

Registered number: 00787446

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

TUESDAY



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## MERCEDES-BENZ GRAND PRIX LIMITED

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### COMPANY INFORMATION

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**Directors** Rene Berger  
Markus Schäfer  
Toto Wolff  
Alex Nediger (appointed 29 June 2020)  
Philipp Schiemer (appointed 18 February 2021)

**Registered number** 00787446

**Registered office** Operations Centre  
Brackley  
Northamptonshire  
NN13 7BD

**Independent auditors** KPMG LLP  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 Mercedes-AMG Petronas Motorsport, which is an entrant to the FIA Formula One World Championship, and through its Applied Science division, which leverages expertise and technological capability to support customers to deliver world-class engineering across land, sea and air.

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, which include achieving a financially sustainable future for the team.

From 2021, the introduction of new Financial Regulations which will enable Formula One teams to achieve standalone financial sustainability in the years ahead. These regulations have required significant efforts to reshape and restructure the organisation to ensure full compliance from 2021 and continue to deliver maximum on-track performance.

The team will also be strengthened from 2021 by closer alignment to the Mercedes-AMG sub-brand, which is the performance division of Mercedes-Benz.

The company enjoyed another unprecedented success in 2020, by becoming the first team ever to win the Constructors' and the Drivers' Formula One World Championships for the seventh consecutive year.

In a shortened calendar of 17 races owing to COVID-19, the team scored 13 race wins, five one-two finishes and 25 podiums. Reliability was outstanding, with the team's cars completing 2031 of the 2074 racing laps during the season and registering one DNF from 34 starts. The team won the 2020 Constructors' Championship with a total of 573 points.

This exceptional on-track performance reflected into media coverage of the team. Mercedes-AMG Petronas Motorsport enjoyed a 19.2% share of television coverage during the season and generated a cumulative television Advertising Value Equivalent (AVE) of \$5.783 billion for its commercial partners.

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 \$49.3 billion in 2020 (as measured by Interbrand), with Formula One making an important contribution to the brand's status as the eighth most valuable in the world.

Turnover was £355.5 million (2019: £363.6 million) the slight reduction resulted primarily from lower prize fund income, this was because of COVID-19 delaying and reducing the race calendar during the year. The company made a profit after taxation of £13.6 million (2019: £14.7 million).

Mercedes-Benz Grand Prix Limited will continue with its principal activities as a Formula One racing team and aspires to win both championships for the eighth consecutive season. In addition, the company will operate and grow a market-leading Applied Science division, delivering high-performance engineering expertise to new and existing third-party customers.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 director's strategy is to pursue both the Drivers' and Constructors' Formula One Championship 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 company's strategy are subject to a number of 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 company operates in a highly competitive environment. This results in pressure to achieve not only the company'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 company's cash is managed on a group basis with cash balances held on intercompany accounts. These arrangements are managed on an arms' length basis in conjunction with Daimler AG treasury department.

##### *Credit risk*

The company'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 company is exposed to movements in foreign exchange rates as a result of revenue receipts and operating costs in currencies other than sterling. These risks are managed in conjunction with Daimler AG.

##### *Brexit*

Following the UK leaving the European Union, and transitional arrangements ending on 31 December 2020, the UK and European Union have entered into a Free Trade Agreement with effect from 1 January 2021. Additional processes have been initiated to ensure that the company is compliant as a result of these changes and will be continually monitored.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### COVID-19

The company is taking all necessary precautions to protect the workforce in line with Government advice. The race calendar has been carefully considered and planned to ensure the safety of all individuals and aims to deliver a record 23 races in the 2021 season. Thanks to the range of revenue streams for Mercedes-Benz Grand Prix Ltd during the year, the company is still able to maintain profitability and to meet all financial obligations. A prudent approach will continue to be taken in regard to possible impacts on the business and contingency plans are regularly reviewed to mitigate effects of the virus on the business.

#### Future outlook

On 18 December 2020, it was announced that during 2021 current Principal Partner INEOS will become a one-third shareholder in the Team. Upon completion of that transaction, the company will be owned in three equal parts by Daimler AG, Motorsports Invest and INEOS. In 2021 the team will continue to develop its financial sustainability, aided by delivering maximum competitiveness under the new Financial Regulations and by diversifying and leveraging the capability within the team through the Applied Science division. The team will also benefit from a closer alignment with the Mercedes-AMG division, which will feature more prominently on the car livery from 2021.

The Directors are proud and enthusiastic to be competing in the 2021 season and are committed to maintaining the impressive record of achievement since 2014 as well as demonstrating innovative solutions in areas beyond motorsport. As a high-technology business, the team can adapt competitively and commercially to changes in its operating environment and will continue to invest in its capability and culture to ensure medium- and long-term success both on and off track. Mercedes-Benz Grand Prix is looking forward to welcoming INEOS as a third shareholder alongside Motorsports Invest and Daimler AG during 2021. The company would like to thank Mercedes-Benz, PETRONAS and our other partners for their continuing support.

This report was approved by the board on 20 April 2021

and signed on its behalf.

  
Toto Wolff  
Director

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### Dividends

The directors do not recommend payment of a dividend (2019: £nil).

#### Directors

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

Rene Berger  
Markus Schäfer  
Britta Seeger (resigned 18 February 2021)  
Frank Markus Weber (resigned 29 June 2020)  
Toto Wolff  
Alex Nediger (appointed 29 June 2020)

#### Employee involvement

The company maintains its commitment to proactive programmes for 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.

In December 2020, the company announced its Accelerate 25 programme, a five-year programme to formalize its vision to become a more diverse and inclusive team. The company aims to continuously raise its standards of entry and in each year up to and including 2025, will aim for at least 25% of all new starters to come from under-represented groups.

The company has also worked to embed Diversity and Inclusion more deeply in its values and behaviours. This includes deploying dialogue and training for the workforce, in-depth analysis of recruitment processes by independent experts, and the deployment of action plans to reach under-represented groups through new partnerships, mentoring, work experience, sponsorship and targeted advertising.

In addition, the company 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, a five-year partnership between the team and the Mulberry Schools Trust to give young people at the Trust and beyond access to inspirational role models, imaginative teaching and extra-curricular experiences to help develop their passion for STEM subjects and encourage them to continue these subjects in higher education.

It is the company'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 company who become disabled to continue their employment or to be trained in other positions in the company.

#### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 company.

#### Environmental policy and mandatory greenhouse gas emissions reporting

In March 2020, Mercedes-Benz Grand Prix Limited announced an ambitious sustainability strategy, in line with Daimler AG's Ambition2039 to achieve a carbon-neutral new passenger car fleet by 2039 and Formula One's ambition to achieve net-zero status for the sport by 2030.

The company plans to reduce its CO2 footprint by 50% by the end of 2022, compared to the baseline set in 2018. This will see a drop from around 20,000 tonnes in 2018 to 10,000 tonnes in 2022 by deploying a significant number of carbon reduction measures. Prominent among these is the transition to renewably sourced power, which took place in the final quarter of 2019.

The very nature of Formula One as a motorsport series that races around the world means that there are certain unavoidable CO2 emissions, which will be offset through gold-standard off-setting mechanisms on the same basis as the wider Daimler group. On this basis, the company will be carbon neutral from 2020 onwards.

The company's commitment also extends to how the team operates at the race events. For example, single-use plastics have been eliminated from our catering operations, and low-impact hotel stays will be adopted for every team member.

In the period covered by the report the Company has identified and implemented energy savings of 220,000 kWh. Projects included upgrading the compressed air system, further LED installations and replacing aged plant including air conditioning equipment. Energy efficiency actions have been driven through ISO 14001 objectives to improve performance in combination with ESOS audits & internal recommendations.

The decision has also been made to install electric vehicle charging stations and switch gas supply to a REGO certified "green gas" source, so that it can be in line with the wider procurement strategy.

The company's efforts in this field were recognised by the award of the FIA 3\* Environmental Accreditation standard in December 2020.

	2020
SECR Inventory	
Energy consumption used to calculate emissions: /kWh	17,152,776
Emissions from Scope 1 tCO2e	359
Emissions from purchased electricity tCO2e (Scope 2)	3,895
Total gross tCO2e based on above	4,254
Intensity ratio: tCO2e gross pre average number of employees	4

This is the first year of SECR, so no comparison in emissions has been established.



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## MERCEDES-BENZ GRAND PRIX LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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'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'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 20 April 2021 and signed on its behalf.



Toto Woon  
Director

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## MERCEDES-BENZ GRAND PRIX LIMITED

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

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#### Opinion

We have audited the financial statements of Mercedes-Benz Grand Prix Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 company's affairs as at 31 December 2020 and of its 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 company 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 company or to cease its operations, and as they have concluded that 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 its 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 company's business model and analysed how those risks might affect the 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 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 company will continue in operation.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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

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#### **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 Company'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 minutes.
- Considering remuneration incentive schemes and performance targets for management.
- 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 our 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 external revenue from sponsorship and other services is recorded 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.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and journal entries with specific descriptions.
- Testing a sample of revenue transactions to supporting documentation to assess whether revenue had been recorded in the correct period.

##### *Identifying and responding to risks of material misstatement due to non-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 Company 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.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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

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Secondly, the Company 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 the Company's license to operate. We identified the following areas as those most likely to have such an effect: FIA sporting and financial regulations, health and safety, anti-bribery, employment law, data protection, environmental legislation and certain aspects of company legislation recognising the nature of the Company'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-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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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

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#### Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

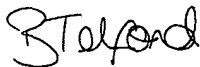
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:  
[www.frc.org.uk/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities).

#### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Bethan Telford (Senior statutory auditor)**



for and on behalf of

**KPMG LLP, Statutory Auditor**

The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP  
Date: 23 April 2021

**MERCEDES-BENZ GRAND PRIX LIMITED**

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
Turnover	2	355,301	363,627
Cost of sales		(324,939)	(333,290)
<b>Gross profit</b>		<b>30,362</b>	<b>30,337</b>
Administrative expenses		(12,867)	(12,223)
<b>Operating profit</b>		<b>17,495</b>	<b>18,114</b>
Interest receivable and similar income		21	-
Interest payable and expenses	8	(285)	(968)
<b>Profit before tax</b>		<b>17,231</b>	<b>17,146</b>
Tax on profit	9	(3,593)	(2,434)
<b>Profit for the financial year</b>		<b>13,638</b>	<b>14,712</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>13,638</b>	<b>14,712</b>

The notes on pages 15 to 32 form part of these financial statements.

**MERCEDES-BENZ GRAND PRIX LIMITED**  
**REGISTERED NUMBER: 00787446**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020	2019
<b>Fixed assets</b>			
Tangible assets	10	85,755	72,433
Heritage assets	11	4,918	5,336
		<u>90,673</u>	<u>77,769</u>
<b>Current assets</b>			
Race car development		36,734	42,441
Stocks	12	1,494	1,801
Debtors: amounts falling due within one year	13	95,333	117,180
Cash at bank and in hand		161	7,228
		<u>133,722</u>	<u>168,650</u>
Creditors: amounts falling due within one year	14	(146,702)	(186,564)
<b>Net current liabilities</b>		<u>(12,980)</u>	<u>(17,914)</u>
<b>Total assets less current liabilities</b>		<u>77,693</u>	<u>59,855</u>
<b>Provisions for liabilities</b>			
Other provisions	16	(6,476)	(2,276)
		<u>(6,476)</u>	<u>(2,276)</u>
<b>Net assets</b>		<u>71,217</u>	<u>57,579</u>
<b>Capital and reserves</b>			
Called up share capital	17	130,000	130,000
Share premium account	18	44	44
Profit and loss account	18	(58,827)	(72,465)
<b>Shareholders' funds</b>		<u>71,217</u>	<u>57,579</u>

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

Toto Wolff  
 Director

The notes on pages 15 to 32 form part of these financial statements.

20 April 2021



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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
At 1 January 2019	130,000	44	(87,177)	42,867
Comprehensive income for the year				
Profit for the year	-	-	14,712	14,712
At 1 January 2020	130,000	44	(72,465)	57,579
Comprehensive income for the year				
Profit for the year	-	-	13,638	13,638
At 31 December 2020	130,000	44	(58,827)	71,217

The notes on pages 15 to 32 form part of these financial statements.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 management to exercise judgment in applying the Company's accounting policies.

The Company is exempt by virtue of s405 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Daimler AG includes the Company in its consolidated financial statements. The consolidated financial statements of Daimler AG are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Mercedesstrasse 137, 70327 Stuttgart, Germany. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statements and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of Daimler AG include disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following principal accounting policies have been applied:

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.2 Going concern**

Notwithstanding net current liabilities of £12.98m as at 31 December 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company has a group cash pooling agreement with its ultimate parent undertaking Daimler AG. The balances which form part of this arrangement as at 31 December 2020 are disclosed in these financial statements as 'Amounts owed to group undertakings – cash pooling'.

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 company will have sufficient funds, through the cash pooling arrangement and funding from its ultimate parent company, to meet its liabilities as they fall due for that period.

The cash pooling agreement with Daimler AG expires on 25 June 2022. Preceding the expiry of the cash pooling agreement Mercedes-Benz Grand Prix are able to continue to follow the standard Daimler AG funding procedures and apply for a 12-month renewal if required.

This funding is available to all Group Companies to ensure they have access to funds sufficient to meet their payment obligations as per the Daimler AG Capital Structure Policy. All funding for the Company is internal and is available pursuant to the terms of the Capital Structure Policy.

Cash flow forecasts covering up to the date of signing and the 12 months following were amended to consider a number of alternative reasonably possible downside scenarios reflecting the possible impact of COVID-19 on the Company's operations and its financial resources, including potential reductions in variable revenue streams.

These forecasts along with the approach taken by the directors were shared with the Daimler Group who were satisfied with the approach taken by the directors with the conclusion that the entity has sufficient financial resources within the existing cash pooling agreement and funding from its ultimate parent company to meet its cash flow requirements for the period.

In forming their conclusion, the directors have made appropriate inquiries of the parent company and have not identified any matters which impact its conclusions regarding the ability of the company to continue as a going concern.

Consequently, the directors are confident that the company 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.

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.3 Foreign currency translation**

**Functional and presentation currency**

The Company'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.

**1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

**1.5 Operating leases: the Company as lessor**

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

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.

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

**1.7 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**1.8 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**1.9 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. Accounting policies (continued)

##### 1.10 Current and deferred taxation

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

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

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

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

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

##### 1.11 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:

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 the Statement of Comprehensive Income.

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## MERCEDES-BENZ GRAND PRIX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. Accounting policies (continued)

##### 1.12 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.

##### 1.13 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 9th August 2017 and the valuation of all newly recognised assets was conducted on the basis of recent valuations of equivalent assets.

##### 1.14 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.

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company 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 company has a detailed, formal plan for the restructuring which has been communicated with the employees and therefore the company 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.

**1.16 Intangible assets**

Intangible assets are stated at historic purchase cost. The cost of intangible assets 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 development costs would be the season to which the development relates.

**2. Turnover**

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

	2020	2019
Rendering of services	345,708	353,737
Sale of goods	9,593	9,891
	<u>355,301</u>	<u>363,628</u>

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



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MERCEDES-BENZ GRAND PRIX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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3. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2020	2019
Exchange differences	61	(1,093)
Other operating lease rentals	17,895	17,682
Rental of plant and machinery	9	33
Depreciation of tangible fixed assets	18,249	17,478
Profit on disposal of fixed assets	402	123
	<u>          </u>	<u>          </u>

4. Auditors' remuneration

	2020	2019
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	48	50
	<u>          </u>	<u>          </u>

5. Employees

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

	2020	2019
Wages and salaries	93,349	83,999
Social security costs	11,143	10,279
Contributions made to defined contribution plans	1,941	1,024
	<u>          </u>	<u>          </u>
	<u>106,433</u>	<u>95,302</u>

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

	2020 No.	2019 No.
Design, manufacturing and engineering	906	872
Administration	157	144
	<u>          </u>	<u>          </u>
	<u>1,063</u>	<u>1,016</u>

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MERCEDES-BENZ GRAND PRIX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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6. Directors' remuneration

	2020	2019
Directors' emoluments	6,893	6,945
	<u>6,893</u>	<u>6,945</u>

The highest paid director received remuneration of £6,893 thousand (2019 - £6,945 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2019 - £nil).

The remaining Board members are employed and remunerated by other Group entities. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company employer to the qualifying services they provide to the Company and the Company 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.

7. Interest receivable

	2020	2019
Other interest receivable	21	-
	<u>21</u>	<u>-</u>

8. Interest payable and similar expenses

	2020	2019
Cash pooling interest payable	285	968
	<u>285</u>	<u>968</u>

**MERCEDES-BENZ GRAND PRIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Taxation**

	2020	2019
<b>Corporation tax</b>		
Current tax on profits for the year	2,028	2,716
Adjustments in respect of previous periods	304	522
	<u>2,332</u>	<u>3,238</u>
<b>Total current tax</b>	<u>2,332</u>	<u>3,238</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,261	(804)
<b>Total deferred tax</b>	<u>1,261</u>	<u>(804)</u>
<b>Taxation on profit on ordinary activities</b>	<u>3,593</u>	<u>2,434</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
Profit on ordinary activities before tax	<u>17,231</u>	<u>17,146</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	3,274	3,258
<b>Effects of:</b>		
Expenses not deductible for tax purposes	113	309
Differences between depreciation and capital allowances	705	443
Adjustments to tax charge in respect of prior periods	304	522
Other timing differences leading to an increase (decrease) in taxation	920	45
Tax restriction on research and development tax credit	2,028	2,717
Utilisation of unrelieved tax losses brought forward	(2,984)	(2,506)
Utilisation of R&D expenditure credit	(2,028)	(1,349)
Movement in deferred tax asset	1,261	(804)
WHT offset	-	(201)
<b>Total tax charge for the year</b>	<u>3,593</u>	<u>2,434</u>

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Taxation (continued)**

**Factors that may affect future tax charges**

The March 2020 Budget announced that a rate of 19% would continue to apply from 1 April 2020, and this change was substantively enacted on 17 March 2020. The deferred tax asset at 31 December 2020 has been calculated based on this rate (2019: 19% effective from 1 April 2017 and 17% effective from 1 April 2020).

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 and had it been substantively enacted at the balance sheet date would have increased the deferred tax asset by £194,000.

MERCEDES-BENZ GRAND PRIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Assets Under Construction	Total
<b>Cost</b>							
At 1 January 2020	30,606	82,189	6,534	19,768	24,485	10,397	173,979
Additions	-	-	-	-	-	31,726	31,726
Disposals	-	(839)	(3,139)	(25)	(131)	-	(4,134)
Transfers between classes	5,606	8,045	352	1,404	7,828	(23,235)	-
At 31 December 2020	36,212	89,395	3,747	21,147	32,182	18,888	201,571
<b>Depreciation</b>							
At 1 January 2020	27,647	50,289	6,483	4,661	12,466	-	101,546
Charge for the year on owned assets	2,369	7,468	43	1,969	6,400	-	18,249
Disposals	-	(782)	(3,139)	-	(58)	-	(3,979)
At 31 December 2020	30,016	56,975	3,387	6,630	18,808	-	115,816
<b>Net book value</b>							
At 31 December 2020	6,196	32,420	360	14,517	13,374	18,888	85,755
At 31 December 2019	2,959	31,900	51	15,107	12,019	10,397	72,433

**MERCEDES-BENZ GRAND PRIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. Heritage assets**

	Historic cars and related assets
<b>Cost and net book value</b>	
At 1 January 2020	5,336
Additions	845
Disposals	(831)
Impairment	(432)
At 31 December 2020	<u>4,918</u>

Five year financial summary of heritage asset transactions:

	2020	2019	2018	2017	2016
Additions	845	1,885	1,374	1,582	730
Disposals - net book value	831	-	1,329	700	1,125
Profit/(loss) on disposal	103	-	(206)	68	44

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MERCEDES-BENZ GRAND PRIX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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12. Stocks

	2020	2019
Raw materials and consumables	1,494	1,801
	<u>1,494</u>	<u>1,801</u>

The carrying value of stocks are stated net of impairment losses totaling £353,459 (2019 - £nil). Impairment losses totaling £353,459 (2019 - £nil) were recognised in profit and loss.

13. Debtors

	2020	2019
Trade debtors	57,146	39,006
Amounts owed by group undertakings	1,706	945
Other debtors	2,253	15,257
Deferred taxation	8,115	9,376
Prepayments and accrued income	26,113	52,596
	<u>95,333</u>	<u>117,180</u>

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are interest free.

14. Creditors: Amounts falling due within one year

	2020	2019
Trade creditors	18,108	14,805
Amounts owed to group companies	13,660	7,875
Amounts owed to group undertakings - cash pooling	7,935	74,386
Other taxation and social security	13,381	3,036
Other creditors	2,964	-
Accruals and deferred income	90,654	86,462
	<u>146,702</u>	<u>186,564</u>

Amounts owed to group undertakings are interest free, unsecured and have no fixed date of repayment with the exception of the cash pooling which accrues interest at a rate agreed with group central treasury and expires June 2022, this can be extended by 12 months at a time if required. As part of the expected new shareholding agreement, it has been confirmed that further adequate funding matching the existing arrangement will be available.

**MERCEDES-BENZ GRAND PRIX LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. Deferred taxation**

	2020
At beginning of year	9,376
Charged to profit or loss	(1,261)
<b>At end of year</b>	<b>8,115</b>

The deferred tax asset is made up as follows:

	2020	2019
Accelerated capital allowances	44	19
Tax losses carried forward	7,501	9,234
Other - timing differences	570	123
	<b>8,115</b>	<b>9,376</b>

In addition to the deferred tax asset above, Mercedes-Benz Grand Prix Ltd has additional unrecognised gross tax losses of £nil (2019: £3,090,000) to be carried forward to future periods.

**16. Provisions**

	Property provision	Restructuring provision	Revenue Rights provision	Total
At 1 January 2020	2,276	-	-	2,276
Charged to profit or loss	1,717	1,568	2,000	5,285
Utilised in year	(241)	(844)	-	(1,085)
<b>At 31 December 2020</b>	<b>3,752</b>	<b>724</b>	<b>2,000</b>	<b>6,476</b>

**Property provision**

This relates to an estimate for dilapidation's and reinstatement costs in relation to the facility at Reynard Park, Brackley, 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 has impacted the delivery of some marketing rights to sponsors, which will crystallise within the next year.

**Restructuring provision**

This provision is in relation to the expected restructuring costs for staff to ensure compliance with the FIA financial regulations and is expected to be fully utilised during 2021. These costs include payment in lieu of notice, compensation for redundancy and associated legal fees.



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MERCEDES-BENZ GRAND PRIX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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17. Share capital

	2020	2019
Allotted, called up and fully paid		
1,000,000 (2019 - 1,000,000) Ordinary shares of £0.0002 each	200	200
13 (2019 - 13) Preference shares of £10,000,000 each	130,000,000	130,000,000
87 (2018 - 87/100) Redeemable deferred shares of £0.0002 each		
	<u>130,000,200</u>	<u>130,000,200</u>

In 2020 (2019: nil) no dividends were declared or paid.

18. Reserves

Share premium account

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

Profit and loss account

This reserve includes all the current and prior period retained profits and losses.

19. Capital commitments

The company had capital commitments of £2,459,000 at 31 December 2020 (2019: £2,222,000).

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**MERCEDES-BENZ GRAND PRIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**20. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
<b>Land and Buildings</b>		
Within one year	2,179	2,056
Within two and five years	8,596	1,969
After five years	4,465	834
	<u>15,240</u>	<u>4,859</u>
	2020	2019
<b>Other</b>		
Within one year	16,182	15,319
	<u>16,182</u>	<u>15,319</u>

During the year £18,140,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019 : £17,682,000).

**21. Amounts receivable under operating leases**

At 31 December 2020 the Company had future lease payments receivable under non-cancellable operating leases as follows:

	2020	2019
<b>Land and Buildings</b>		
Within one year	93	63
Within two and five years	516	351
After five years	222	242
	<u>831</u>	<u>656</u>

## MERCEDES-BENZ GRAND PRIX LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 22. Related party transactions

During the year the company undertook the related party transactions as listed below:

	Sales	Purchases	Amounts owed to group	Amounts owed by group
Daimler AG	-	3,046	-	59
Daimler Insurance Services UK Limited	-	530	-	-
Mercedes AMG High Performance Powertrains Limited	6,219	1,825	1,318	242
Mercedes-Benz do Brasil Ltda	-	4	-	3
Mercedes-AMG GmbH	100	21	100	-
Mercedes-Benz AG	40,599	13,328	59	12,807
Mercedes-Benz Accessories GmbH	-	236	-	456
Mercedes-Benz Malaysia SND BHD	-	49	-	-
Mercedes-Benz Financial Services UK Limited	-	267	-	1
Mercedes-Benz Formula E Limited	6,685	34	35	34
Mercedes-Benz France S.A.S.	-	49	-	-
Mercedes-Benz Australia/Pacific Pty Ltd	-	297	-	13
Mercedes-Benz Belgium	1	-	-	-
Mercedes-Benz Österreich GmbH	-	20	-	-
Mercedes-Benz Schweiz AG	-	31	-	2
Mercedes-Benz UK Limited	173	325	194	4
Mercedes-Benz Mexico	-	18	-	-
Mercedes-Benz Espana S.A	-	39	-	38
Motosports Invest Limited	749	-	-	-

Mercedes-Benz Grand Prix Limited holds an 88.9% ordinary shareholding in R.T.C Management Company Limited, registered address being Charter Court, 49 Castle Street, Banbury, Oxfordshire, OX16 5NU. The profit recognised for the period was £747 and the aggregate share capital and reserves was £10,181.

The above are all related parties by virtue of being fellow companies of the ultimate shareholders of the company, with the exception of Motosport Invest Limited. 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.

During the year, heritage assets were purchased by Motosport Invest Limited controlled by Toto Wolff.

#### 23. Controlling party

The company is a subsidiary undertaking of Daimler UK Limited, a company incorporated in the United Kingdom, which is the immediate parent company.

The ultimate controlling party is Daimler AG, a company incorporated in Germany.

Daimler AG is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated statements of Daimler AG can be obtained from the Company secretary, Mercedesstrasse 137, 70327 Stuttgart, Germany.