

REGISTERED NUMBER: 07797907 (England and Wales)

Strategic Report, Report of the Director and

Financial Statements

for the Year Ended 31 December 2016

for

Airbnb UK Limited

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for the Year Ended 31 December 2016**

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Airbnb UK Limited
Company Information
for the Year Ended 31 December 2016

Director: E Hession

Registered office: 100 New Bridge Street,
London,
United Kingdom
EC4V 6JA

Registered number: 07797907 (England and Wales)

Auditors: PricewaterhouseCoopers
Chartered Accountant and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

**Strategic Report
for the Year Ended 31 December 2016**

The director presents his strategic report for the year ended 31 December 2016.

Principal activities

The principal activities of Airbnb UK Limited (the Company) in the year under review were those of promoting the Airbnb Online Marketplace within the territory.

Review of business

The company has earned revenues amounting to £72.8 million during the year ended 31st December 2016, this revenue related in its entirety to a recharge of certain costs.

Charged against these revenues were costs of £72.3 million of which the greatest single category was unrealised foreign exchange differences. These foreign exchange differences arose on the intercompany balances which originated as a result of cash collection activities that the company previously performed on behalf of Airbnb Ireland UC. The company did not perform cash collection services during 2016.

Principal risks and uncertainties

Management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks are set out below:

Foreign exchange risk: Given the large number of currencies collected by the Company and the differential between collection and payout, there is a potential for the Company to be exposed to adverse movements in foreign exchange rates. The company has an existing intercompany agreement with Airbnb Ireland UC in which the Company is compensated at cost for gains or losses associated with foreign exchange risk. Foreign exchange movements are also monitored internally by management.

Interest rate and credit risk: The Company's cash and cash equivalents consist of highly-liquid instruments with an original maturity of three months or less and are comprised primarily of demand deposits and money market funds held at financial institutions that management believes are credit worthy. Deposits with these institutions may exceed the amount of insurance provided on these deposits. These amounts are subject to nominal fluctuations in interest rates which generally do not affect the results of operations.

Future developments

The Company follows the group strategy as defined by its ultimate parent entity, Airbnb, Inc. All activities are designed to promote the Airbnb Online Marketplace.

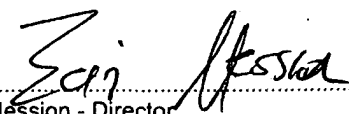
The director expects the general level of activity to decrease from the level in 2016 in the forthcoming year. This is a result of cash collection activities which were being performed on behalf of Airbnb Ireland UC migrating to Airbnb Payments UK Ltd and the expected settlement of the outstanding intercompany balances during 2017 which will eliminate the foreign exchange differences associated with these balances.

Results and dividends

The profit for the financial year was £483,521 (2015: £102,344) which was transferred to reserves.

The director has not paid an interim dividend during the year (2015: £nil); he does not recommend the payment of a final dividend (2015: £nil). The total dividends paid during the year amount to £nil (2015: £nil).

On behalf of the board:


.....
E Hession - Director

Date: 25 Sept 2017

**Report of the Director
for the Year Ended 31 December 2016**

The director presents its report and the audited financial statements of the company for the year ended 31 December 2016. The Company is a private limited company, incorporated in the United Kingdom.

Certain Laws and Regulations require that specific information should be included in the Directors' report, the following is incorporated into this Directors' report by reference:

- o Principal activities (strategic report page 2)
- o Review of the business (strategic report page 2)
- o Principal risks and uncertainties (strategic report page 2)
- o Financial risk management (strategic report page 2)
- o Results and dividends (strategic report page 2)

Director

E Hession held office during the whole of the period from 1 January 2016 to the date of this report.

Going Concern

No material uncertainties have been identified by the director that may cast doubt over the Company's ability to continue as a going concern. These financial statements have therefore been prepared on a going concern basis.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**Report of the Director
for the Year Ended 31 December 2016**

Post Balance Sheet Events

There have been no significant events affecting the Company since 31 December 2016.

Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board:



.....
E Hession - Director

Date: 25 Sep 2017



Independent auditors' report to the members of Airbnb UK Limited

Report on the financial statements

Our opinion

In our opinion, Airbnb UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit and cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Strategic Report, Report of the Director and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.



In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Director. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:



- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the Director, we consider whether those reports include the disclosures required by applicable legal requirements.

A handwritten signature in black ink, appearing to read 'Gareth Hynes'.

Gareth Hynes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
25 September 2017

**Statement of Comprehensive Income
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Turnover	3	72,750,642	90,907,269
Administrative expenses		<u>(72,288,239)</u>	<u>(90,743,067)</u>
Operating profit	5	462,404	164,202
Interest receivable and similar income		<u>133</u>	<u>64</u>
Profit before taxation		462,537	164,266
Tax (charge)/credit on profit	6	<u>20,984</u>	<u>(61,922)</u>
Profit for the financial year		483,521	102,344
Other comprehensive income		<u> </u>	<u> </u>
Total comprehensive income for the year		<u>483,521</u>	<u>102,344</u>

All activities relate to continuing operations.

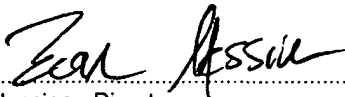
The notes form part of these financial statements

Airbnb UK Limited (Registered number: 07797907)

**Balance Sheet
31 December 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	7	3,173,511	538,398
Current assets			
Debtors: amounts falling due within one year	8	219,231,438	200,712,255
Cash at bank and in hand		<u>479,715</u>	<u>264,493</u>
		219,711,152	200,976,748
Creditors			
Amounts falling due within one year	9	<u>(221,861,315)</u>	<u>(201,041,730)</u>
Net current (liabilities)/assets		<u>(2,150,163)</u>	<u>(64,982)</u>
Total assets less current liabilities		1,023,349	473,416
Creditors			
Amounts falling due after more than one year	10	(108,451)	(96,385)
Provisions for liabilities		<u>(45,145)</u>	<u>(52,978)</u>
Net assets		<u><u>869,753</u></u>	<u><u>324,053</u></u>
Capital and reserves			
Called up share capital	13	100	100
Currency translation	14	(37,742)	(250)
Share based payment reserve	14	193,629	93,958
Retained earnings	14	<u>713,766</u>	<u>230,245</u>
Shareholder's funds		<u><u>869,753</u></u>	<u><u>324,053</u></u>

The financial statements were approved by the director on 25 Sept 2017 and were signed by:



 E Hession - Director

The notes form part of these financial statements

Airbnb UK Limited (Registered number: 07797907)

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

	Called up share capital	Currency translation	Share based payment reserve	Retained earnings	Total equity
Balance at 1 January 2015	100	-	-	127,901	128,001
Changes in equity					
Share option reserve	-	-	93,958	-	93,958
Total comprehensive income	-	(250)	-	102,344	102,094
Balance at 31 December 2015	100	(250)	93,958	230,245	324,053
Changes in equity					
Share option reserve	-	-	99,671	-	99,671
Total comprehensive income	-	(37,492)	-	483,521	446,029
Balance at 31 December 2016	100	(37,742)	193,629	713,766	869,753

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2016

		2016	2015
	Note	£	£
Cash flows from operating activities			
Cash (used in)/generated from operations	15	3,412,854	(58,226,572)
Tax (paid)/received		20,984	(36,000)
Unrealised foreign exchange reserve		(37,492)	-
		<u>3,396,346</u>	<u>(58,262,572)</u>
Net cash from (used by) operating activities			
		<u>3,396,346</u>	<u>(58,262,572)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,181,257)	(512,895)
Sale of tangible fixed assets		-	-
Interest received		133	64
		<u>(3,181,124)</u>	<u>(512,831)</u>
Net cash from investing activities			
		<u>(3,181,124)</u>	<u>(512,831)</u>
(Decrease)/increase in cash and cash equivalents		215,222	(58,775,403)
Cash and cash equivalents at beginning of year	15	264,493	59,039,896
		<u>479,715</u>	<u>264,493</u>
Cash and cash equivalents at end of year	15		
		<u>479,715</u>	<u>264,493</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2016**

1. Statutory information

Airbnb UK Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounting policies have been applied consistently throughout the year.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 33 Related Party Disclosures paragraph 33.1A.

Going Concern

Airbnb Ireland UC confirmed to the directors in writing its intention to provide finance for the continued support of operations of the Company to enable it to (i) meet its liabilities arising in the ordinary course of business as they fall due and (ii) carry on its business in the ordinary course for the foreseeable future, covering the period of 12 months from the signing of these financial statements, without significant curtailment of operations. Accordingly, the directors have prepared the financial statements on a going concern basis.

Statement of compliance

The financial statements of Airbnb UK Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

Turnover

Turnover represents the value of services provided to the parent company under the services arrangement in place. Turnover is recognised when chargeable costs are incurred.

Tangible fixed assets

Tangible fixed assets are recorded at historical cost less accumulated depreciation. Cost comprises the purchase price and any costs directly attributable to bringing the asset to its working condition and location for its intended use. Depreciation is provided at the following annual rates in order to write down the cost of each asset to its estimated residual value over its estimated useful life:

Computer equipment	33% straight line
Fixtures and fittings	20% straight line
Leasehold improvements	Over lease term
Construction in progress is not depreciated.	

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

The asset lives and residual values are assessed as appropriate each year end.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. Accounting policies – continued

Taxation

Tax payable is based on taxable profit for the year, calculated using tax rates enacted at the statement of financial position date. Current tax and deferred tax are recognised in the income statement.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling on the statement of financial position date. Exchange differences are included in the income statement in the period in which they arise.

Leases

Costs in respect of operating leases are charged to the income statement on a straight-line basis over the term of the lease. Management believes this is representative of the time pattern of the benefit and payments to the lessor are not structured to increase in line with expected general inflation.

Share based compensation

The Company's ultimate parent undertaking, Airbnb Inc, operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest.

The Company recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and amounts due from parent and subsidiary undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classed as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Impairment risk to carrying value of tangible assets

The carrying value of tangible assets is assessed for impairment based on the presence of impairment indicators. Management assess impairment risk based on based on estimates of future cash flows from the related income generating units, either through value-in-use or fair value (less cost to sell). The selection of an appropriate discount rate is a key variable in impairment models.

b) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the tangible assets.

Comparative financial information

Comparative financial information has been reclassified to conform to current year classifications where appropriate.

3. Turnover

The turnover and profit before taxation are attributable to the principal activities of the Company.

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
Ireland	<u>72,750,642</u>	<u>90,907,269</u>
	<u>72,750,642</u>	<u>90,907,269</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

4. Employees and directors

	2016 £	2015 £
Wages and salaries	2,807,957	1,970,976
Share based payments	99,671	93,958
Social security costs	515,343	276,259
	<u>3,422,971</u>	<u>2,341,193</u>

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

	2016	2015
	49	26
	<u> </u>	<u> </u>
	2016	2015
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

Director remuneration and key management compensation has been borne by a group company, Airbnb Ireland UC, as the director is also a director of Airbnb Ireland UC. The director's services to the company do not occupy a significant amount of his time and as such he does not consider that he has received any remuneration for his incidental services to the Company for the year ended 31 December 2016 (2015: £nil)

5. Operating profit

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

	2016 £	2015 £
Hire of plant and machinery	859,125	258,597
Depreciation - owned assets	530,918	15,948
Profit on disposal of fixed assets	-	-
Auditor's remuneration for audit of statutory financial statements	18,389	38,175
Auditor's remuneration for non audit work	-	-
Foreign exchange differences	<u>64,553,936</u>	<u>79,672,524</u>

6. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax - current year	0	13,488
- prior year	(13,151)	197
Deferred tax - current year	11,531	48,237
- prior year	(19,364)	0
	<u> </u>	<u> </u>
Tax (credit) on profit	<u>(20,984)</u>	<u>61,922</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2016 £	2015 £
Profit before tax	<u>462,537</u>	<u>164,266</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	92,507	33,264
Effects of:		
Permanent timing differences	63,410	14,881
Capital allowances in excess of depreciation	(40,535)	(54,267)
Effects of share-based payments	(122,417)	19,128
Re-measurement of deferred tax	(7,833)	48,237
Utilisation of losses	7,035	482
Adjustment in respect of prior year	<u>(13,151)</u>	<u>197</u>
Total current year tax charge/(credit)	<u>(20,984)</u>	<u>61,922</u>

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in the financial statements.

7. Tangible fixed assets

	Improvements to property £	Construction in progress £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
At 1 January 2016	36,558	507,201	9,073	39,722	592,554
Additions	1,003,185	1,363,426	12,607	2,537,002	4,916,220
Transfer from CIP	-	(1,734,963)	-	-	(1,734,963)
Disposals	<u>(39,823)</u>	<u>-</u>	<u>-</u>	<u>(26,730)</u>	<u>(66,553)</u>
At 31 December 2016	<u>999,920</u>	<u>135,664</u>	<u>21,680</u>	<u>2,549,994</u>	<u>3,707,258</u>
Depreciation					
At 1 January 2016	19,609	-	2,280	32,267	54,156
Charge for year	190,604	-	2,121	338,193	530,918
Disposals	<u>(24,598)</u>	<u>-</u>	<u>-</u>	<u>(26,730)</u>	<u>(51,328)</u>
At 31 December 2016	<u>185,615</u>	<u>-</u>	<u>4,401</u>	<u>343,730</u>	<u>533,746</u>
Net book value					
At 31 December 2016	<u>814,305</u>	<u>135,664</u>	<u>17,279</u>	<u>2,206,264</u>	<u>3,173,511</u>
At 31 December 2015	<u>16,949</u>	<u>507,201</u>	<u>6,793</u>	<u>7,455</u>	<u>538,398</u>

Construction in progress related to costs incurred on ongoing projects of a data centre fit-out. There has been no depreciation charged on these assets as they were not in service at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. Debtors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed by group undertakings	218,197,705	199,815,910
Other debtors	584,211	629,926
Value added tax	216,140	136,286
Prepayments	125,731	130,133
Corporation tax	107,651	-
	<u>219,231,438</u>	<u>200,712,255</u>

Trade debtors are stated after provisions for impairment of £nil (2015: £Nil).

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

9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	52,072	1,804
Amounts owed to group undertakings	221,413,015	200,759,574
Corporation tax	-	12,984
Social security and other taxes	108,900	80,898
Accruals and deferred income	287,328	186,470
	<u>221,861,315</u>	<u>201,041,730</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Accruals and deferred income	<u>108,451</u>	<u>96,385</u>

11. Commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Not later than one year	475,808	392,954
Later than one year and not later than 5 years	1,266,558	1,248,064
Later than 5 years	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

12. Deferred tax asset/(liability)

	2016 £	2015 £
Capital allowances in excess of depreciation	(84,041)	(52,978)
Share-based payments	32,917	-
Other	5,979	-
	<u>(45,145)</u>	<u>(52,978)</u>

The movement in deferred tax asset/(liability) comprises of:

	2016 £	2015 £
Balance at the start of the year	(52,978)	(4,741)
Amount (debited)/credited to income statement	(11,531)	(48,237)
Amount credited to equity	5,979	-
Balance at the end of the year	<u>(45,145)</u>	<u>(52,978)</u>

13. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	£1	100	100

14. Reserves

	Retained earnings £	Share based payment reserve £	Currency translation £	Totals £
At 1 January 2016	230,245	93,958	(250)	323,953
Profit for the year	483,521	-	-	483,521
Share option reserve	-	99,671	-	99,671
Revaluation reserve	-	-	(37,492)	(37,492)
At 31 December 2016	<u>713,766</u>	<u>193,629</u>	<u>(37,742)</u>	<u>869,653</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

15. Reconciliation of profit before taxation to cash generated from operations

	2016	2015
	£	£
Profit before taxation	462,537	164,266
Depreciation charges	530,918	15,948
Share based payments	99,671	93,958
Loss on disposal of fixed assets	15,226	-
Finance income	(133)	(64)
	<u>1,108,219</u>	<u>274,108</u>
Decrease/(increase) in trade and other debtors	(18,527,016)	(32,057,228)
(Decrease)/increase in trade and other creditors	<u>20,831,651</u>	<u>(26,443,452)</u>
Cash (used by)/generated from operations	<u>3,412,854</u>	<u>(58,226,572)</u>

Cash and cash equivalents

The amounts disclosed on the Cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>479,715</u>	<u>264,493</u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>264,493</u>	<u>59,039,896</u>

16. Controlling parties

Airbnb, Inc. (incorporated in United States of America) is regarded by the director as being the Company's ultimate parent company.

The immediate parent company is Airbnb Holdings LLC.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

17. Financial instruments

	2016	2015
	£	£
Financial assets measured at amortised cost		
Amounts owed by group undertakings	218,197,705	199,815,910
Other debtors	1,033,733	629,926
	219,231,438	200,445,836
Financial liabilities measured at amortised cost		
Trade creditors	448,300	1,804
Amounts owed to group undertakings	221,413,015	200,759,574
	221,861,315	200,761,378

18. Related party transactions

The Company is a wholly owned subsidiary of Airbnb, Inc. a company incorporated in the United States.

Under FRS 102, 33.1A, the company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Airbnb Inc. group.

19. Events after balance sheet date

There have been no significant events affecting the company since 31 December 2016.