

**Sports Turf Research Institute
Limited (The) (A Company Limited
by Guarantee)**

Unaudited Report and Financial Statements

Year Ended

31 December 2016

Company Number 499164



Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Company Information

Directors	M Godfrey ACMA LA Penrose
Registered number	499164
Registered office	St Ives Estate Bingley West Yorkshire BD16 1AU
Accountants	BDO LLP 3 Hardman Street Manchester M3 3AT

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Contents

	Page
Directors' Report	1
Accountants' Report	2
Income and Expenditure Account	3
Balance Sheet	4 - 5
Notes to the Financial Statements	6 - 15

Sports Turf Research Institute Limited (The) (A Company Limited by Guarantee)

Directors' Report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016. The financial statements have been prepared for the period from 28 December 2015 to 31 December 2016.

Principal activity

The principal activity of the company is that of sports and amenity turf consultancy.

Results and dividends

The loss for the year, after taxation, amounted to £1,332 (2015 - profit £16,789).

The directors do not recommend the payment of a dividend (2015 - £nil).

Directors

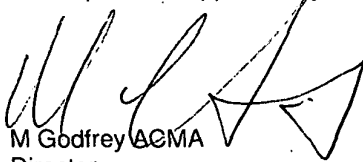
The directors who served during the year were:

DJ Lewin (resigned 31 December 2016)
Professor S Sanderson (resigned 31 January 2017)
GH Smith (resigned 31 December 2016)
DR IG McKillop (appointed 13 June 2016, resigned 31 January 2017)
M Godfrey ACMA
LA Penrose

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26/09/2017 and signed on its behalf.



M Godfrey ACMA
Director

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Chartered Accountants' Report to the Board of Directors
on the unaudited financial statements of Sports Turf Research Institute Limited (The) for the year end
31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sports Turf Research Institute (The) for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made solely to the board of directors of Sports Turf Research Institute (The), as a body, in accordance with the terms of our engagement letter dated 4 April 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Sports Turf Research Institute (The) and state those matters that we have agreed to state to the board of directors of Sports Turf Research Institute (The), as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sports Turf Research Institute (The) and its board of directors as a body for our work or for this report.

It is your duty to ensure that Sports Turf Research Institute (The) has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Sports Turf Research Institute (The). You consider that Sports Turf Research Institute (The) is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Sports Turf Research Institute (The). For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



BDO LLP
Manchester
United Kingdom

26 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Income and Expenditure Account
For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		381,144	467,123
Gross profit		381,144	467,123
Administrative expenses		(364,936)	(457,101)
Operating profit		16,208	10,022
Interest payable and expenses		(136)	-
Profit before tax		16,072	10,022
Tax on profit		(17,404)	6,767
(Loss)/profit for the year		(1,332)	16,789
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(1,332)	16,789

The notes on pages 6 to 15 form part of these financial statements.

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)
Registered number: 499164

Balance Sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	1,566,280	1,649,964
Investments	7	1,000	1,000
		<u>1,567,280</u>	<u>1,650,964</u>
Current assets			
Stocks	8	82,637	96,295
Debtors: amounts falling due within one year	9	110,943	126,609
Cash at bank and in hand		46,816	28,463
		<u>240,396</u>	<u>251,367</u>
Creditors: amounts falling due within one year	10	(516,891)	(267,307)
Net current liabilities		<u>(276,495)</u>	<u>(15,940)</u>
Total assets less current liabilities		<u>1,290,785</u>	<u>1,635,024</u>
Creditors: amounts falling due after more than one year	11	(33,500)	(411,692)
Provisions for liabilities			
Deferred tax	12	(35,285)	-
		<u>(35,285)</u>	<u>-</u>
Net assets		<u><u>1,222,000</u></u>	<u><u>1,223,332</u></u>

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Registered number: 499164

Balance Sheet (continued)
As at 31 December 2016

	Note	2016 £	2015 £
Capital and reserves			
Profit and loss account		1,222,000	1,223,332
		<u>1,222,000</u>	<u>1,223,332</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



M Godfrey ACMA
 Director

26/09/2017

The notes on pages 6 to 15 form part of these financial statements.

Sports Turf Research Institute Limited (The)

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Sports Turf Research Institute (The) (the "Company") is a private company limited by guarantee and incorporate and domiciled in the United Kingdom with registered office at St Ives Estate, Bingley, West Yorkshire, BD16 1AY. The nature of the company's operations and its principal activities is disclosed in the Directors' Report. The financial statements have been prepared for the period from 28 December 2015 to 31 December 2016.

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up whilst he is a member or within one year after he ceases to be a member for payments of the debts and liabilities of the Institute contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Consolidation

The company is not required to prepare consolidated accounts as the group headed by the company qualifies as a small group.

2.3 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers during the year.

2.4 Finance costs

Finance costs are charged to the Income and Expenditure Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Sports Turf Research Institute Limited (The)

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- 125 years
Buildings and glasshouses	- 20 years
Office, laboratory equipment and vehicles	- 5 years
Computer equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income and Expenditure Account.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Sports Turf Research Institute Limited (The)

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.10 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

Government grants are included within accruals and deferred income in the Balance Sheet and credited to the Income and Expenditure Account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GB Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income and Expenditure except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

Sports Turf Research Institute Limited (The) (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income and Expenditure Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	-	6,000

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2016

4. Employees

The average monthly number of employees, including the directors, during the year was 6 (2015 -9).

5. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	19,261	(6,767)
Adjustments in respect of previous periods	(37,142)	-
	<u>(17,881)</u>	<u>(6,767)</u>
Total current tax	<u>(17,881)</u>	<u>(6,767)</u>
Deferred tax		
Origination and reversal of timing differences	(1,244)	-
Adjustments in respect of previous periods	38,678	-
Changes to tax rates	(2,149)	-
Total deferred tax	<u>35,285</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>17,404</u>	<u>(6,767)</u>

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2016

6. Tangible fixed assets

	Long-term leasehold property £	Trial Grounds £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2016	1,738,542	307,868	15,092	112,060	2,173,562
Additions	-	811	-	-	811
At 31 December 2016	1,738,542	308,679	15,092	112,060	2,174,373
Depreciation					
At 1 January 2016	178,290	218,156	15,092	112,060	523,598
Charge for the period on owned assets	40,682	43,813	-	-	84,495
At 31 December 2016	218,972	261,969	15,092	112,060	608,093
Net book value					
At 31 December 2016	1,519,570	46,710	-	-	1,566,280
At 31 December 2015	1,560,252	89,712	-	-	1,649,964

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2016

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	1,000
At 31 December 2016	<u>1,000</u>
Net book value	
At 31 December 2016	<u>1,000</u>
At 31 December 2015	<u>1,000</u>

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
STRI Limited	UK	Ordinary Shares	100 %	Sports and amenity turf consultancy

The registered office of STRI Limited is St Ives Estate, Bingley, West Yorkshire, BD16 1AU.

Sports Turf Research Institute Limited (The) (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2016

7. Fixed asset investments (continued)

Indirect Subsidiary undertakings and Joint Ventures

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
STRI Australia Pty Ltd	Australia	Ordinary Shares	100 %	Sports and amenity turf consultancy
Sports and Turf Consultants (Australia) Ltd	Australia	Ordinary Shares	100 %	Sports and amenity turf consultancy
Aspire Sports Turf *	Qatar	Ordinary Shares	30 %	Sports and amenity turf consultancy
Sustainable Water and Drainage Systems Limited *	UK	Ordinary Shares	50 %	Water management solutions

* Joint Venture

The registered office of STRI Australia Pty Ltd is Redlands Research Station, 26-40 Delancey Street, PO Box 327, 4163 Cleveland, Queensland, Australia. The registered office of Sports Turf Consultants (Australia) Pty is Unit 112, 45 Gilby Road, Mt Waverley, Victoria 3149, Australia.

The registered office of Aspire Sports Turf is Hessa Compound, Villa 5, Al, Doha, Qatar.

The registered office of Sustainable Water and Drainage Systems Limited is Linton House Cann Lane South, Appleton, Warrington, Cheshire, WA4 5NJ .

The aggregate of the share capital and reserves as at 31 December 2016, or the latest published accounts date, and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
STRI Limited	1,899,720	605,740
STRI Australia Pty Ltd	6,622	6,078
Sports and Turf Consultants (Australia) Ltd	(140)	26,125
	<u>1,906,202</u>	<u>637,943</u>

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2016

8. Stocks

	2016 £	2015 £
Work in progress	<u>82,637</u>	<u>96,295</u>

9. Debtors

	2016 £	2015 £
Trade debtors	97,165	113,140
Prepayments and accrued income	13,778	13,469
	<u>110,943</u>	<u>126,609</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,245	4,171
Amounts due to subsidiary undertakings	322,505	-
Corporation tax	19,261	2,967
Other taxation and social security	10,467	15,529
R & A loan	-	40,000
Accruals and deferred income	162,413	204,640
	<u>516,891</u>	<u>267,307</u>

During the year the R & A loan was fully repaid.

11. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts due to subsidiary undertakings	-	411,692
Accruals and deferred income	33,500	-
	<u>33,500</u>	<u>411,692</u>

Sports Turf Research Institute Limited (The)
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2016

12. Deferred taxation

	2016 £
At beginning of year	-
Charged to profit or loss	35,285
At end of year	35,285

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	35,285

13. Contingent liabilities

The company guarantees the bank loan borrowings of STRI Limited, a subsidiary undertaking. At 31 December 2016 these amounted to £383,518 (2015 - £400,000).

14. Pension commitments

The company operates a defined contribution pension scheme.

At the year end contributions of £nil (2015: £557) in respect of the company were payable to the scheme and are included in creditors.