

REGISTERED NUMBER: 07797907(England and Wales)

**Strategic Report, Report of the Director and
Financial Statements
for the Year Ended 31 December 2018
for
Airbnb UK Limited**



Airbnb UK Limited (Registered number: 07797907)
Contents of the financial statements
for the Year Ended 31 December 2018

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Airbnb UK Limited (Registered number: 07797907)
Company information
for the Year Ended 31 December 2018

Director:	E Hession
Secretary:	Baker McKenzie LLP 100 New Bridge Street, London, United Kingdom EC4V 6JA
Registered office:	100 New Bridge Street, London, United Kingdom EC4V 6JA
Registered number:	07797907 (England and Wales)
Independent Auditors:	PricewaterhouseCoopers Chartered accountants and statutory auditors One Spencer Dock North Wall Quay Dublin 1 Republic of Ireland
Company Banker:	Bank of America 2 King Edward Street London EC1A 1HQ

Airbnb UK Limited (Registered number: 07797907)
Strategic Report
for the Year Ended 31 December 2018

The director presents his strategic report for the year ended 31 December 2018

Principal activities

The principal activities of Airbnb UK Limited (the Company) in the year under review were those of promoting the Airbnb online marketplace.

Review of business

The Company has earned revenues amounting to £14.25 million during the year ended 31 December 2018, this revenue related in its entirety to a recharge of certain costs.

Charged against these revenues were costs of £13.79 million of which the greatest single category was headcount related costs.

In November 2017, Airbnb UK Limited acquired Accomable Limited, a company which provides a platform to assist users in finding accessible accommodation around the world. Accomable Limited's outstanding stock was purchased by Airbnb UK Limited and the associated intellectual property was sold to the Company's parent, Airbnb Inc. The goodwill acquired in the purchase of Accomable Limited was fully impaired after the intellectual property was sold on 30 November 2017.

During September 2018, a board resolution of Accomable Limited was passed to place the company into a Members Voluntary Liquidation. This action was reflected in the financial statements of the Company for 2018.

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:

Legislative risk: The emergence of Airbnb Ireland UC's online marketplace for people to book accommodations is a relatively new economic sector and currently the status of legislation governing it can be vague at best. This leads to a chance that future legislation may negatively impact Airbnb Ireland UC's ability to operate as it currently does which, given Airbnb Ireland UC is the sole customer of the Company, could adversely impact the Company's operations. This risk is mitigated by a dedicated policy team within Airbnb Ireland UC and affiliated entities who review upcoming legislation and lobby for potential changes to existing legislation to protect the host community and allow Airbnb Ireland UC's business to continue to operate as it is currently.

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.

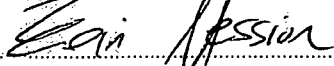
The director expects the general level of activity to increase from the level in 2018 in the forthcoming year. This is a result of continued growth in the group's core business and therefore the support activities performed by Airbnb UK Limited.

Results and dividends

The Company profit/(loss) for the financial year was £309,017 (2017: £(31,575)) which was transferred to reserves.

The director has not paid an interim dividend during the year (2017: £nil); he does not recommend the payment of a final dividend (2017: £nil).

On behalf of the board,


.....
E Hession - Director

Date: 29 August 2019

Airbnb UK Limited (Registered number: 07797907)
Report of the Director
for the Year Ended 31 December 2018

The director presents his report and the audited financial statements of the Company for the year ended 31 December 2018. 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 report of the Director, the following is incorporated into this report of the director 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 period from 1 January 2018 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 law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 director is 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.

The director is responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post Balance Sheet Events

There have been no significant events affecting the Company since 31 December 2018.

Statement as to disclosure of information to auditors

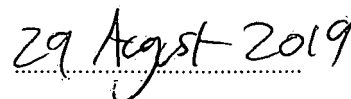
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information 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:  29 August 2019



Independent auditors' report to the members of Airbnb UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Airbnb UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Director and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.



Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Director, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Director

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Director for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Director.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.



Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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
29 August 2019

Airbnb UK Limited (Registered number: 07797907)
Statement of Comprehensive Income
for the Year Ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	3	14,248,177	12,108,912
Administrative expense		(13,802,747)	(11,474,770)
Other operating expense		<u>—</u>	<u>(471,493)</u>
Operating profit	6	445,430	162,649
Interest receivable and similar income		<u>9,646</u>	<u>161</u>
Profit before taxation		455,076	162,810
Tax on profit	7	<u>(146,059)</u>	<u>(194,385)</u>
Profit/(Loss) for the financial year		309,017	(31,575)
Other comprehensive income		<u>—</u>	<u>—</u>
Total comprehensive income/(expense) for the year		<u>309,017</u>	<u>(31,575)</u>

All activities relate to continuing operations

Airbnb UK Limited (Registered number: 07797907)
Balance Sheet
as at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	8	2,289,356	2,695,040
Financial assets	16	—	1,047,926
		<u>2,289,356</u>	<u>3,742,966</u>
Current Assets			
Debtors: amounts falling due within one year	9	3,201,368	6,462,430
Cash at bank and in hand		<u>2,618,268</u>	<u>514,993</u>
		5,819,636	6,977,423
Creditors			
Amounts falling due within one year	10	<u>(1,702,260)</u>	<u>(7,865,677)</u>
Net current assets/(liabilities)		4,117,376	(888,254)
Total assets less current liabilities		6,406,732	2,854,712
Creditors			
Amounts falling due after more than one year	11	(178,024)	(290,437)
Provisions for liabilities	14	—	(8,356)
Net assets		<u>6,228,708</u>	<u>2,555,919</u>
Capital and reserves			
Called up share capital	15	102	101
Share premium		4,720,156	1,520,157
Currency translation	17	48,828	48,828
Share based payment reserve	17	468,414	304,642
Retained earnings	17	991,208	682,191
Total shareholders' funds		<u>6,228,708</u>	<u>2,555,919</u>

The financial statements were approved by the Director on 29 August 2019 and were signed on its behalf by:


E Hession - Director

Airbnb UK Limited (Registered number: 07797907)
Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Share Premium £	Currency translation £	Share based payment Reserve £	Retained earnings £	Total equity £
Balance as at 1 January 2017	100	—	(37,742)	193,629	713,766	869,753
<i>Changes in equity</i>						
Share issuance	1	1,520,157	—	—	—	1,520,158
Share option reserve	—	—	—	111,013	—	111,013
Total comprehensive income	—	—	86,570	—	(31,575)	54,995
Balance as at 31 December 2017	101	1,520,157	48,828	304,642	682,191	2,555,919
<i>Changes in equity</i>						
Share issuance	1	3,199,999	—	—	—	3,200,000
Share option reserve	—	—	—	163,772	—	163,772
Total comprehensive income	—	—	—	—	309,017	309,017
Balance as at 31 December 2018	102	4,720,156	48,828	468,414	991,208	6,228,708

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

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.

FRS 102 exemption claimed

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 requirements of section 33.7 from disclosing the Company key management personnel compensation
- the requirement of section 33 Related Party Disclosures paragraph 33.1A.
- the requirements of section 7 and paragraph 3.17(d) to present a company statement of cash flows

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 periods presented, unless otherwise stated.

Going Concern

After making inquiries, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

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 Report 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 the shorter of the lease term or asset life

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.

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

2. Accounting policies - continued

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.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill is amortised through the statement of comprehensive income in equal instalments over its estimated economic life of 5 years on a straight line basis. Goodwill is reviewed for impairment at the end of the financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

(i) Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

(ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(iii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Taxation

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

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.

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

2. Accounting Policies - continued

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 balance sheet date. Exchange differences are included in the statement of comprehensive income in the period in which they arise.

Leases

Costs in respect of operating leases are charged to the statement of comprehensive income 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 statement of comprehensive income, 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.

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 the statement of comprehensive income.

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 assesses impairment risk 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.

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

2. Accounting policies - continued

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 8 for the carrying amount of the tangible assets.

c) Recoverability of debtors

Management make estimates in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, management consider factors including current trading experience, historical experience and the ageing profile of debtors. See note 9 for the net carrying amount of the debtors.

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:

	2018	2017
	£	£
Ireland (100%)	14,248,177	12,108,912
	<u>14,248,177</u>	<u>12,108,912</u>

4. Other operating expense

	2018	2017
	£	£
Impairment of financial assets	—	(472,232)
	<u>—</u>	<u>(472,232)</u>

5. Employees and director

	2018	2017
	£	£
Wages and salaries	6,302,891	4,963,957
Share based payments	163,772	111,013
Social security costs	900,801	711,666
	<u>7,367,464</u>	<u>5,786,636</u>

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

2018	2017
62	55

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

5. Employees and director - continued

	2018	2017
	£	£
Directors' remuneration	—	—

Directors' remuneration and key management compensation has been borne by a group company, Airbnb, Inc. as the director is also an employee of Airbnb, Inc. 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 2018 (2017: £nil).

6. Operating profit

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

	2018	2017
	£	£
Depreciation - owned assets	831,403	842,344
Auditors' remuneration for audit of statutory financial statements	18,619	16,000
Foreign exchange loss	300,256	129,031
	<u>1,150,278</u>	<u>987,375</u>

7. Tax on profit

Analysis of the tax charge

The tax charge on the profit for the year was as follows

		2018	2017
		£	£
Current tax:	Current tax	204,442	219,505
	Prior year	—	11,669
		<u>204,442</u>	<u>231,174</u>
Deferred tax:	Current year	(58,383)	(21,055)
	Prior year	—	(15,734)
		<u>146,059</u>	<u>194,385</u>

Airbnb UK Limited (Registered number: 07797907)
Notes to the financial statements
for the Year Ended 31 December 2018

7. Tax on profit - continued

Reconciliation of total tax charge/(credit) included in statement of comprehensive income

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

	2018 £	2017 £
Profit/(Loss) before tax	455,076	634,305
Profit multiplied by the standard rate or corporation tax in the UK of 19% (2017 - 19.25%)	86,464	122,104
Effects of:		
Deductible as paid	4,137	11,424
Capital allowances in excess of depreciation	29,998	24,496
Permanent timing differences	52,726	73,598
Effects of share-based payments	31,117	21,370
Prior year under provision	—	11,669
Utilisation of losses	—	(33,448)
Corporation tax rate changes	—	(39)
Total current tax	204,442	231,174

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.

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8. Tangible assets

	Leasehold Improvements	Construction in progress	Fixtures & Fittings	Computer Equipment	Totals
	£	£	£	£	£
Cost					
At 1 January 2018	1,218,889	406	30,508	2,821,327	4,071,130
Additions	121,836	91,232	31,102	181,549	425,719
Transfers from CIP	—	—	—	—	—
Disposals	—	—	—	—	—
At 31 December 2018	1,340,725	91,638	61,610	3,002,876	4,496,849
Accumulated Depreciation					
At 1 January 2018	439,440	—	8,725	927,925	1,376,090
Charge for the year	247,434	—	6,083	577,886	831,403
Transfers from CIP	—	—	—	—	—
Disposals	—	—	—	—	—
At 31 December 2018	686,874	—	14,808	1,505,811	2,207,493
Net Book Value					
At 31 December 2017	779,449	406	21,783	1,893,402	2,695,040
At 31 December 2018	653,851	91,638	46,802	1,497,065	2,289,356

9. Debtors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed by group undertakings	2,034,481	5,814,755
Other debtors	662,108	450,826
Value added tax	163,250	88,141
Prepayments	341,529	72,684
Corporation tax	—	36,024
	3,201,368	6,462,430

Other debtors are stated after provisions for impairment of £nil (2017: £Nil).
Amounts owed by group undertakings are settled in line with company policy.

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10. Creditors amounts falling due within one year

	2018	2017
	£	£
Trade creditors	24,920	—
Corporation tax	51,534	—
Amounts owed to group undertakings	—	7,009,922
Other taxes and social security	302,258	264,755
Accruals and deferred income	1,323,548	591,000
	<u>1,702,260</u>	<u>7,865,677</u>

Amounts owed to group undertakings are settled in line with company policy

11. Creditors falling due after more than one year

	2018	2017
	£	£
Accruals and deferred income	<u>178,024</u>	<u>290,437</u>

12. Commitments

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

	2018	2017
	£	£
No later than one year	851,758	475,808
Later than 1 year and not later than 5 years	1,524,725	1,266,558
Later than 5 years	<u>—</u>	<u>—</u>

13. Contingencies

The Company had no contingent liabilities at the Balance Sheet date (2017: nil)

The HMRC have contacted the Company regarding the application of tax laws or regulations impacting the Company's business. The Company is also subject to tax inquiries and proceedings concerning its operations and intracompany transactions. Some of these matters may result in litigation. The director does not believe that this would have a material financial impact on the Company as any potential liability would be recovered through intercompany agreements in place. The Company regularly monitors its estimated exposure to regulatory and tax loss contingencies and, as additional information becomes known, may change its estimates significantly.

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14. Provisions for liabilities

Deferred tax asset/(liability)

	2018	2017
	£	£
Capital allowances in excess of depreciation	(43,393)	(70,234)
Share-based payments	79,630	51,789
Other	13,790	10,089
	<u>50,027</u>	<u>(8,356)</u>

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

	2018	2017
	£	£
Balance at 1 January	(8,356)	(45,145)
Amount debited to the income statement	58,383	21,055
Amount credited to equity	—	15,734
Balance at 31 December	<u>50,027</u>	<u>(8,356)</u>

15. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value	2018	2017
102 (2017: 101)	Ordinary	£1	102	101

16. Financial assets

	£
At 1 January 2017	—
Purchase of shares	1,520,158
Impairment during period	(472,232)
At 31 December 2017	<u>1,047,926</u>
At 1 January 2018	1,047,926
Return of capital	(1,047,926)
At 31 December 2018	<u>—</u>

Financial assets comprise of investments in subsidiary undertakings. On 16 November 2017, the Company acquired 100% of the outstanding shares of Accomable Ltd for £1,520,158. Accomable Ltd is a company which provides an online platform for searching accessible accommodation options. On 23 August 2018, Accomable Ltd was voluntarily liquidated and at that time the capital was returned to the Company, with no gain or loss recognised on the return of capital.

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17. Reserves

	Retained earnings	Share based payment reserve	Currency translation	Totals
	£	£	£	£
At 1 January 2018	682,191	304,642	48,828	1,035,661
Profit for the year	309,017	—	—	309,017
Share option reserve	—	163,772	—	163,772
Revaluation reserve	—	—	—	—
At 31 December 2018	991,208	468,414	48,828	1,508,450

18. Share based payment transactions

The group headed by Airbnb Inc. maintained an Equity Incentive Plan, the Airbnb Inc. 2008 Equity Incentive Plan (or "2008 Plan"), which authorized the granting of equity to provide incentives to its employees, directors, officers and consultants in the form of stock options and restricted stock. In 2018, the Group adopted the Airbnb Inc. 2018 Equity Incentive Plan (the "2018 Plan" and together with the 2008 Plan, the "Plans") to replace the 2008 Plan. The expiration of the 2008 Plan had no impact on the terms of outstanding awards under the 2008 Plan and all unvested equity cancelled under that plan was added to the 2018 Plan and made available for future issuance. Under the Plans, the exercise price of each option shall not be less than the fair market value of Airbnb, Inc. common stock on the grant date. Options under the Plans may not be exercised after the expiration date of ten years from the date the option was granted. Stock options issued under the Plans generally vest over a term of four years, with 25% of options vesting twelve months after the vesting commencement date then 1/48 of shares subject to the option vesting monthly thereafter. The Plans are equity settled. The Group is unable to directly measure the fair value of employee services received, but instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognized as being appropriate to value employee share schemes similar to "the Plans".

A summary of the number of share options and the weighted average exercise price outstanding at the end of the year under the Plans are shown below.

	Nominal options	Weighted average price
Outstanding at the beginning of the period 2017	113,561	
Granted 2017	3,095	\$105.00
Exercised 2017	—	0
Transferred out	(750)	\$5.23
Transferred in	—	—
Forfeited/Cancelled/Expired	—	—
Outstanding at the end of the period 2017	115,906	\$8.96
Outstanding at the beginning of the period 2018	115,906	
Granted 2018	14,645	\$105.40
Exercised 2018	—	\$0.00
Transferred out	(750)	\$4.23
Transferred in	—	\$0.00
Forfeited/Cancelled/Expired	—	\$0.00
Outstanding at the end of the period 2018	129,801	\$19.87

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19. Controlling parties

Airbnb, Inc. (incorporated in the 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.

20. Related party transactions

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

21. Events after the balance sheet date

There have been no significant events affecting the Company since 31 December 2018.