



64th Annual General Meeting of The Mercedes-Benz Club Limited

To be held on

Sunday 15th January 2023

at

The Crowne Plaza Hotel, Bridgefoot, Stratford-upon-Avon, CV37 6YR

Commencing at 10:30 am

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Interim Chairman's Letter

To all members of The Mercedes-Benz Club Limited

20 November 2022

Dear Member

Annual General Meeting

I am pleased to send you the formal notice and agenda and related documents and information for our next Annual General Meeting, which will be held at 10:30am on 15 January 2023 at the Crowne Plaza Hotel, Bridgefoot, Stratford-upon-Avon CV37 6YR.

The formal notice and agenda for the Annual General Meeting is set out in Appendix I to this letter. As you will see, in addition to usual matters, the business of the Annual General Meeting includes a special resolution to adopt new articles of association and, subject to the adoption of the new articles, an ordinary resolution to adopt new Rules. It also includes an ordinary resolution to give effect to the results of a ballot for the selection of new directors.

The new articles and Rules

Changes to the Club's current articles and Rules are needed in relation to how directors of the Club are appointed and the use of proxy notices in order to take account of concerns expressed by members over the summer. As is good practice, however, the Interim Board has also reviewed the current articles and Rules more generally and is proposing some additional changes.

A summary of the principal differences between the Club's current articles and Rules and the new articles and Rules is set out in Appendix II to this letter. As you will see, in addition to new provisions permitting directors to be appointed by ballot of the members and changes relating to proxy notices, the differences include an update of the Club's objects, new limits on directors' powers and changes which will affect joint members and members whose registered address is outside the United Kingdom and Ireland. If you are a joint member and/or an overseas member, your attention is particularly drawn to paragraphs 12 and 15 of Appendix II, which contain important information about transitional arrangements and actions you may wish to take.

Copies of the new articles and Rules are available on the Club's website at <https://mercedes-benz-club.co.uk/club-news/vacancies-for-club-board-directors> and can also be inspected at the Club's registered office by appointment with the Membership Secretary.

Appointment of new directors

The new articles and Rules will, if approved by members, only take effect from the conclusion of the Annual General Meeting. This means that under the terms of the current articles all the members of the Interim Board will stand down at the Annual General Meeting and new directors need to be appointed with effect from that time.

As you will be aware, the Club has already invited eligible members to put themselves forward for appointment as directors and the names of the candidates going forward to a ballot of members are being published today. The outcome of the ballot will not of itself have legal effect because the new articles will not be in force at its conclusion, and therefore in order to give effect to the outcome, members are being asked to appoint the successful candidates by ordinary resolution at the Annual General Meeting.

It is not possible to specify the successful candidates by name in the ordinary resolution set out in the accompanying notice of Annual General Meeting because the outcome of the ballot will not be known until around 10 January 2023 and therefore after the date of this letter. Instead, the Club intends to publish their names on the Club's website at <https://mercedes-benz-club.co.uk/club-news/vacancies-for-club-board-directors> on or around 10 January 2023 and to confirm this information at the Annual General Meeting.

The resolution appointing the new directors makes provision for their terms to be staggered. In keeping with both the current and the new articles, which have the effect that a director's term of office cannot exceed 3 years unless he or she is reappointed by the members, the new directors will therefore between them stand down on 30 November in 2023, 2024 and 2025. The date of 30 November has been chosen in order to avoid future ballots running over the Christmas and New Year period and with a view to successful candidates appearing at annual general meetings shortly after their appointment.

The number of directors standing down in each of the three years will be one third of the total number of directors appointed, or the nearest number to one third if the total number is not divisible by three (rounded down in 2023 and up in 2024). Who stands down when will, unless the new directors agree among themselves, be determined by lot.

Directors' report and financial statements

The directors' report and financial statements for the year ended 31 March 2022 are set out in Appendix III to this letter. The receipt of the report and financial statements by members forms part of the business of the Annual General Meeting.

Yours faithfully

Ian Keers OBE

Interim Chairman

Registered Office:

30 Scotgate

Stamford

PE9 2YQ

Appendix I



The Mercedes-Benz Club Limited
Notice of the 64th Annual General Meeting to be held on
Sunday 15 January 2023, commencing at 10:30 am, at
the Crowne Plaza Hotel, Bridgefoot, Stratford-upon-Avon, CV37 6YR

The agenda for the meeting is as follows:

1. Welcome and opening remarks.
2. Interim Chairman's Report.
3. To consider and, if thought fit, pass the following resolutions:
 - (1) **Ordinary Resolution:** To receive the Directors' Report and Financial Statements for the year ended 31 March 2022.
 - (2) **Ordinary Resolution:** To approve a proposal by the Board that Messrs MHA MacIntyre Hudson be re-appointed as Independent Examiners of the Company for the financial year 2022/2023.
 - (3) **Special Resolution:** That with effect from the conclusion of this meeting, the Articles of Association of the Company produced to the meeting (and initialed by the chairman of the meeting for the purposes of identification) be and are hereby adopted as the Company's Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.
 - (4) **Ordinary Resolution:** That with effect from the conclusion of this meeting and subject to the passing of Resolution (3) above, the Rules produced to the meeting (and initialed by the chairman of the meeting for the purposes of identification) be and are hereby adopted pursuant to Article 20 of the Company's Articles of Association as the Rules of the Company in substitution for, and to the exclusion of, the existing Rules.

- (5) **Ordinary Resolution:** That with effect from the conclusion of this meeting, each of the persons named in the announcement by the Chairman, to be published on the Company's website on or around 10 January 2023, as having been successful in the Members' ballot for the election of new Directors to succeed the current Interim Board of the Company be and are hereby appointed as Directors of the Company with effect from the end of this meeting, such Directors to hold office as follows:
- a) one third of the Directors appointed (or if the total number of Directors appointed is not a multiple of three, the number of Directors nearest to one third, rounding downwards) shall hold office until 30 November 2023
 - b) one third of the Directors appointed (or if the total number of directors appointed is not a multiple of three, the number of Directors nearest to one third, rounding upwards) shall hold office until 30 November 2024
 - c) the remaining Directors appointed shall hold office until 30 November 2025, and
 - d) for the purposes of the foregoing the identity of the Directors to retire on the dates above shall (unless they agree among themselves) be determined by lot.

Notes

- A. A Member may appoint another person (who need not be a Member) as Proxy to exercise all or any of his/her rights to attend, speak and vote at the meeting.
- B. The appointment of a Proxy will not preclude the Member from attending, speaking and voting in person at the meeting.
- C. To be effective, a Proxy Notice must be completed, signed, and sent either by post to the Registered Office at 30 Scotgate, Stamford, PE9 2YQ or by email to proxy.form@mercedes-benz-club.co.uk, in either case so as to be received not later than 10:30am on 13 January 2023.
- D. The form of Proxy Notice for use at the meeting is available on the website of the Club at <https://mercedes-benz-club.co.uk/club-news/vacancies-for-club-board-directors> and by request from the Registered Office.

By Order of the Board,

Geoffrey Hunter

Interim Company Secretary

20 November 2022

Registered Office:

30 Scotgate

Stamford

PE9 2YQ

The Annual General Meeting will be followed by an informal Q & A session at which Members can raise Club matters of interest to them. The proceedings of this Q&A session will not be included in the formal Minutes of the Annual General Meeting.

To facilitate an informative discussion it will be helpful if any Member who wishes to raise a topic submits it in writing before the close of business on Friday 6 January 2023, either by post to the Registered Office or by email to the Company Secretary, geoffrey.hunter@mercedes-benz-club.co.uk.

Appendix II

Summary of the principal differences between the current & proposed articles and Rules

The principal differences between the Club's current articles and Rules and the proposed new articles and new Rules (the **new articles** and the **new Rules** respectively) are as follows:

1. Single document

The Club's current articles are based on statutory model articles for companies limited by guarantee but with amendments and additions. They do this by importing the model articles by reference and cross-referring to them, which requires the model articles and the current articles to be read side by side. The new articles are still based on the statutory model articles with changes and additions but in order to increase transparency and aid understanding are now set out as a single composite document.

2. Objects

The Club's current objects are to serve the interests of past and present owners of Mercedes-Benz cars (including named predecessors), to represent the marque in contemporary motoring circles, to fulfil the objects for which The Mercedes Benz Club was originally formed and to further the interests of all persons who are at any time members of the Club.

This wording, through its oblique reference to the objects of the original club (as referenced in the Club's original memorandum of association), results in inbuilt repetition and reference to features of the original club (associated with Ronald Johnson's Mercedes Register) that are now anachronisms. It also fails to take account of the introduction of new Mercedes-related brands, such as *Mercedes-Maybach* and *smart* and the fact that a number of the Club's members have other types of Mercedes-Benz leisure vehicles besides cars.

The new objects as set out in article 2 of the new articles and Rule 4 of the new Rules are: "to foster admiration and enthusiasm for the Mercedes-Benz marque (including its precursors and derivatives), to represent the marque in contemporary motoring circles, and to provide a range of club benefits and services for persons who are at any time Members."

The new wording seeks to be wider, transparent and more inclusive. It focuses on interest in the marque, rather than the vehicles it is attached to or their ownership. It will not become out of date on introduction of new Mercedes-Benz related brands and by substituting a reference to "club benefits and services" in place of "interests", it shifts the emphasis to what is at the heart of the Club.

In keeping with this change, there is no longer a reference to applicants having an admiration and enthusiasm for Mercedes-Benz cars in the new Rules in the context of applying for membership.

3. Appointment of directors by ballot

In line with decisions made in the context of the appointment of the Interim Board, the provisions for the appointment of directors have been changed by the addition in the new articles of a provision (article 20(1)(a)) allowing for the appointment of directors by ballot of the members in accordance with the Rules. Consequential changes have also been made (article 13(4)(a)) which permit the directors to hold such a ballot in the event that the Board becomes inquorate and to reflect the inclusion in the Rules of provisions covering the eligibility requirements for directors and the holding of ballots (article 42).

The term of any director appointed by ballot may not exceed three years (article 20(2)).

These provisions in the new articles are complemented by additions to the new Rules (new Rule 10), which set out the eligibility requirements to be appointed as a director and the base requirements for all ballots.

Under the new Rules (Rule 10.2), a member will only be eligible to be appointed as a director if he/she is a paid-up member of at least 4 years' continuous standing. Except for temporary directors appointed to meet minimum quorum requirements – see paragraph 4 below, the member must be proposed and seconded by a total of six paid-up members all of at least 4 years' continuous standing, whose names will be published. Prospective directors are also required to confirm that they are not precluded from being a director, to confirm their consent to appointment as a director and to provide the information that will need to be filed at Companies House if appointed.

The new Rules permit ballots to be run in accordance with procedures notified to the members by the directors at the time (Rule 10.4) but subject to the following requirements. Vacancies for directors to be appointed by ballot must be advertised to the members at least 14 days before the opening date for the ballot and there must be a minimum 14 day period between the opening and closing dates of the ballot (Rule 10.5). Shortlisted candidates are required to circulate a statement to the members in support of their candidacy (Rule 10.7). Any person who is himself applying to be appointed as a director is precluded from participating in the shortlisting and interview process (Rule 10.6).

The new Rules also set out provisions relating to voting under a ballot. Voting may be conducted electronically (Rule 10.8). Only members entitled to vote at a general meeting of the members may vote and each member who is entitled to vote has one vote (Rule 10.9). The number of votes cast for each candidate on the ballot must also be verified by either two members selected by the Board who are unconnected with the ballot process or a suitably qualified independent person (Rule 10.10). The Board required to announce the result of the ballot on the Club's website as quickly as possible and in any event not later than one week after the closing date of the ballot and to specify the date on which each appointment takes effect and its term (Rule 10.11).

Under the new articles and the new Rules, the exact period for which a director appointed by ballot will hold office will be determined by the Board. The purpose of this flexibility is to allow for terms of office to be staggered and also, if the Board so choose, to provide for synchronised end of term dates so as to minimise the number of ballots that need to be held each year.

4. Appointment of directors by other methods

The new articles retain the provision in the current articles which permits directors to be appointed by ordinary resolution of the members at any time. The provisions in the current articles relating to the 3-yearly retirement of directors by rotation at annual general meetings have been removed but the term of any such appointment will continue to be limited to a period not exceeding three years. As with directors appointed by ballot, directors appointed by ordinary resolution will now need to meet the eligibility requirements set out in the new Rules.

The current articles permit the Board to co-opt additional directors by board resolution to hold office until the next annual general meeting subject only to the number of directors not thereby exceeding the maximum of 10. The new articles (article 21) severely restrict this power: co-opting of directors is permitted only in exceptional circumstances where the Board has become inquorate and then only (i) in a number sufficient to bring the Board back to being quorate and (ii) on the basis that the co-opted director(s) will hold office for a temporary period not exceeding 3 months. During this period the Board are obliged to take steps to enable the members to appoint additional directors by ballot or at a general meeting and the Board is not permitted to make any changes to the Rules.

5. Curtailment of directors' powers

The new articles (article 5(2)) curtail the ability of the Board to exercise the powers of the Club by precluding them from (i) buying real property or entering into any lease of real property for a term of more than 5 years, (ii) borrowing or raising money other than by way of normal trade credit, (iii) lending or advancing money to any person or (iv) changing the name of the Club without in any case prior authorisation by ordinary resolution of the members.

6. Directors' remuneration and expenses

The current articles allow the Board to permit directors or their firms to undertake services for the Club and to be remunerated for doing so. They also permit the Board to remunerate directors for acting as such. The new articles (article 23) expressly prohibit either of these and the conflict provisions (article 16(9)) have been amended accordingly.

The new articles continue to permit the Club to pay the reasonable expenses of the directors and the company secretary, if any, but clarify that such expenses include expenses incurred in attending Club events and events at which they are representing the Club in an official capacity. In addition, the new articles (article 24(2)) now require summary details of the expenses paid to each director and the company secretary to be included in the Club's annual accounts.

7. Inspection of records

The new articles (article 48(1)) give members the right to inspect the Club's accounting records by appointment. As under the current articles, other records may be inspected only as provided by law or as authorised by the Board or an ordinary resolution of the members

and there is a new exception (article 48(3)) prohibiting inspection of other records where this would be contrary to applicable law.

8. Termination of director's appointment

As a consequence of the changes described in paragraph 6 above, the new articles no longer require a director to cease to hold office if he holds any office of profit in the Club. The new articles have also been widened to provide for a director to cease to hold office if required to do so by virtue of any provision of the Companies Act 1986 (not just an order under that Act) or because he is prohibited from being a director by law.

The provision in the current articles terminating a director's appointment if he fails to be re-elected at an annual general meeting at which he is retiring by rotation has also been replaced by a provision that refers to reaching the end of the director's term of office and not being reappointed.

9. Quorum for general meetings

Under the current articles, the quorum for general meetings is 15 members present in person. As directors have to be members and the maximum number of directors is 10, the quorum has been increased in the new articles (article 29) from 15 to 25 but on the basis that members who are present by proxy can also be counted.

10. Voting rights of members

The new articles (article 34(2)) clarify the voting entitlement of members on resolutions at general meetings by bringing them in line with provisions in the Companies Act 2006 as reflected in the Club's past practice.

On a resolution at a general meeting members entitled to vote who are present have one vote on a show of hands and one vote on a poll. Each duly appointed proxy present at the meeting has one vote on a show of hands unless he represents members who have given different voting instructions in which case he has one vote in favour of the resolution concerned and one against. For this purpose a proxy exercising a discretionary vote is treated as having been instructed in the way the proxy elects to exercise his discretion.

The new articles also resolve an uncertainty in relation to the voting rights at general meetings of Honorary Vice-Presidents who are also Life Members (article 25(6)) by making it clear that Life Members are entitled to vote in the same way as other members irrespective of whether or not they are Honorary Vice-Presidents. This clarification is also contained in the new Rules (Rule 9.3).

11. Appointment of proxies

The new articles (article 37(1)) set out the form of the body of the proxy notice to be used for general meetings, which includes provision for voting instructions on resolutions in the notice of meeting to be given to the proxy (which may be "for", "against", "abstain" or "at proxy's discretion"). The new articles also provide (article 37(2)) that proxy notices must state that in

the absence of voting instructions on any resolution, the member will be treated as having instructed the proxy to abstain from voting on that resolution.

The current articles provide for proxy notices to be received not later than 48 hours before the time of the general meeting unless the Board in their discretion accept proxy notices received after that time. The new articles no longer give the Board discretion to count as valid proxy notices received after the specified cut-off time but now allow hours on any day that is not a working day to be excluded for the purpose of calculating the 48 hour period.

12. Joint members

The new articles and new Rules clarify the position of joint members. The new articles define a member to include each of joint members (article 1(1)) to make it clear that each joint member is entitled to vote at general meetings of the Club and guarantees to contribute £5 to the Club if required in the event of its winding up. The new Rules (Rule 6.4) also make it clear that joint members are jointly and severally liable for payment of joining and subscription fees.

The new Rules make it express that joint members are entitled to receive only one membership card and one copy of Club publications between them (Rule 5.3). They also clarify that joint membership is available only to two individuals who have the same residential address.

The new Rules also add some procedural changes. If an applicant for joint membership completes the application for the second member, he must confirm to the Club that he is authorised to do so and must provide evidence of that authorisation if required (Rule 5.5).

Important notice to current joint members: Not all joint members currently meet the membership conditions in the new Rules. The Club will therefore be adopting the following transitional arrangements. Current joint members who do not share the same residential address will not be permitted to continue as joint members from the time of their next renewal, but will have to rejoin as individual members.

The Club also does not currently have full particulars for all its joint members, which means that in a number of cases the Club's register of members contains details of only one of the joint members and as a result the second member cannot vote. The Club will advise members if this applies to them at the time of their next renewal but any joint member who would like confirmation of the position before then, so that the register of members can be updated if necessary, should contact the Membership Secretary.

13. Conduct of members

An additional rule has been included in the new Rules (Rule 11.2) requiring members to treat other members, guests, officials and those involved in Club events, including staff of venues, with courtesy and respect. The rule also reminds members that all Club officials, including the directors, are volunteers.

14. Commencement and termination of membership

The new Rules (Rule 5.9) provide that, in line with company law, membership of the Club commences when an applicant is entered in the register of members rather than on being notified of acceptance by the Membership Secretary as in the current Rules.

The new articles (article 26(2)) extend the requirement to update the register of members if a member ceases to be a member for any reason, not just following expulsion.

15. Communications to members

The current articles presuppose that the Club will send official communications to members with a registered address in the United Kingdom by first class post and to other members using a courier service that provides evidence of guaranteed delivery within 5 business days. This is not how the Club operates. The Club currently uses second class post for members with registered addresses in the United Kingdom, a priority mailing service with a 3-5 day delivery standard for members with registered addresses in Ireland and a courier service that does not guarantee delivery in any specified timeframe for all other members.

The new articles are consistent with the current postal arrangements for members with registered addresses in the United Kingdom and Ireland (article 44). They also provide (article 45 and an associated new definition of “Overseas Member”) that the Club will not be under any obligation to send official communications to members with registered addresses outside the United Kingdom or Ireland (“overseas members”) unless they have provided the Club with an address for communication by electronic means (ie an email address).

The Club has no intention of ceasing to send the Club *Gazette* and its enclosures to overseas members in hard copy form as at present. However, the changes in the new articles mean that although overseas members will continue to receive such communications in or with the *Gazette*, any delay in their receipt will not have a bearing on such things as the timing of general meetings or their validity.

Important notice to overseas members: in light of the foregoing, overseas members who wish to receive official communications by email and have not already supplied the Club with an email address for the purpose, should contact the Membership Secretary.

16. Deemed receipt of communications

The deemed service provisions in the current articles have the effect of treating communications by the Club to members and by members to the Club in the same way and are unworkable in practice. They also do not reflect the Club’s current methods for sending official communications under the articles in hard copy as set out in paragraph 15 above.

The deemed service provisions in the new articles (article 44) apply only to official communications from the Club to members. Communications in hard copy sent by any form of post to members in the United Kingdom and Ireland will be deemed received within 3 working days of being sent. As under the current articles, communications that are hand-delivered will be deemed received on delivery, communications sent by electronic means will be deemed received one hour after being sent and communications via a website will be

deemed received upon being posted on the website or the member being informed (or deemed to be informed) of their being so posted, whichever is the later, but in each case this is no longer subject to the proviso that parts of a day which is not a working day are to be ignored.

Members will continue to be able to send communications to the Club in the same way as they can under the current articles, for example in hard copy to the Club's registered office, but communications will need to be received to be effective.

17. Undelivered documents

The new articles (article 46) provide that if any formal communication sent to a member by post or electronic means is returned undelivered, the Club will be under no obligation to send further documents and information to that member until the member supplies updated contact details.

This is complemented by the new Rules (Rule 5.13) which provide that the Membership Secretary will endeavour to contact the affected member if the undelivered item was sent by post and the member has provided other contact details (eg an email address or telephone number) but if the Membership Secretary is unable to contact the member, no further documents or information, including the Club *Gazette* or other publications, will be sent to the member until the member contacts the Club and the member will not be entitled to any refund of his joining or subscription fees.

18. Intellectual Property

The new articles contain a new provision (article 47) to ensure that all intellectual property rights generated by directors and other members in the course of volunteering for the Club is assigned to the Club and, unless the Board otherwise agrees in writing, any associated moral rights waived. The same applies for intellectual property commissioned by directors or volunteers from third parties unless the Board otherwise agrees in writing. A new definition of "Intellectual Property Rights" has also been inserted (article 1(1)).

19. Minor layout and textual changes in the new articles

Defined terms are capitalised in the new articles to make them easier to spot in the text. Punctuation has been simplified; the style of numerical references has been conformed; and in some places articles have been reordered and single articles split into separate paragraphs.

Some minor textual changes have been made to the new articles: (i) to replace the definition of Business Day with the up-to-date definition of a Working Day in the Companies Act 2006 (article 1(1)); (ii) to make it clear that references to the masculine gender include all other genders (article 1(6)); (iii) to distinguish between procedural rules made by the Board for the conduct of Board business (article (18)) and the Rules (ie the rules made under article 42); (iv) to make it clear that the Chairman's casting vote is in addition to his own vote (article 15(1)); (v) to provide for the Board to establish conditions of membership as well as rights and obligations for different classes of membership (article 25(5)); (vi) to make it clear that the obligation to hold an annual general meeting of the Club each year means in each calendar year (article 28(1)); and (vii) to spell out the rights of members, proxies and corporate representatives to demand a poll at a general meeting instead of through a reference to a

definition in the Companies Act 2006 (article 36(2)). The Company Secretary is also referred to as such throughout the new articles rather than simply as the Secretary.

Some provisions of the model articles that are inapplicable to the Club but not clearly disappplied in the current articles are not reflected in the new articles. These include articles (i) dealing with circumstances where a company is only required to have one director; (ii) making provision for where a company has no directors or members as a result of their death and (ii) permitting directors to attend and speak at general meetings whether or not they are members (inapplicable to the Club because no person is eligible to be a director of the Club if he/she is not a member).

20. Layout and minor textual changes in the new Rules

The new Rules have been reordered and in some instances split so as to group rules relating to the same topic under the same Rule heading.

The interpretation rule in the new Rules (Rule 2) includes an expanded list of definitions; makes it clear that references to the Club's company secretary include references to directors or persons to whom the company secretary or directors have delegated particular actions; like the new articles specifies that references to the masculine gender include all other genders; and reminds members that in the event of any conflict between the Club's Rules and articles, the articles prevail.

The new Rules provide that the directors manage the Club subject to all applicable legislation, not just the Companies Act 2006 (Rule 3.1). They also provide that changes to the Club's policies on data protection and use of the forum will be published in the Club's *Gazette*.

21. Conforming changes

In a number of places the current Rules are inconsistent with the current articles. The opportunity has been taken to bring the new Articles and the new Rules into line with one another, including in relation to the objects of the Club (as updated as set out in paragraph 2 above) and the provisions relating to the payment of joining and subscription fees by the Honorary President, Honorary Vice-Presidents, Life Members and Honorary Members, which will not be charged unless the Board decides otherwise.

Appendix III

**Annual Report and Financial Statements
for the Year Ended 31 March 2022**

Registration number: 00615792

The Mercedes-Benz Club Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022



The Mercedes-Benz Club Limited

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The Mercedes-Benz Club Limited

Company Information

Chairman Mr I R Keers

Directors Mr A F Chalkley
Mr C Henderson
Mr S M Howie
Mr M J Morrison
Mr J R Wallis

Company secretary Mr G M Hunter

Registered office 30 Scotgate
Stamford
Lincolnshire
PE9 2YQ

**Independent
Examiners** MHA MacIntyre Hudson Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

The Mercedes-Benz Club Limited

Directors' Report for the Year Ended 31 March 2022

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

Directors of the company

The directors who held office during the year were as follows:

Mr K J Williams (appointed 4 February 2022 and ceased 31 July 2022)

Mr G R D'Cruze (ceased 31 July 2022)

Mr P Mazzoni (appointed 4 February 2022 and ceased 31 July 2022)

Mr S R Beresford (ceased 31 July 2022)

Mrs R A Maslin (Resigned 14 May 2022)

Mr T Mitchell (ceased 31 July 2022)

Mr K S E Ooi (Deceased 7 March 2022)

Mr P W Greaves - Company secretary and director (ceased 31 July 2022)

Mr R Mackinnon (ceased 31 July 2022)

The following directors were appointed after the year end:

Mr I R Keers - Chairman (appointed 31 July 2022)

Mr A F Chalkley (appointed 31 July 2022)

Mr C Henderson (appointed 31 July 2022)

Mr S M Howie (appointed 31 July 2022)

Mr M J Morrison (appointed 31 July 2022)

Mr J R Wallis (appointed 31 July 2022)

Small companies provision statement

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

Approved by the Board on 3 November 2022 and signed on its behalf by:



Mr I R Keers
Chairman

The Mercedes-Benz Club Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Mercedes-Benz Club Limited

Independent Examiner's Report to the Members of The Mercedes-Benz Club Limited

To the members of The Mercedes-Benz Club Limited. I report on the accounts of the club for the year ended 31 March 2022, which are set out on pages 1 to 16.

Respective responsibilities of officers and examiners

The Club is responsible for the preparation of its financial accounts. The Club's Articles of Association does not require any audit to be performed and theoretically, the Club is able to seek exemptions under the Companies Acts not to undertake formal audit of its accounts. However, the Board of Directors have instructed us to perform an independent examination of its accounts.

It is my responsibility to:

- examine the accounts to ensure that they have been prepared in accordance with general accounting principles
- state whether any particular matters have come to my attention.

Basis of independent examiner's report

An examination includes a review of the accounting records kept by the club and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as officers concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records and
- to prepare accounts which accord with the accounting records and
- comply with the accounting requirements of the club have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



.....
Andrew Moyser FCCA FCA
For and on behalf of MHA MacIntyre Hudson Chartered Accountants,
2 London Wall Place
London
EC2Y 5AU

3 November 2022

The Mercedes-Benz Club Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		441,292	425,812
Cost of sales		<u>300,391</u>	<u>216,811</u>
Gross profit		140,901	209,001
Administrative expenses		<u>192,545</u>	<u>155,958</u>
Operating (loss)/profit		(51,644)	53,043
Other interest receivable and similar income		<u>1,309</u>	<u>6,683</u>
(Loss)/profit before tax		(50,335)	59,726
Tax on (loss)/profit		<u>(38)</u>	<u>147</u>
(Loss)/profit for the financial year		<u>(50,297)</u>	<u>59,579</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The Mercedes-Benz Club Limited

Statement of Comprehensive Income for the Year Ended 31 March 2022

	2022	2021
	£	£
(Loss)/profit for the year	<u>(50,297)</u>	<u>59,579</u>
Total comprehensive income for the year	<u><u>(50,297)</u></u>	<u><u>59,579</u></u>

The notes on pages 10 to 16 form an integral part of these financial statements.

The Mercedes-Benz Club Limited

**(Registration number: 00615792)
Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	35,443	17,047
Tangible assets	5	1,457	3,252
Investments	6	<u>5</u>	<u>5</u>
		<u>36,905</u>	<u>20,304</u>
Current assets			
Stocks	7	2,936	464
Debtors	8	52,775	35,522
Cash at bank and in hand		<u>749,273</u>	<u>787,110</u>
		804,984	823,096
Creditors: Amounts falling due within one year	10	<u>(224,523)</u>	<u>(196,517)</u>
Net current assets		<u>580,461</u>	<u>626,579</u>
Total assets less current liabilities		617,366	646,883
Creditors: Amounts falling due after more than one year	10	<u>(71,473)</u>	<u>(50,693)</u>
Net assets		<u>545,893</u>	<u>596,190</u>
Capital and reserves			
Other reserves		355,000	355,000
Profit and loss account		<u>190,893</u>	<u>241,190</u>
Shareholders' funds		<u>545,893</u>	<u>596,190</u>

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

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

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

Approved and authorised by the Board on 3 November 2022 and signed on its behalf by:

The notes on pages 10 to 16 form an integral part of these financial statements.

The Mercedes-Benz Club Limited
(Registration number: 00615792)
Balance Sheet as at 31 March 2022



.....
Mr I R Keers
Chairman

The Mercedes-Benz Club Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Anniversary reserve £	Other reserves £	Profit and loss account £	Total £
At 1 April 2021	55,000	300,000	241,190	596,190
Loss for the year	-	-	(50,297)	(50,297)
Total comprehensive income	-	-	(50,297)	(50,297)
At 31 March 2022	<u>55,000</u>	<u>300,000</u>	<u>190,893</u>	<u>545,893</u>
	Anniversary reserve £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	-	300,000	236,611	536,611
Profit for the year	-	-	59,579	59,579
Total comprehensive income	-	-	59,579	59,579
Transfers	55,000	-	(55,000)	-
At 31 March 2021	<u>55,000</u>	<u>300,000</u>	<u>241,190</u>	<u>596,190</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by guarantee, incorporated in England and Wales, Registration number 00615792.

The address of its registered office is:

30 Scotgate
Stamford
Lincolnshire
PE9 2YQ

These financial statements were authorised for issue by the Board on 3 November 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises turnover when:

The amount of turnover can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Foreign currency transactions and balances

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class

Plant and machinery

Depreciation method and rate

over 3 years straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class

Website development

Membership database

Amortisation method and rate

over 3 years straight line

over 3 years straight line

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The cash equivalents include monies held on short term investments that mature after the year end date

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Reserves

The Other Reserve is held as a contingency against possible operational expenditure of the club through staff recruitment or the expansion of the club's facilities. The Club's Board of Directors reviews the level of the Other Reserve and the opportunities and challenges that face the club that could need access to that reserve.

The Anniversary Reserve has been established to set aside monies, out of the 2021 surplus, for the club to use throughout 2022 for the celebration of the 70th Anniversary of the club.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Long term employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3 Staff numbers

The average number of persons employed by the company during the year, including 2 employees and 9 volunteer directors, was 11 (2021 - including 2 employees and 11 volunteer directors, was 13).

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Intangible assets

	Internally generated software development costs £	Other intangible assets £	Total £
Cost or valuation			
At 1 April 2021	3,925	29,729	33,654
Additions acquired separately	-	33,135	33,135
At 31 March 2022	<u>3,925</u>	<u>62,864</u>	<u>66,789</u>
Amortisation			
At 1 April 2021	3,925	12,682	16,607
Amortisation charge	-	14,739	14,739
At 31 March 2022	<u>3,925</u>	<u>27,421</u>	<u>31,346</u>
Carrying amount			
At 31 March 2022	<u>-</u>	<u>35,443</u>	<u>35,443</u>
At 31 March 2021	<u>-</u>	<u>17,047</u>	<u>17,047</u>

Included within Other intangible assets are website development costs of £50,182 (2021: £17,047).

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 April 2021	63,021	63,021
Additions	<u>455</u>	<u>455</u>
At 31 March 2022	<u>63,476</u>	<u>63,476</u>
Depreciation		
At 1 April 2021	59,769	59,769
Charge for the year	<u>2,250</u>	<u>2,250</u>
At 31 March 2022	<u>62,019</u>	<u>62,019</u>
Carrying amount		
At 31 March 2022	<u>1,457</u>	<u>1,457</u>
At 31 March 2021	<u>3,252</u>	<u>3,252</u>

6 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>5</u>	<u>5</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2021		<u>5</u>
Provision		
Carrying amount		
At 31 March 2022		<u>5</u>
At 31 March 2021		<u>5</u>

7 Stocks

	2022 £	2021 £
Inventory	<u>2,936</u>	<u>464</u>

The Mercedes-Benz Club Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

8 Debtors

	2022	2021
	£	£
Trade debtors	5,799	-
Other debtors	700	1,250
Prepayments	44,744	31,208
Accrued income	1,532	3,064
	52,775	35,522

9 Cash and cash equivalents

	2022	2021
	£	£
Cash on hand	62	67
Cash at bank	749,211	787,043
	749,273	787,110

10 Creditors

	Note	2022	2021
		£	£
Due within one year			
Trade creditors		52,636	20,796
Social security and other taxes		152	35
Other payables		2,097	760
Accruals		26,091	12,096
Income tax liability		644	1,356
Deferred income		142,903	161,474
		224,523	196,517
Due after one year			
Deferred income		71,473	50,693

11 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £3,583 (2021 - £3,273).

The Mercedes-Benz Club Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	2022 £	2021 £
Turnover (analysed below)	441,292	425,812
Cost of sales (analysed below)	<u>300,391</u>	<u>216,811</u>
Gross profit	140,901	209,001
Gross profit (%)	31.93%	49.08%
Administrative expenses		
Employment costs (analysed below)	33,549	32,362
Establishment costs (analysed below)	17,531	19,755
General administrative expenses (analysed below)	114,998	91,652
Finance charges (analysed below)	9,478	7,815
Depreciation costs (analysed below)	<u>16,989</u>	<u>4,374</u>
	<u>192,545</u>	<u>155,958</u>
Operating (loss)/profit	(51,644)	53,043
Other interest receivable and similar income (analysed below)	<u>1,309</u>	<u>6,683</u>
(Loss)/profit before tax	<u>(50,335)</u>	<u>59,726</u>

This page does not form part of the statutory financial statements.

The Mercedes-Benz Club Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	2022	2021
	£	£
Turnover		
Membership subscriptions	312,776	332,646
Club shop sales	3,902	1,635
Events income	33,351	917
Sundry income	25,263	24,517
Gazette advertising revenue	66,000	66,097
	<u>441,292</u>	<u>425,812</u>
Cost of sales		
Opening merchandise	465	465
Gazette costs	204,959	206,974
Purchases	5,385	107
Event costs	81,253	1,715
Membership costs	10,065	8,014
Closing merchandise	(1,736)	(464)
	<u>300,391</u>	<u>216,811</u>
Employment costs		
Wages and salaries (excluding directors)	29,967	29,089
Staff pensions (Defined contribution)	3,582	3,273
	<u>33,549</u>	<u>32,362</u>
Establishment costs		
Rent	8,698	10,856
Light, heat and power	3,135	3,443
Insurance	5,385	4,858
Repairs and maintenance	313	598
	<u>17,531</u>	<u>19,755</u>
General administrative expenses		
Telephone and fax	769	1,360
Office expenses	256	508
Computer software and maintenance costs	14,912	14,133
Printing, postage and stationery	16,459	15,732
Archive and storage	9,856	18,844
Trade subscriptions	199	716
Examiner support fee	640	1,050
NEC show	26,299	-
AGM expense	3,290	3,913

This page does not form part of the statutory financial statements.

The Mercedes-Benz Club Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	2022	2021
	£	£
Travel and subsistence	6,565	2,570
Advertising	17,646	15,635
Accountancy fees	14,387	13,773
Independent examiners fee	3,500	2,500
Legal and professional fees	-	1,500
Foreign currency (gains)/losses - operating expense	220	(582)
	<u>114,998</u>	<u>91,652</u>
Finance charges		
Bank charges	7,646	6,374
Credit card charges	1,832	1,441
	<u>9,478</u>	<u>7,815</u>
Depreciation costs		
Amortisation of development costs	14,739	753
Depreciation of office equipment (owned)	2,250	3,621
	<u>16,989</u>	<u>4,374</u>
Other interest receivable and similar income		
Bank interest receivable	1,308	6,681
Other interest receivable	1	2
	<u>1,309</u>	<u>6,683</u>

This page does not form part of the statutory financial statements.

