

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

Directors' Report and Unaudited

Financial Statements

Year Ended

31 December 2017

Company Number 499164



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

**Company Information**

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

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

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

**Directors' Report**  
**For the Year Ended 31 December 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

**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 £76,267 (2016 - loss £1,332).

The directors do not recommend the payment of a dividend (2016 - £nil).

**Directors**

The directors who served during the year were:

Professor S Sanderson (resigned 31 January 2017)  
DR IG McKillop (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

28/09/2018

and signed on its behalf.

Director



LEE PENROSE

**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 2017**

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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 Limited (The) for the year ended 31 December 2017 which comprise the income and expenditure account, the statement of financial position 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 in 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 Limited (The), as a body, in accordance with the terms of our engagement letter dated 23 March 2016. Our work has been undertaken solely to prepare for your approval the accounts of Sports Turf Research Limited (The) and state those matters that we have agreed to state to the board of directors of Sports Turf Research Limited (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 Limited (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 Limited (The) has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Sports Turf Research Limited (The). You consider that Sports Turf Research Limited (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 Limited (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 statutory accounts.



**BDO LLP**  
Manchester  
United Kingdom

*28 September 2018*

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 2017**

	Note	2017 £	2016 £
Turnover		-	381,144
<b>Gross profit</b>		<u>-</u>	<u>381,144</u>
Administrative expenses		(83,028)	(364,936)
<b>Operating (loss)/profit</b>		<u>(83,028)</u>	<u>16,208</u>
Interest payable and expenses		-	(136)
<b>(Loss)/profit before tax</b>		<u>(83,028)</u>	<u>16,072</u>
Tax on (loss)/profit		6,761	(17,404)
<b>Loss for the financial year</b>		<u><u>(76,267)</u></u>	<u><u>(1,332)</u></u>

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 16 form part of these financial statements.

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

**Statement of Financial Position**  
**As at 31 December 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	5	1,483,252	1,566,280
Investments	6	1,000	1,000
		<u>1,484,252</u>	<u>1,567,280</u>
<b>Current assets</b>			
Stocks	7	-	82,637
Debtors: amounts falling due within one year	8	-	110,943
Cash at bank and in hand		1,772	46,816
		<u>1,772</u>	<u>240,396</u>
Creditors: amounts falling due within one year	9	(800)	(516,891)
<b>Net current assets/(liabilities)</b>		<u>972</u>	<u>(276,495)</u>
<b>Total assets less current liabilities</b>		<u>1,485,224</u>	<u>1,290,785</u>
Creditors: amounts falling due after more than one year	10	(124,166)	(33,500)
<b>Provisions for liabilities</b>			
Deferred tax	11	(28,524)	(35,285)
		<u>(28,524)</u>	<u>(35,285)</u>
<b>Net assets</b>		<u><u>1,332,534</u></u>	<u><u>1,222,000</u></u>
<b>Capital and reserves</b>			
Profit and loss account		1,332,534	1,222,000
		<u><u>1,332,534</u></u>	<u><u>1,222,000</u></u>

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

**Statement of Financial Position (continued)**  
**As at 31 December 2017**

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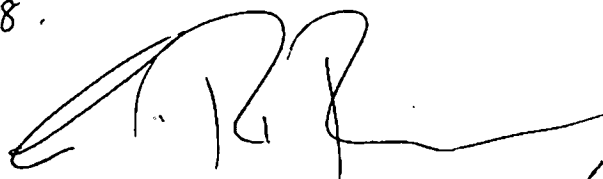
The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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  
28/04/2018.

Director



LEE PENROSE

The notes on pages 8 to 16 form part of these financial statements.



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

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2017**

	Profit and loss account £	Total equity £
At 1 January 2017	1,222,000	1,222,000
Comprehensive income for the year		
Loss for the year	(76,267)	(76,267)
<b>Total comprehensive income for the year</b>	<b>(76,267)</b>	<b>(76,267)</b>
Contributions by and distributions to owners		
Capital contribution	186,801	186,801
<b>Total transactions with owners</b>	<b>186,801</b>	<b>186,801</b>
<b>At 31 December 2017</b>	<b>1,332,534</b>	<b>1,332,534</b>

The notes on pages 8 to 16 form part of these financial statements.

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

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2016**

	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
<b>At 1 January 2016</b>	<b>1,223,332</b>	<b>1,223,332</b>
<b>Comprehensive income for the year</b>		
Loss for the year	(1,332)	(1,332)
<b>Total comprehensive income for the year</b>	<b>(1,332)</b>	<b>(1,332)</b>
<b>At 31 December 2016</b>	<b>1,222,000</b>	<b>1,222,000</b>

The notes on pages 8 to 16 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 2017**

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#### **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.

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's accounting policies (see note 3).

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 Going concern**

The directors have reviewed trading and cash flow forecasts and after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the 12 month period from the approval of the financial statements. Accordingly, they continue to prepare the financial statements on a going concern basis. The financial statements do not contain any adjustments that may be required should the company be unable to continue as a going concern.

##### **2.4 Turnover**

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

##### **2.5 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.

# **Sports Turf Research Institute Limited (The)**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2017**

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## **2. Accounting policies (continued)**

### **2.6 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.

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.

### **2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

### **2.8 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 reporting 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.

### **2.9 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.

### **2.10 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 2017**

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## **2. Accounting policies (continued)**

### **2.11 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.

### **2.12 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.

### **2.13 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.

### **2.14 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.

### **2.15 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 2017**

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## **2. Accounting policies (continued)**

### **2.16 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### **2.17 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 reporting 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 Statement of Financial Position 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 reporting date.

## **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statement, the directors have had to make the following judgements:

### **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2017**

**4. Employees**

The average monthly number of employees, including the directors, during the year was 2 (2016 -6).

**5. Tangible fixed assets**

	Long-term leasehold property £	Trial Grounds £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	1,738,542	308,679	15,092	112,060	2,174,373
At 31 December 2017	1,738,542	308,679	15,092	112,060	2,174,373
<b>Depreciation</b>					
At 1 January 2017	218,972	261,970	15,092	112,059	608,093
Charge for the year on owned assets	40,682	42,346	-	-	83,028
At 31 December 2017	259,654	304,316	15,092	112,059	691,121
<b>Net book value</b>					
At 31 December 2017.	1,478,888	4,363	-	1	1,483,252
At 31 December 2016	1,519,570	46,709	-	1	1,566,280

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

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2017	1,000
At 31 December 2017	<u>1,000</u>
<b>Net book value</b>	
At 31 December 2017	<u>1,000</u>
At 31 December 2016	<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.

### 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



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

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 6. Fixed asset investments (continued)

Shanghai Tizan Turf Science Co.*	China	Ordinary Shares	40 %	Sports and amenity turf consultancy
Essula Technologies Limited*	UK	Ordinary Shares	50 %	Light Rig 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 registered office of Shanghai Tizan Turf Science Co. is Shanghai Kehua Sports Offices, 858 Fang Dian Road, PuDong New District, China.

The registered office of Essula Technologies Limited is St Ives Estate, Harden, Bingley, BD16 1AU.

### 7. Stocks

	2017 £	2016 £
Work in progress	-	82,637
	<u>-</u>	<u>82,637</u>

### 8. Debtors

	2017 £	2016 £
Trade debtors	-	97,165
Prepayments and accrued income	-	13,778
	<u>-</u>	<u>110,943</u>

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

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	2,245
Amounts due to subsidiary undertakings	-	322,505
Corporation tax	-	19,261
Other taxation and social security	-	10,467
Accruals and deferred income	800	162,413
	<u>800</u>	<u>516,891</u>

During the year STRI Limited wrote off debt owing from Sports Turf Research Institute (The) Limited for £186,801. This transaction was deemed to be a capital contribution.

### 10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Accruals and deferred income	124,166	33,500
	<u>124,166</u>	<u>33,500</u>

### 11. Deferred taxation

	2017 £
At beginning of year	(35,285)
Charged to profit or loss	6,761
<b>At end of year</b>	<u><u>(28,524)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>28,524</u>	<u>35,285</u>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2017**

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**12. Contingent liabilities**

The company guarantees the bank loan borrowings of STRI Limited, a subsidiary undertaking. The borrowings are secured against the property of the company. At 31 December 2017 these amounted to £366,300 (2016 - £383,518).

**13. Pension commitments**

The company operates a defined contribution pension scheme.

At the year end contributions of £nil (2016: £nil) in respect of the company were payable to the scheme.