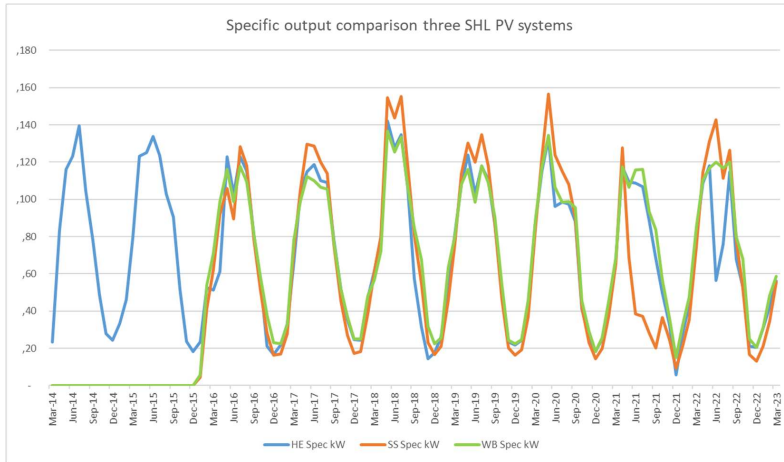
PV generation:

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	840	522	908
2022 23	765	897	915

Commented [TS4]: Taken from:  
 Commented [TS5R4]: SHL PV meter readings production data



New inverter West Shed at Hockerwood eggs. (Blue line above shows when it was replaced.)





## 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 increased the small grant offer to £300 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, 23 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 £7063 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.

The website is now assessed using "plausible.io" tools and produces the following graph for the years page views by month:



Commented [TS6]: Quickbooks and spreadsheet village pot

Commented [TS7]: Quickbooks village pot and SHL Interest Surplus village pot estimate Current V3

Commented [TS8]: <https://plausible.io>  
[simon@hockertonhousingproject.org.uk](mailto:simon@hockertonhousingproject.org.uk)  
123S\*\*\*\*\* \*\*\*? My first name

#### **4.4. Employment**

Hockerton Housing Project has project-managed the running of the turbine. To achieve this approximately 30 days of work was required. 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 increase 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 £165 611 and the surplus after tax was £63 645 (See note 3 of the Financial Statements). Interest was paid to members at 7.5% in June 2022 totalling £18 116. 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.

Commented [TS9]: See accounts from accountant page 4

In 2022 we allocated £24 389 (This year in June 2023, £30 820) to supporting sustainability in the village, this brought the allocation since inception to £90 577 (£121 397 to June 2023). The total amount spent by the end of March 2023 was £52 923 leaving £68 404 allocated to the village but still not spent and in remaining in our account.

The fixed assets stood at £112 551. Net current assets were £365 249 of which cash at the bank and in hand £331 316.

### 5.3. Accounting period

The accounting period covered by the financial reports is from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

## **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 September 2023 to ratify the interest payment made to members in June 2023 of 8%. The process of ratification is out of sync with the accounts. This payment of 8% will be recorded in the accounts of the financial year 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. The accounts presented in the September 2023 AGM show the interest payment of 7.5% which was ratified at the 2022 AGM and related to the 21 - 22 financial year.

Directors will also ask for the ratification of the distribution of any surplus detailed in the accounts. Note that this surplus described as profit in the accounts differs from the amount the directors allocate to the village, as not all of the allocation will have been spent. The allocation last year was £24 389 and in June this year was £30 820.

## **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,
- Bristol Energy Cooperative
- Schools Energy Cooperative
- Orchard Community Energy Coop

## 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 2023**

	2023		2022	
	£	£	£	£
<b>TURNOVER</b>				
Electricity		84,684		24,679
Certificates		80,927		85,541
		165,611		110,220
<b>COST OF SALES</b>				
Rental of site	4,742		5,783	
Meter rental	886		552	
Electricity usage	3,040		2,874	
Turbine maintenance	8,521		12,029	
		(17,189)		(21,238)
<b>GROSS PROFIT</b>		148,422		88,982
<b>Administrative Expenses</b>				
Village sustainability	7,063		3,916	
Insurance	3,639		3,591	
Accountancy fees	1,065		1,175	
Professional fees	-		253	
Management fees	13,708		10,192	
Share interest	18,116		15,714	
Subscriptions	410		257	
Bank charges	30		-	
Bad debts written off	-		25	
Depreciation of fixtures and fittings	4,738		4,722	
Depreciation of leasehold land and property	15,445		15,453	
Entertaining	325		-	
Sundry expenses	2		11	
		(64,541)		(55,309)
<b>Other Operating Income</b>				
Other income - contributing to other operating income	1,723		5,020	
		1,723		5,020
<b>OPERATING PROFIT</b>		85,604		38,693
<b>Other interest receivable and similar income</b>				
Bank interest receivable	(196)		2,887	
		(196)		2,887
<b>PROFIT BEFORE TAXATION</b>		85,408		41,580
<b>Tax on Profit</b>				
Corporation tax charge	19,735		11,330	
Deferred taxation	2,028		(4,548)	
		(21,763)		(6,782)
<b>PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR</b>		63,645		34,798

**Sustainable Hockerton Ltd  
Balance Sheet  
As At 31 March 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	4		87,551		107,201
Investments	5		25,000		19,542
			112,551		126,743
<b>CURRENT ASSETS</b>					
Debtors	6	63,478		42,704	
Cash at bank and in hand		331,316		257,434	
		394,794		300,138	
<b>Creditors: Amounts Falling Due Within One Year</b>	7	(29,545)		(14,754)	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			365,249		285,384
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			477,800		412,127
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred Taxation			(15,326)		(13,298)
<b>NET ASSETS</b>			462,474		398,829
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		234,250		234,250
Profit and Loss Account			228,224		164,579
<b>SHAREHOLDERS' FUNDS</b>			462,474		398,829

## 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 £178.54 per MWh peak rate and £118.07 per MWh off peak rate and in winter £564.35 and £213.99 respectively. They have been chosen partly because of their ethical credentials. We pay for import £493.20, £386.8, £724.40 and £493.20 per MWh Summer peak/off peak and Winter peak/off peak.

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

The bulk of the income has been from the Feed in Tariff payments however this year sale value of electricity was just more than certificate income for the first time. See profit and loss account. The individual rates illustrate this:

Commented [TS10]: Rates are found from

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	178 to 564	273.3
Hockerwood Eggs PV	131.05	157.40
Stormsaver PV	59.9	139.40
The Grange Centre PV	59.9	139.40

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 : **£19 735**

## 5.10. Bankers and Insurers

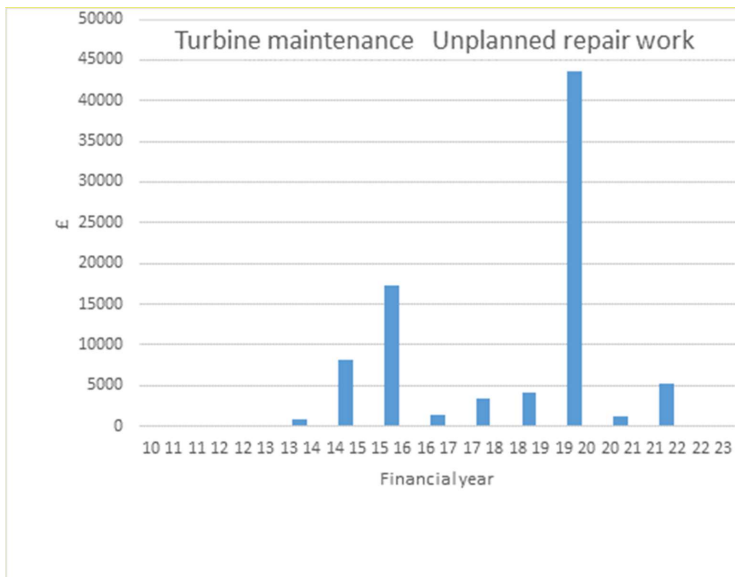
<b>The Co-operative Bank</b> PO Box 250 Delf House Southway Skelmersdale WN8 6WT	<b>Zurich Insurance plc</b>  Policy Number: XAO1220548453 Renewal Date: 6th October 2023
<b>Triodos Bank NV</b> Deanery Road Bristol BS1 5AS	



## 6. Technical update

### 6.1. Operation Reliability

Below is a graph of maintenance costs for unplanned repairs:



**Commented [TS11]:** 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/>

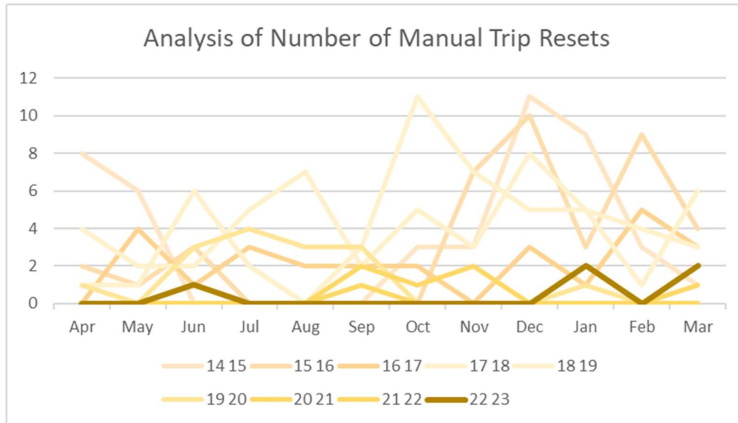
or directly using this link:

<https://hockerton.onyxinsight.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 [TS12]:** C:\Users\User\Documents\Sustainable Hockerton\Turbine technical\Monitoring\Analysis of resets on turbine.xlsx



In 22 23 the number of trips was 5, historic average 26 last year <sup>1</sup>.

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 the other 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 has had phase 1, installed in September 2023 and is up and running. Contract is to be signed.

**Commented [TS13]:** Location "C:\Users\User\Documents\Sustainable Hockerton\Management\Company type - Constitution Governance\AGM\Record of maintenance costs and trip resets"