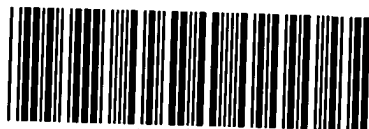

MERCEDES-BENZ GRAND PRIX LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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MERCEDES-BENZ GRAND PRIX LIMITED

COMPANY INFORMATION

Directors	Rene Berger Markus Schäfer Toto Wolff Philipp Schiemer Andrew Christopher Currie (appointed 25 January 2022) Jonathan Frank Ginns (appointed 25 January 2022)
Registered number	00787446
Registered office	Operations Centre Brackley Northamptonshire NN13 7BD
Independent auditors	KPMG LLP Challenge House Sherwood Drive Bletchley Milton Keynes MK3 6DP

MERCEDES-BENZ GRAND PRIX LIMITED

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MERCEDES-BENZ GRAND PRIX LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Activities and Business review

The principal activity of the Company is to operate and manage a Formula One racing team, including the design, development, manufacture, testing and racing of Formula One motor racing cars.

The Company carries out this activity through the operation of the Mercedes-AMG Petronas Formula One Team, which is an entrant in the FIA Formula One World Championship. Through its Applied Science division, the Company also leverages expertise and technological capability to support customers to deliver world-class bespoke engineering.

The Company seeks to maximise performance in the Drivers' and Constructors' Championships by harnessing personnel, technology, finance, and other resources to achieve a performance level that exceeds the competition.

The Company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders.

2022 brought many changes for the team, most notably a new driver, George Russell, and the most significant technical regulations changes for a generation. The team developed innovative solutions under these rules but experienced a challenging season while trying to extract the promised performance from these concepts.

Momentum built though the season, culminating in a strong one-two finish at the Brazilian Grand Prix, where George Russell scored his first Grand Prix victory. The team fought for second position in the Constructors' Championship until the final race, but ultimately finished third behind Red Bull and Ferrari.

George Russell finished his first season with the team in P4 and Lewis Hamilton was P6. The team scored one win, one pole position and a total of 17 podium finishes in the 22-race season.

The less competitive on-track performance translated into a reduced share of television coverage during the 2022 season. The Mercedes-AMG Petronas F1 Team recorded a 15% share of coverage. Notwithstanding this reduction compared to 2021, the team generated a cumulative Advertising Value Equivalent (AVE) of \$5.81 billion for its commercial partners and shareholders. Likewise, the team's social media leadership continued to grow, with the highest cumulative followers (31.2 million) and engagements (426.5 million) of any F1 team.

In parallel to the team's success in recent seasons, the Mercedes-Benz brand has grown in value from \$31.9 billion in 2013 to \$56.1 billion in 2021 (as measured by Interbrand), with Formula One making an important contribution to the brand's status as the eighth most valuable in the world.

The Applied Science division has continued to develop its bespoke engineering capability and services. Applied Science is working with several key clients on exciting projects, most notably the support of the INEOS Britannia project for the America's Cup 37 challenge. This division's growth has been a positive step in the redeployment of resources enabled by the introduction of the Financial Regulations.

During the financial year, the Group also successfully completed the acquisition of the Real Estate assets for the campus in Brackley. This will give a more secure, robust and autonomous business model for the future, and enable significant investment into cutting-edge, net-zero-carbon facilities as the campus is developed.

The Financial Regulations continued to be effective in the control of the cost base in 2022. Following the conclusion of the FIA audit process, full compliance with the 2021 Financial Regulations was confirmed for Mercedes.

Turnover was £474.6 million (2021 £383.3 million) this increase resulted primarily from higher commercial revenues from Formula One, sponsorship and Applied Science. In 2022, the Group made a donation of \$1.0 million to UNICEF's Emergency Appeal to protect children and their families in Ukraine. The Group made an annual profit after taxation of £89.7 million (2021: £68.8 million). During the year, the Company delivered

MERCEDES-BENZ GRAND PRIX LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

£55.2million in dividends to Shareholders from distributable funds.

Mercedes-Benz Grand Prix Limited will continue with its principal activity as a Formula One racing team and its mission to win sustainably on track and in business, building world-championship winning capability for the future.

Stakeholder engagement

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regards (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company

The Directors' strategy is to pursue both the Drivers' and Constructors' Formula One Championships in a manner that best represents the Mercedes-Benz brand and the interests of other commercial partners and to provide its stakeholders with success in F1 at the best value for money.

The team's values of Passion, Respect, Innovation, Determination and Excellence are at the heart of all interactions with its stakeholders. Employee involvement is detailed within the Directors' report.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to several risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competition

The Group operates in a highly competitive environment. This results in pressure to achieve not only the Group's targets for sporting performance but also revenue generation from sponsorship and the Commercial Rights Holder. This risk is mitigated by the recruitment and retention of highly talented and experienced personnel, maintaining design, development, production and race circuit facilities at the highest level within Formula One, securing the services of the best available race drivers and strong technical relationships with Mercedes-Benz, Petronas and other partners.

Interest and liquidity risk

The Group maintains a strong cash generation capability and the Group's liquidity is monitored closely via weekly cashflow projections and longer term cashflow planning to ensure that the company can meet liabilities as they fall due. Shareholders are updated monthly on the current liquidity of the business and any deviations to forecast.

Credit risk

The Group's exposure to credit risk is primarily through its sponsorship contracts and it has implemented policies that require appropriate credit checks on potential sponsors during the negotiation of new contracts. Any specific risks are brought to the attention of management and are reassessed regularly.

Foreign exchange risk

The Group is exposed to movements in foreign exchange rates because of revenue receipts and operating costs in currencies other than sterling. These risks are monitored closely and reported on monthly.

MERCEDES-BENZ GRAND PRIX LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Reputational risk

Protecting the Group's brand and reputation remains a risk, a new process has been implemented with regard to new sponsors and partnerships to ensure the highest levels of reputation are maintained.

Future outlook

The Directors are looking forward to competing in the new season and building on the lessons learned during 2022 to deliver improved performance across the season with drivers Lewis Hamilton and George Russell. The team is committed to investing in the people and structures that will be required to win the world championships in the years to come, including significant future investment into the Brackley campus.

As a high-technology business, the team can adapt competitively and commercially to changes in its operating environment and will continue to grow its capability and culture to ensure medium and long-term success both on and off track. The Group would like to thank Mercedes-Benz, Petronas, INEOS and our other partners for their continuing support.

This report was approved by the board on 29 March 2023 and signed on its behalf.



Toto Wolff
Director

MERCEDES-BENZ GRAND PRIX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dividends

The directors proposed a dividend in relation to the 2022 financial year of £75.0 million payable in March 2023 (2022: £55.2m in relation to the year ended 31 December 2021) and this was approved by written resolution on 22 March 2023.

Directors

The directors who served during the year and up to the date of signing were:

Rene Berger
Markus Schäfer
Toto Wolff
Alex Nediger (resigned 25 January 2022)
Philipp Schiemer
Andrew Christopher Currie (appointed 25 January 2022)
Jonathan Frank Ginns (appointed 25 January 2022)

Political contributions

The Group made no political donations or incurred any political expenditure during the year (2021: £nil).

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Research and development activities

The activities of the Company are dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship as well as supporting other customers in innovative projects through our applied science division. The directors consider the investment in research and development to be integral to the continued success of the Group.

Environmental policy and mandatory greenhouse gas emissions reporting

In 2022 the Group launched a new sustainability strategy. This builds on the success of the Company in reducing greenhouse gas emissions by more than 50% since 2018. The strategy is set out in the 2022 Sustainability Report and outlines the Group's ambition to become the world's most sustainable professional sports team and a commitment to set a Paris Agreement aligned Science Based Target to reduce greenhouse gas emissions.

The overall goal is to reduce scope 1 & 2 emissions by 100% in 2026 and reduce scope 3 emissions by 75% by 2030. Carbon removal offsets will be used to remove the residual 25% of emissions and achieve a net zero emissions position. 2022 forms the new baseline emissions reporting year for these targets.

These targets align with Formula One's ambition to achieve net-zero status for the sport by 2030.

The Group continued to make site improvements to reduce the total greenhouse gas emissions footprint in 2022. This included projects to improve energy efficiency such as, installing eco-gates on new extraction units in the pattern shop which automatically switch on/off and the installation of heat recovery units on the autoclaves. Ongoing refurbishment projects in 2022 included the removal of old gas-powered equipment and replacement with electric equivalents. On site transport emissions have also been minimised by ensuring all new transportation plant on site are electrically powered, where available on the market. The pool car fleet is also being transitioned away from fossil fuelled to hybrid vehicles with over half of the fleet now hybrid.

In 2022, the team became the first global sports team to invest in sustainable aviation fuel to partially offset the team's largest source of Scope 3 emissions, achieving close to a 50% reduction in the air travel footprint of our 100+ race team personnel.

Similarly, a pilot trial of biodiesel usage at European races, achieved a 98% reduction in tailpipe emissions from the team's fleet of trucks used for freight transportation. Both projects will be rolled out more widely in 2023, to support the team in achieving a 12.5% year on year reduction in CO2 emissions.

Since 2019 the business has procured electricity from a green tariff backed by Renewable Energy Guarantee of Origin (REGO) certificates and since 2020 the business has procured green gas from the network backed by Renewable Gas Guarantee of Origin (RGGO) certificates. In 2022 this has helped avoid approximately 350tCO₂e in scope 1 emissions and 3,226tCO₂e scope 2 emissions.

Energy efficiency and direct emissions reductions improvements continue to be driven across Group operations through ISO 14001:2015 target setting.

Within 2022 Gold Standard certified carbon offsets were procured to offset the total footprint of calendar year 2021, this totalled the offset of 9,343tCO₂e. The project portfolio was produced to cover a blend of geographies and project types to cover the global nature of the Company's racing operations. Offset purchases will continue to cover 2022 activities.

MERCEDES-BENZ GRAND PRIX LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
SECR Inventory		
Energy consumption used to calculate emissions: /kWh	18,990,195	18,002,505
Emissions from Scope 1 tCO ₂ e	249	338
Emissions from purchased electricity tCO ₂ e (Scope 2)	3,226	3,447
Total gross tCO ₂ e based on above	3,475	3,785
Intensity ratio: tCO ₂ e gross per average number of employees	3	4

Comparison

Overall, from 2021 to 2022 there has been a reduction in total scope 1 & 2 emissions of 8%. It must be noted that throughout 2021 there were several site staff reductions for extended periods due to the changing covid restrictions in place. In 2022 the Group returned to normal operating procedures with all staff back on site, which resulted in an increase in overall energy consumption compared to 2021.

Within Scope 1 emissions there was a reduction in gas consumption across site due to ongoing refurbishment projects and transition towards electrification. Pool car usage however increased in 2022 due to increased onsite activities post Covid-19, and the switch to more hybrid vehicles was not enough to offset this increased fuel consumption. Racing fuel and dyno testing consumption remained broadly consistent with 2021.

Within Scope 2 there was a slight reduction in emissions due to the reduced emissions factor provided by the 2022 UK Government GHG Conversion Factors for Company Reporting. This means despite increased electricity consumption due to site electrification the overall scope 2 emissions still fell in 2022.

Methodology

Scope 1 and 2 consumption data has been calculated in accordance with the GHG Protocol's methodology for operational control. The conversion calculations from kWh's to tCO₂e were completed using internal consumption data from invoices and meter readings. These conversions were completed using the 2022 UK Government GHG Conversion Factors for Company Reporting with the appropriate gross calorific value (CV) conversion value for the reporting year (01/01/2022 – 31/12/2022).

The intensity ratio has been calculated using the total number of staff within 2022. The final value was calculated by dividing the total tCO₂e by the total staff numbers in 2022.

MERCEDES-BENZ GRAND PRIX LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Engagement with employees

The Group is committed to proactive programmes involving its employees in company affairs. This is achieved in a variety of ways including the regular publication of newsletters and staff briefings and by consultations with staff committees.

The Group has also worked to embed Diversity and Inclusion more deeply in its values and behaviours through Accelerate 25, a five-year programme to build a more diverse and performant team, which aims to recruit at least 25% of new starters from under-represented backgrounds in each year from 2021 to 2025 inclusive.

After two years of the programme, a review of new starters in 2022 showed that 32% of new team members joined the team from under-represented groups during the year. Female employees rose from 14% to 16% of the workforce and employees from minority ethnic groups rose from 6% to 8%.

In addition, the Group has started to develop targeted education initiatives to encourage and support students from under-represented backgrounds who aspire to reach F1, including the creation of the Mulberry STEM Academy. 107 students completed the second year of the Academy's programme comprising imaginative teaching, career coaching, mentorship and industry experiences. The 2023 cohort will comprise 114 students from Years 10 and 12.

It is the Group's policy to give full and fair consideration to suitable applications for employment by disabled persons having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to staff. Opportunities also exist for employees of the Group who become disabled to continue their employment or to be trained in other positions in the Group.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 March 2023 and signed on its behalf.



Toto Wolff
Director

MERCEDES-BENZ GRAND PRIX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCEDES-BENZ GRAND PRIX LIMITED

Opinion

We have audited the financial statements of Mercedes-Benz Grand Prix Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our

MERCEDES-BENZ GRAND PRIX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCEDES-BENZ GRAND PRIX LIMITED

overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular

- the risk that revenue from sponsorship and other services is overstated through recording revenues in the wrong period; and
- the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue and cash journals posted to unusual accounts and journals with narrative explanations containing specific words.
- Agreeing a sample of revenue transactions to supporting documentation to assess whether revenue had been recorded in the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Group's license to operate. We identified the following areas as those most likely to have such an effect: FIA sporting and financial regulations, anti-bribery, health and safety, employment law and data protection laws recognizing the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-

MERCEDES-BENZ GRAND PRIX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCEDES-BENZ GRAND PRIX LIMITED

compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Bethan Telford (Senior statutory auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Challenge House
Sherwood Drive
Bletchley
Milton Keynes
MK3 6DP

Date: 30 March 2023

MERCEDES-BENZ GRAND PRIX LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	2	474,558	383,302
Cost of sales		(350,823)	(297,491)
Gross profit		<u>123,735</u>	<u>85,811</u>
Administrative expenses		(10,135)	(13,873)
Operating profit	3	<u>113,600</u>	<u>71,938</u>
Gain on disposal of investment		2	-
Interest receivable and similar income	7	382	17
Interest payable and similar expenses	8	(534)	(93)
Profit before tax		<u>113,450</u>	<u>71,862</u>
Tax on profit	9	(23,706)	(3,056)
Profit for the financial year		<u><u>89,744</u></u>	<u><u>68,806</u></u>
Other comprehensive income for the year			
Revaluation of other fixed assets		90	-
Other comprehensive income for the year		<u>90</u>	<u>-</u>
Total comprehensive income for the year		<u><u>89,834</u></u>	<u><u>68,806</u></u>
Profit for the year attributable to:			
Owners of the parent company		(89,744)	(68,806)
		<u>(89,744)</u>	<u>(68,806)</u>

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED
REGISTERED NUMBER: 00787446

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	11	1,245	1,266
Tangible assets	12	110,532	80,997
Heritage assets	13	6,321	6,105
		<u>118,098</u>	<u>88,368</u>
Current assets			
Race car development		41,016	35,097
Stocks	15	4,471	3,222
Debtors: amounts falling due after more than one year	16	730	1,330
Debtors: amounts falling due within one year	16	111,389	172,059
Cash at bank and in hand	17	64,028	4,171
		<u>221,634</u>	<u>215,879</u>
Creditors: amounts falling due within one year	18	(144,703)	(158,431)
Net current assets		<u>76,931</u>	<u>57,448</u>
Total assets less current liabilities		<u>195,029</u>	<u>145,816</u>
Creditors: due after more than one year	19	(8,250)	-
Provisions for liabilities			
Deferred tax	22	(6,762)	-
Other provisions	23	(5,360)	(5,793)
		<u>(12,122)</u>	<u>(5,793)</u>
Net assets		<u><u>174,657</u></u>	<u><u>140,023</u></u>
Capital and reserves			
Called up share capital	24	70,000	70,000
Share premium account	25	44	44
Revaluation reserve	25	90	-
Profit and loss account	25	104,523	69,979
		<u><u>174,657</u></u>	<u><u>140,023</u></u>

MERCEDES-BENZ GRAND PRIX LIMITED
REGISTERED NUMBER: 00787446

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2023.



Toto Wolff
Director

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED
REGISTERED NUMBER: 00787446

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	11	1,245	1,266
Tangible assets	12	76,160	80,997
Heritage assets	13	6,321	6,105
Investments	14	17,400	-
		<u>101,126</u>	<u>88,368</u>
Current assets			
Race car development		41,016	35,097
Stocks	15	4,471	3,222
Debtors: amounts falling due after more than one year	16	5,527	1,330
Debtors: amounts falling due within one year	16	115,041	172,059
Cash at bank and in hand	17	60,945	4,171
		<u>227,000</u>	<u>215,879</u>
Creditors: amounts falling due within one year	18	(141,435)	(158,431)
Net current assets		<u>85,565</u>	<u>57,448</u>
Total assets less current liabilities		<u>186,691</u>	<u>145,816</u>
Provisions for liabilities			
Deferred taxation	22	(6,762)	-
Other provisions	23	(5,360)	(5,793)
		<u>(12,122)</u>	<u>(5,793)</u>
Net assets		<u>174,569</u>	<u>140,023</u>
Capital and reserves			
Called up share capital	24	70,000	70,000
Share premium account	25	44	44
Revaluation reserve	25	90	-
Profit and loss account		104,435	69,979
		<u>174,569</u>	<u>140,023</u>

MERCEDES-BENZ GRAND PRIX LIMITED
REGISTERED NUMBER: 00787446

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2023.



Toto Wolff
Director

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	130,000	44	-	1,173	131,217
Comprehensive income for the year					
Profit for the year	-	-	-	68,806	68,806
Total comprehensive income for the year	-	-	-	68,806	68,806
Contributions by and distributions to owners					
Share capital reduction	(60,000)	-	-	-	(60,000)
At 1 January 2022	70,000	44	-	69,979	140,023
Comprehensive income for the year					
Profit for the year	-	-	-	89,744	89,744
Revaluation of other fixed assets	-	-	90	-	90
Total comprehensive income for the year	-	-	90	89,744	89,834
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(55,200)	(55,200)
Total transactions with owners	-	-	-	(55,200)	(55,200)
At 31 December 2022	70,000	44	90	104,523	174,657

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	70,000	44	-	69,979	140,023
Comprehensive income for the year					
Profit for the year	-	-	-	89,656	89,656
Revaluation of other fixed assets	-	-	90	-	90
Other comprehensive income for the year	-	-	90	-	90
Total comprehensive income for the year	-	-	90	89,656	89,746
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(55,200)	(55,200)
Total transactions with owners	-	-	-	(55,200)	(55,200)
At 31 December 2022	70,000	44	90	104,435	174,569

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2021	130,000	44	1,173	131,217
Comprehensive income for the year				
Profit for the year	-	-	68,806	68,806
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	68,806	68,806
Contributions by and distributions to owners				
Share capital reduction	(60,000)	-	-	(60,000)
Total transactions with owners	(60,000)	-	-	(60,000)
At 31 December 2021	70,000	44	69,979	140,023

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	89,744	68,806
Adjustments for:		
Amortisation of intangible assets	568	-
Depreciation of tangible assets	20,055	20,873
Impairments of fixed assets	116	-
Loss on disposal of tangible assets	528	42
Interest received	348	6
Taxation charge	23,706	3,056
(Increase) in stocks	(7,168)	(90)
Decrease/(increase) in debtors	44,363	(76,877)
(Decrease)/increase in creditors	(16,539)	11,646
(Decrease) in provisions	(433)	(683)
Corporation tax paid	-	(4,234)
Interest Expense	151	76
Net cash generated from operating activities	<u>155,439</u>	<u>22,621</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(547)	(1,475)
Purchase of tangible fixed assets	(51,677)	(17,316)
Sale of tangible fixed assets	1,217	180
Net cash from investing activities	<u>(51,007)</u>	<u>(18,611)</u>

MERCEDES-BENZ GRAND PRIX LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from financing activities		
Other new loans	16,500	-
Repayment of other loans	(5,500)	-
Dividends paid	(55,200)	-
Interest paid	(375)	-
Net cash used in financing activities	(44,575)	-
Net increase in cash and cash equivalents	59,857	4,010
Cash and cash equivalents at beginning of year	4,171	161
Cash and cash equivalents at the end of year	64,028	4,171
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	64,028	4,171
	64,028	4,171

The notes on pages 21 to 48 form part of these financial statements.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Mercedes-Benz Grand Prix Limited (the "Company") is a private Company incorporated, domiciled and registered in England in the UK. The registered number is 00787446 and the registered address is Operations Centre, Brackley, Northamptonshire, NN13 7BD.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

The Group have opted to exclude R.T.C. Management Company Ltd from consolidation under s405 of the Companies Act 2006 as it is not material for the purpose of giving a true and fair view.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period.

Following the implementation of a new shareholding structure, the cash pooling agreement with Mercedes-Benz Group AG ceased on 25 January 2022. Preceding the cessation of the cash pooling agreement Mercedes-Benz Grand Prix agreed an uncommitted overdraft facility of £25.0m which is reviewed annually.

Consequently, the directors are confident that the Group has sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Foreign currency translation

Functional and presentation currency

The Group's functional currency and presentational currency is GBP. All amounts in the financial statements have been rounded to the nearest £1,000.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company principally earns revenue through sponsorship income, prize money, sale of goods and rendering of services. Revenue in relation to sponsorship deals where there are a number of deliverables, is recognised by attributing the revenue to each deliverable using the fair value approach and the revenue is then recognised once we are satisfied the relevant recognition criteria has been met.

Where sponsorship deals are satisfied in payment other than cash, revenue is recognised on the fair value of the goods or services received. Prize money is received in relation to performance in the FIA Formula One World Championships and is based on reliable estimates of the expected prize money available.

If no reliable measurement can be made for any revenue estimates, the revenue is not recognised.

1.6 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

1.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

1.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

1.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and Group operate and generate income.

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

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests, subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

1.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The historical cost of intangible assets such as software licenses includes expenditure that is directly attributable to preparing the asset for its intended use. For development costs this includes the design and external costs for the development of cars to be utilised in racing seasons greater than one year from the balance sheet date.

Intangible assets are amortised over the useful life of the asset which in the case of the development costs would be the season to which the development relates. Software licenses are amortised on a straight-line basis over their useful lives which range from 3 to 5 years.

1.13 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.

Depreciation is provided on the following basis:

Freehold land and buildings	- 2%
Leasehold land and buildings	- 5% - 20 %
Plant and machinery	- 10% - 40%
Motor vehicles	- 10% - 20%
Fixtures and fittings	- 10% - 50%
Computer equipment	- 10% - 50%

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 profit or loss.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.14 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.15 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.16 Heritage Assets

The Company's collection of historic cars and related assets are stated at historic purchase cost less a provision to recoverable amount.

The historic cars and related assets have an indefinite life and therefore are not depreciated.

The Company maintains its collection of heritage assets to an excellent condition and any maintenance costs are charged to the profit and loss account when incurred. Subject to management approval the Company may dispose of any heritage assets from the collection.

Assets are valued by independent valuers in their first year of recognition as a heritage asset and every 5 years subsequent. The directors value the remaining portfolio every year. The last external valuation for all existing assets was carried out on 13 September 2022 and the valuation of all newly recognised assets was conducted on the basis of recent valuations of equivalent assets.

1.17 Stocks

Stocks are stated at the lower of cost and net realisable value. A provision is made against any raw materials that are not expected to be utilised in relation to the following year's car.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring which has been communicated with the employees and therefore the Group has a legal or constructive obligation to carry out the restructuring.

The restructuring provision comprises of payment in lieu of notice, compensation for redundancy and associated legal fees.

1.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Rendering of services	434,636	352,347
Sale of goods	39,922	30,955
	<u>474,558</u>	<u>383,302</u>

Turnover represents sponsorships, prize money, Applied Science income and other income relating to the Group's principal activity.

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Operating profit

The consolidated operating profit is stated after charging/(crediting):

	2022	2021
	£000	£000
Exchange differences	(1,946)	(676)
Other operating lease rentals	16,878	18,323
Depreciation of tangible and intangible fixed assets	20,623	20,823
(Loss) on disposal of fixed assets	(528)	(94)
	<u> </u>	<u> </u>

4. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditors and their associates:

	2022	2021
	£000	£000
Fees payable to the Group's auditors and their associates for the audit of the consolidated and parent Company's financial statements	82	50
Fees payable to the Group's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Company	18	-
All assurance services not included above	25	37
	<u> </u>	<u> </u>

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Wages and salaries	82,105	96,076	82,105	96,076
Social security costs	10,097	11,363	10,097	11,363
Cost of defined contribution scheme	1,663	1,657	1,663	1,657
	<u>93,865</u>	<u>109,096</u>	<u>93,865</u>	<u>109,096</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Design, manufacturing and engineering	855	831	855	831
Administration	259	173	259	173
	<u>1,114</u>	<u>1,004</u>	<u>1,114</u>	<u>1,004</u>

6. Directors' remuneration

	2022 £000	<i>2021 £000</i>
Directors' emoluments	3,700	6,865
	<u>3,700</u>	<u>6,865</u>

The highest paid director received remuneration of £3,700 thousand (2021 - £6,865 thousand).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The remaining Board members are employed and remunerated by other shareholding entities. The Group considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective entities to the qualifying services they provide to the Group and the Group is also of the opinion any allocation would be immaterial. Therefore the above disclosures exclude any allocation of remuneration to the Company in respect of these directors.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Interest receivable

	2022 £000	2021 £000
Other interest receivable	382	17
	<u>382</u>	<u>17</u>

8. Interest payable and similar expenses

	2022 £000	2021 £000
Other loan interest payable	534	-
Loans from group undertakings	-	93
	<u>534</u>	<u>93</u>

9. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	8,849	1,962
	<u>8,849</u>	<u>1,962</u>
Total current tax	<u>8,849</u>	<u>1,962</u>
Deferred tax		
Origination and reversal of timing differences	14,286	13,293
Adjustments in respect of previous periods	571	(12,199)
	<u>14,857</u>	<u>1,094</u>
Total deferred tax	<u>14,857</u>	<u>1,094</u>
Taxation on profit on ordinary activities	<u>23,706</u>	<u>3,056</u>

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	113,450	71,862
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	21,556	13,654
Effects of:		
Expenses not deductible for tax purposes	1,045	535
Non qualifying depreciation	413	708
Adjustments to tax charge in respect of prior periods	571	(1,126)
Timing differences leading to an increase (decrease) in taxation	121	358
Recognition of previously unrecognised deferred tax asset	-	(11,073)
Total tax charge for the year	23,706	3,056

Factors that may affect future tax charges

The March 2021 budget announced that a rate of 19% would continue to apply for the financial year beginning 1 April 2022 with an increase to 25% for the financial year beginning 1 April 2023. This will increase the company's future current tax charge accordingly. The deferred tax asset has been calculated taking into account the period in which the timing differences are expected to reverse.

10. Dividends

	2022 £000	2021 £000
Dividends	55,200	-
	55,200	-

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Intangible assets

Group

	Computer software £000
Cost	
At 1 January 2022	1,475
Additions	547
At 31 December 2022	<u>2,022</u>
Amortisation	
At 1 January 2022	209
Charge for the year on owned assets	568
At 31 December 2022	<u>777</u>
Net book value	
At 31 December 2022	<u><u>1,245</u></u>
At 31 December 2021	<u><u>1,266</u></u>

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Intangible assets (continued)

Company

	Computer software £000
Cost	
At 1 January 2022	1,475
Additions	547
At 31 December 2022	<u>2,022</u>
Amortisation	
At 1 January 2022	209
Charge for the year	568
At 31 December 2022	<u>777</u>
Net book value	
At 31 December 2022	<u><u>1,245</u></u>
At 31 December 2021	<u><u>1,266</u></u>

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

Group

	Land and Buildings £000	Long-term I'hold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 January 2022	-	38,604	100,572	3,747	24,800	39,919	7,074	214,716
Additions	34,748	-	-	-	-	-	15,585	50,333
Disposals	-	(788)	(2,976)	(134)	(1,348)	(1,094)	-	(6,340)
Transfers between classes	-	10,243	5,335	101	1,217	2,707	(19,603)	-
At 31 December 2022	34,748	48,059	102,931	3,714	24,669	41,532	3,056	258,709
Depreciation								
At 1 January 2022	-	31,060	63,819	3,481	8,580	26,779	-	133,719
Charge for the year	376	932	8,918	76	2,344	7,409	-	20,055
Disposals	-	(788)	(3,058)	(134)	(646)	(1,087)	-	(5,713)
Impairment charge	-	-	116	-	-	-	-	116
At 31 December 2022	376	31,204	69,795	3,423	10,278	33,101	-	148,177
Net book value								
At 31 December 2022	34,372	16,855	33,136	291	14,391	8,431	3,056	110,532
At 31 December 2021	-	7,544	36,753	266	16,220	13,140	7,074	80,997

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets (continued)

Company

	Long-term hold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 January 2022	38,604	100,572	3,747	24,800	39,919	7,074	214,716
Additions	-	-	-	-	-	15,585	15,585
Disposals	(788)	(3,092)	(134)	(1,348)	(1,094)	-	(6,456)
Transfers between classes	10,243	5,335	101	1,217	2,707	(19,603)	-
At 31 December 2022	48,059	102,815	3,714	24,669	41,532	3,056	223,845
Depreciation							
At 1 January 2022	31,060	63,819	3,481	8,580	26,779	-	133,719
Charge for the year on owned assets	932	8,918	76	2,344	7,409	-	19,679
Disposals	(788)	(3,058)	(134)	(646)	(1,087)	-	(5,713)
At 31 December 2022	31,204	69,679	3,423	10,278	33,101	-	147,685
Net book value							
At 31 December 2022	16,855	33,136	291	14,391	8,431	3,056	76,160
At 31 December 2021	7,544	36,753	266	16,220	13,140	7,074	80,997

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Heritage assets

Group

	Historic cars and related assets £000
Cost and net book value	
At 1 January 2022	6,105
Additions	1,228
Disposals	(1,102)
Revaluations	90
At 31 December 2022	<u>6,321</u>

Five year financial summary of heritage asset transactions:

Company

	Historic cars and related assets £000
Cost or valuation	
At 1 January 2022	6,105
Additions	1,228
Disposals	(1,102)
Revaluations	90
At 31 December 2022	<u>6,321</u>

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Additions	1,228	1,187	845	1,885	1,374
Disposals - net book value	(1,102)	-	831	-	(1,329)
Profit on disposal	-	-	103	-	206
Gain on revaluation	90	-	-	-	-

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Investments

Group

There are no investments held from a Group perspective.

Company

	Investments in subsidiary companies £000
Valuation	
Additions at cost	17,400
At 31 December 2022	<u>17,400</u>

The Company had the following investments in subsidiaries

	Registered Office	Nature of business	Class of shares held	Ownership
Mercedes-Benz Grand Prix Estates Limited	Operations Centre, Brackley, NN13 7BD	Commercial landlord	Ordinary	100%
R.T.C. Management Company Limited	Operations Centre, Brackley, NN13 7BD	Property management	Ordinary	100%

On 17 February 2022 as part of the acquisition of Mercedes-Benz Grand Prix Estates Limited, one share of R.T.C. Management Company Limited was also purchased, becoming a wholly owned and funded subsidiary. Following this, R.T.C. was dissolved on 24 January 2023.

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Raw materials and consumables	4,471	3,222	4,471	3,222
	<u>4,471</u>	<u>3,222</u>	<u>4,471</u>	<u>3,222</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The carrying value of stocks are stated net of impairment losses totalling £nil (2021 - £nil). Impairment losses totalling £nil (2021 - £nil) were recognised in profit and loss.

16. Debtors

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Due after more than one year				
Trade debtors	730	1,330	730	1,330
Amounts owed by group undertakings	-	-	4,797	-
	<u>730</u>	<u>1,330</u>	<u>5,527</u>	<u>1,330</u>

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Due within one year				
Trade debtors	64,726	63,387	64,726	63,387
Amounts owed by group undertakings	-	6,428	-	6,428
Amounts owed by group undertakings - cash pooling	-	35,476	-	35,476
Other debtors	13,877	25,861	13,877	25,861
Prepayments and accrued income	32,786	32,886	36,438	32,886
Deferred taxation	-	8,021	-	8,021
	<u>111,389</u>	<u>172,059</u>	<u>115,041</u>	<u>172,059</u>

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Cash and cash equivalents

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Cash at bank and in hand	64,028	4,171	60,945	4,171
	<u>64,028</u>	<u>4,171</u>	<u>60,945</u>	<u>4,171</u>

18. Creditors: Amounts falling due within one year

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Loans	2,750	-	-	-
Interest payable	159	-	-	-
Trade creditors	11,029	7,117	11,029	7,117
Amounts owed to group undertakings	-	13,348	-	13,348
Corporation tax	136	-	-	-
Other taxation and social security	3,983	12,319	3,842	12,319
Other creditors	1,610	2	1,610	2
Accruals and deferred income	125,036	125,645	124,954	125,645
	<u>144,703</u>	<u>158,431</u>	<u>141,435</u>	<u>158,431</u>

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

	Group 2022 £000	<i>Group 2021 £000</i>
Loans	8,250	-
	<u>8,250</u>	<u>-</u>

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Loans

On issue of the loan a debenture was issued to the lender. This provides security over the loan and includes a fixed charge over Mercedes-Benz Grand Prix Estates Limited ("MBGPE") assets and floating charges over the present and future assets of MBGPE. In the event of default, the charges would be activated.

This is treated as a contingent liability until such time as it becomes probable that MBGPE will be required to make a payment under the security.

	Group 2022 £000	<i>Group 2021 £000</i>
Amounts falling due within one year		
Current Loan Principal	2,750	-
Current Loan Interest	159	-
Amounts falling due 1-2 years		
Non-current Loan 1-2 years	2,750	-
Amounts falling due 2-5 years		
Non-current Loan 2-5 years	5,500	-
	<hr/> 11,159 <hr/>	<hr/> - <hr/>

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Financial instruments

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Financial assets				
Trade and other debtors	112,119	173,389	120,569	173,389
Investments in ordinary shares	-	-	17,400	-
Cash and cash equivalents	64,028	4,171	60,945	4,171
	<u>176,147</u>	<u>177,560</u>	<u>198,914</u>	<u>177,560</u>
Financial liabilities				
Trade and other liabilities	141,794	158,431	141,435	158,431
Interest-bearing borrowings	11,159	-	11,159	-
	<u>152,953</u>	<u>158,431</u>	<u>152,594</u>	<u>158,431</u>

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Deferred taxation

Group

	2022 £000
At beginning of year	8,021
Charged to profit or loss	(14,783)
At end of year	(6,762)

Company

	2022 £000
At beginning of year	8,021
Charged to profit or loss	(14,783)
At end of year	(6,762)

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Accelerated capital allowances	(7,262)	(4,714)	(7,262)	(4,714)
Tax losses carried forward	-	1,768	-	1,768
RDEC tax restriction	-	10,386	-	10,386
Other - timing differences	500	581	500	581
	(6,762)	8,021	(6,762)	8,021

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Provisions

Group

	Property provision £000	Other provision £000	Revenue rights provision £000	Total £000
At 1 January 2022	3,916	460	1,417	5,793
Charged to profit or loss	(3,400)	4,594	(1,417)	(223)
Utilised in year	-	(210)	-	(210)
At 31 December 2022	516	4,844	-	5,360

Property provision

This relates to an estimate for dilapidations and reinstatement costs in relation to the current leasehold properties, which are estimated to crystallise over the lease term.

Revenue Rights provision

This relates to the reduced and modified race calendar as an effect of the COVID-19 pandemic which impacted the delivery of some marketing rights to sponsors, this has crystallised during the year.

Other provisions

These costs include payments payable in regards to termination clauses for contractual liabilities and other legal costs.

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Provisions (continued)

Company

	Property provision £000	Other provision £000	Revenue rights provision £000	Total £000
At 1 January 2022	3,916	460	1,417	5,793
Charged to profit or loss	(3,400)	4,594	(1,417)	(223)
Utilised in year	-	(210)	-	(210)
At 31 December 2022	516	4,844	-	5,360

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021 - 1,000,000) Ordinary shares of £2.0000 (2021 - £0.0002) each	200	200
35,000,000 (2021 - 7) Preference shares of £2.0000 (2021 - £10,000,000) each	70,000,000	70,000,000
87 (2021 - 87) Redeemable deferred shares of £0.0002 each	-	-
	70,000,200	70,000,200

During 2021, the issued share capital of the Company was reduced to the extent of £60,000,000 by cancelling and extinguishing six preference shares of £10,000,000 each registered in the name of, or otherwise held by Mercedes-Benz Holding UK Limited.

In January 2022, pursuant to Chapter 2 of Part 13 of the Companies Act 2006 in order to conclude a change in shareholding, the directors of the Company passed resolutions that proposed the 1,000,000 ordinary shares of £0.0002 each in the issued share capital be consolidated and divided into 100 ordinary shares of £2 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.0002 each.

In January 2022 the directors also passed a resolution in accordance with section 618 of the Companies Act to sub-divide the seven preference shares of £10,000,000 into 35,000,000 shares of £2 each and thereafter, such shares shall have the same rights and be subject to the same restrictions as the existing ordinary shares of £2 each in the capital of the Company.

In 2023 a dividend was declared of £75.0m in respect of the year ended 31 December 2022 and is due to be paid on 31 March 2023 (2022: £55.2m in respect of the year ended 31 December 2021).

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

25. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares.

Revaluation reserve

This reserve includes the current and prior period revaluations on fixed assets.

Profit and loss account

This reserve includes all the current and prior period retained profits and losses in addition to the share capital reduction movement.

26. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Contracted for but not provided in these financial statements	(2,533)	(2,877)	(2,533)	(2,877)
	<u>(2,533)</u>	<u>(2,877)</u>	<u>(2,533)</u>	<u>(2,877)</u>

27. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	15,964	19,030	18,246	19,030
Later than 1 year and not later than 5 years	-	9,076	8,051	9,076
Later than 5 years	-	3,000	1,117	3,000
	<u>15,964</u>	<u>31,106</u>	<u>27,414</u>	<u>31,106</u>

During the year £18,097k was recognised as an expense in the profit and loss account in respect of operating leases (2021: £18,323k)

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

28. Amounts receivable under operating leases

At 31 December 2022 the Group had future lease payments receivable under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Within one year	10,763	72
Within two and five years	20,856	120
After five years	-	13
	<u>31,619</u>	<u>205</u>

MERCEDES-BENZ GRAND PRIX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. Related party transactions

During the year the Group, comprising of Mercedes-Benz Grand Prix Limited and Mercedes-Benz Grand Prix Estates Limited undertook the related party transactions as listed below:

	Sales £000	Purchases £000	Amounts owed to Group £000	Amounts owed by Group £000
Mercedes-Benz Group AG	28	360	28	1
Mercedes-Benz AG	3	15,289	2	-
Mercedes-Benz Formula E Limited	4,854	39	-	-
Mercedes-Benz Cars UK Limited	25	255	22	9
Mercedes-Benz Australia / Pacific Pty Limited	-	339	-	-
Mercedes-Benz AMG High Performance Powertrains Limited	9,973	1,821	2,697	1,284
Mercedes-Benz Schweiz AG	-	6	-	-
Mercedes-AMG GmbH	2,146	3,131	319	222
Mercedes-Benz Belgium	1	-	-	-
Mercedes-Benz Customer Solutions	-	79	-	-
Mercedes-Benz Österreich GmbH	-	23	-	-
Mercedes-Benz Canada	10	-	-	-
Mercedes-Benz Malaysia SND BHD	-	4	-	864
Mercedes-Benz Financial Services	-	390	-	-
Mercedes-Benz USA	-	146	-	96
Mercedes-Benz Insurance Services UK Limited	-	969	-	23
Mercedes-Benz Italia SPA	7	-	-	-
Mercedes-Benz Motorsport	484	21,502	819	2,220
Ineos Automotive Limited	94	-	5	-
INEOS Racing Limited	42,000	-	30,000	-
Motorsports Invest Limited	1,041	-	-	-
Next March GmbH	-	85	-	-
Athena Racing	12,887	-	245	-
	<u>73,553</u>	<u>44,438</u>	<u>34,137</u>	<u>4,719</u>

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

29. Related party transactions (continued)

On 17 February 2022, the newly formed board approved the capital purchase of the Brackley site. The agreement with the landlord was completed on 18 March 2022 and the site was purchased by Mercedes-Benz Grand Prix Estates Limited, a wholly owned and funded subsidiary. In the agreement one share of R.T.C. Management Company Limited was also purchased, becoming a wholly owned subsidiary. The existing contractual arrangements and obligations have been transferred to the new landlord and have been maintained.

On 21 September 2022 Mercedes-Benz Formula E Limited was sold by Mercedes-Benz Holdings UK Limited and was no longer considered a related party, transactions after this date have therefore not been disclosed.

Following R.T.C. Management Company Limited becoming a wholly owned subsidiary, the company was dissolved on 24 January 2023.

The above are all related parties by virtue of being fellow companies of the shareholders of the Group. The transactions are all at arms' length and relate to the provision of goods and services between the parties associated with the Company's principal activity.

Total compensation of key management personnel including the directors in the year amounted to £8,735k.