



Airbnb UK Limited

Report and Financial Statements

Year Ended

31 December 2022

Company Number 07797907





Airbnb UK Limited

Report and Financial Statements for the year ended 31 December 2022

Contents

Page:

1	Strategic Report
4	Directors' Report
7	Independent Auditor's Report
10	Statement of Comprehensive Income
11	Statement of Financial Position
12	Statement of Changes in Equity
13	Notes to the Financial Statements

Directors

David Bernstein
Katherine Pawson
Amanda Cupples

Company secretary

Abogado Nominees Limited, 100 New Bridge Street, London, EC4V 6JA, United Kingdom

Registered office

100 New Bridge Street, London, EC4V 6JA, United Kingdom

Company number

07797907

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU, United Kingdom

Airbnb UK Limited

Strategic Report for the year ended 31 December 2022

The directors present their report together with the audited financial statements of Airbnb UK Limited ("the Company") for the year ended 31 December 2022.

Principal activities

The Company's principal activity during the year under review continued to be that of the provision of business development and marketing support activities to other group entities of Airbnb, Inc. The Company's ultimate parent company is Airbnb, Inc., a company incorporated in the United States of America. Related companies in these financial statements refer to the other wholly owned member companies of the group (collectively, Airbnb, Inc., and its subsidiaries).

Business review and future developments

The financial statements show that revenue was £63,259,638 for the year ended 31 December 2022 (2021: £93,939,566) and the profit before taxation for the year ended 31 December 2022 was £11,920,327 (2021: £51,577,685). The Company's net assets at 31 December 2022 were £28,022,564 (2021: £17,638,654).

The Company follows the group strategy as defined by its ultimate parent entity, Airbnb, Inc. The Company promotes the Airbnb online marketplace by performing business development and marketing support services on behalf of the group. The Company provides these services in line with the intercompany services agreement in place and recognises revenue as a recharge of expenses incurred in delivering these services with a return on sales based on the service agreement.

The Company also incurred expenses in relation to share-based payments provided to employees of £6,314,151 (2021: £4,476,014) along with a recharge of £8,706,985 (2021: £50,378,047) to Airbnb, Inc. relating to the employer tax benefit associated with share-based payment costs. The decrease in employer tax benefit recharge was the main driver behind the decrease in revenue recognised during the year, partially offset by an increase in recharged marketing expenditure in line with group strategy. Further details of this recharge are provided in note 15.

The directors do not anticipate any changes in the nature of the business in the forthcoming year.

Key performance indicators ("KPIs")

The Company's directors monitor progress and strategy by reference to the following KPIs:

	For the year ended 31 December 2022	For the year ended 31 December 2021	Change	Change
	£	£	£	%
Revenue	63,259,638	93,939,566	(30,679,928)	-33%
Profit before tax	11,920,327	51,577,685	(39,657,358)	-77%

Principal risks and uncertainties

The Company's principal risks and uncertainties are set out below:

Interest rate and credit risk: In respect of intercompany receivables that are owed from other group undertakings, the Company considers the credit risk to be negligible due to the support given by the group, including that via the intercompany agreements in place. Intercompany balances are subject to interest charges if they are not settled within the terms of the intercompany agreements. The Company considers the interest rate risk associated with this to be negligible as intercompany balances are settled within the agreed terms.

Liquidity and cash flow risk: The Company is not significantly exposed to liquidity risk, due to the cash pooling agreement in place and maintenance of sufficient cash and credit availability to face the necessary outflows in its normal operations. In the event of a specific need for financing, the Company has the support of the group to which it belongs.

Airbnb UK Limited

Strategic Report for the year ended 31 December 2022 (continued)

Going concern

The financial statements report a profit after tax of £10,072,415 (2021: £49,957,139) and at the balance sheet date, the Company had net assets of £25,318,236 (2021: £17,638,654). The Company operates under a return on sales model via an intercompany agreement with a fellow group company, Airbnb Ireland UC, and therefore is structured to be profit making on an annual basis.

In considering the appropriateness of the use of the going concern assumption, the directors have considered the structure of the Company's operations in the context of the wider group, and the provision of group support, including that via existing intercompany agreements in place.

Following consideration of these matters, the directors continue to believe it is appropriate to adopt the going concern basis in preparing the financial statements. These financial statements are prepared on a going concern basis, under the historical cost convention.

Section 172(1) statement

The directors of the Company are aware of their duty under section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

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

As a wholly owned subsidiary of Airbnb Holdings, LLC, whose ultimate parent undertaking is Airbnb, Inc., the directors of the Company do not consider the factor set out in section 172(1)(f) (the need to act fairly between members of the Company) to be relevant to the proper discharge of their duty under section 172(1).

In 2022, the directors continued to implement the Company's key objectives. During the year ended 31 December 2022, the company entered into an intragroup cash pooling program.

In discharging their duty to promote the interests of the Company under section 172(1) of the Companies Act 2006, the directors of the Company have regard to the above factors and stakeholder interests. These are described below:

Long-term consequences of business decisions

The Company is run for the purpose of providing business development and marketing support activities to help promote the Airbnb online marketplace, but the Company recognises that the long-term success of its business is dependent on maintaining relationships with its other stakeholders and on the external impact of the Company's activities. Various policies have been implemented across the Airbnb group which apply to the Company.

The interests of the Company's employees

The Company provides regular information to employees through:

- Airbnb holds regular CEO Q&A sessions where employees can submit questions;
- Airbnb also consults with employees through employee resources and employee surveys such as a survey on whether employees feel like they belong and can succeed at Airbnb; and
- All new joiners to Airbnb are given access to Airbnb's company policies that include, but not limited to, a code of ethics, anti-bribery & corruption policy and data access and control policy.

Airbnb champions diversity and belonging, regularly reports gender, racial and ethnic diversity of employees and has committed to continuing to foster diversity.

Airbnb UK Limited

Strategic Report for the year ended 31 December 2022 (continued)

Section 172(1) statement (continued)

The need to foster the Company's business relationships with stakeholders

The stakeholders who make up the Airbnb community are guests, hosts, communities, shareholders, and employees. The design challenge is to create a company that considers the needs of all stakeholders. The Company proactively manages and develops a capable, diverse and commercially secure supply base. Hosts provide guests with unique stays and experiences so they feel like they belong, and communities in which we operate. Unique stays and community-based experiences inspire people to want to travel. Finally, Airbnb's employees and shareholders help power this work and grow this incredible community.

The impact of the Company's operations on the community and the environment

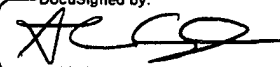
As part of the Airbnb group, the directors are committed to striving to strengthen the communities Airbnb serves. With respect to environmental sustainability, Airbnb has made a commitment to operating as a net zero company by 2030. To meet this goal, Airbnb committed to a number of steps, including reducing carbon and other greenhouse gas emissions associated with its global corporate operations, and investing in quality nature-based solutions to offset residual emissions. This commitment is the latest step the group is taking to help address the climate crisis. In 2020, 2021 and 2022, Airbnb achieved 100 percent renewable electricity in its global offices, fulfilling a commitment it made in 2020, by purchasing energy attribute certificates to match its global electricity use for its corporate operations for those years. Additionally, in early 2021 it became a founding participant in the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition. Refer to the Directors' Report (page 5) for further details.

Airbnb also strives to engage with communities. Amongst other things, Airbnb contributes to charities globally via donations or offering of housing and provides an employee donation match programme for eligible contributions made by employees.

The desirability of the Company maintaining a reputation for high standards of business conduct

The directors are committed to maintaining a high standard of business conduct to ensure compliance with all applicable laws and regulations.

On behalf of the board:

DocuSigned by:

4AA91A4283394AF...

A Cupples
Director

Date: 21 September 2023

Airbnb UK Limited

Directors' Report for the year ended 31 December 2022

The directors present their report together with the audited financial statements of Airbnb UK Limited ("the Company") for the year ended 31 December 2022.

Directors

The directors of the Company during the year and since the year end were:

D Bernstein

K Pawson

A Cupples (appointed on 18 November 2022)

Directors' indemnities

The Company provides an indemnity for the directors of the Company, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. The ultimate parent undertaking provides an indemnity and maintains liability insurance for its directors and officers. The qualifying third-party indemnity was in place during the year ended 31 December 2022 and as at the date of this report.

Financial risk management

Information on financial risk management has been included in the Strategic Report.

Future developments

Information on future developments has been included in the Strategic Report.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Airbnb UK Limited

Directors' report for the year ended 31 December 2022 (continued)

Dividends

The Company did not pay or propose an interim or final dividend for the year ended 31 December 2022 (2021: £Nil).

Energy and carbon reporting

For scopes 1, 2 and 3 greenhouse gas ("GHG") emissions associated with our corporate operations, Airbnb has committed to a goal of operating as a net zero group by 2030. We plan to achieve this by reducing GHG emissions associated with our global corporate operations and investing in quality nature-based solutions to offset residual emissions. As part of the group, this Company shares this goal and is a participant in Airbnb's global actions and policies to reduce GHG emissions.

For the year ending 31 December 2022, the group matched 100% of its global corporate electricity use with renewable electricity by matching our electricity use with the purchase of energy attribute certificates.

The below table summarises the energy consumption and GHG emissions by scope associated with the Company's operations in the United Kingdom during the financial year ending 31 December 2022.

Measurement factor	Year ended 31 December 2022	Year ended 31 December 2021
Emissions from combustion of gas tCO ₂ e (Scope 1)	6.5 tCO ₂ e	4.4 tCO ₂ e
Emissions from combustion of fuel for transport purposes (Scope 1)	0.0 tCO ₂ e	0.0 tCO ₂ e
Emissions from purchased electricity (Scope 2, location-based)	14.1 tCO ₂ e	35.4 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	0.0 tCO ₂ e	0.2 tCO ₂ e
Gross Emissions (Aggregate of above emissions categories)	20.6 tCO₂e	40.0 tCO₂e
Energy consumption (Energy consumption for the aggregated emissions categories)	96,335 kWh	105,252 kWh
Airbnb UK Limited revenue (GBP)	£63,259,638	£93,939,566
Intensity ratio (Gross Emissions per £1M in Airbnb UK Limited revenue (GBP))	0.3256 tCO₂e / £1M revenue	0.4258 tCO₂e / £1M revenue

Carbon Reporting Methodology

Emissions were calculated following the GHG Reporting Protocol (Corporate Standard) using the Watershed Technology, Inc. platform. UK energy usage data was estimated (based on building square-footage following the same calculation approach that Airbnb takes globally for all facilities) and was combined with emissions factors from the US Environmental Protection Agency, Ecoinvent, TCR (The Climate Registry) and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid.

Energy Efficiency Measures

Airbnb's UK office maintains a strong energy performance asset rating ("B"), as indicated by the office's Energy Performance Certificates.

Airbnb UK Limited

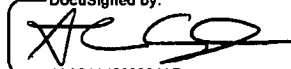
Directors' Report for the year ended 31 December 2022 (*continued*)

Auditor

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any information needed by the Company's auditor for the purposes of its audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP were re-appointed as auditor during the year in accordance with section 485 of the Companies Act 2006.

On behalf of the board:

DocuSigned by:

4AA91A4283394AF...
A Cupples
Director

Date: 21 September 2023

Airbnb UK Limited

Independent Auditor's Report to the Members of Airbnb UK Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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.

We have audited the financial statements of Airbnb UK Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's 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 remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Airbnb UK Limited

Independent Auditor's Report to the Members of Airbnb UK Limited (*continued*)

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 Auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Airbnb UK Limited

Independent Auditor's Report to the Members of Airbnb UK Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements (*continued*)

- We obtained an understanding of the legal and regulatory frameworks applicable to the entity and determined that the most significant which are directly relevant to the specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and the Companies Act 2006);
- We determined how the entity is complying with those legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance procedures, corroborating our enquiries through our review of board minutes;
- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations; and
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it is considered there was a susceptibility to fraud. We also considered the processes and controls that the entity has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those process controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. This work included ensuring transactions executed under the intercompany cost-plus agreement were on an arm's length basis and accounted for in the correct period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

Use of our report

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

DocuSigned by:

Joseph Aswani

3B3C5B14B557438...

Joseph Aswani (*Senior Statutory Auditor*)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 26 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Airbnb UK Limited

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	63,259,638	93,939,566
Administrative expenses		(51,395,167)	(42,361,879)
Operating profit	6	11,864,471	51,577,687
Interest receivable/(payable)		55,856	(2)
Profit before taxation		11,920,327	51,577,685
Taxation on profit on ordinary activities	7	(1,847,912)	(1,620,546)
Profit after taxation and total comprehensive income for the year		10,072,415	49,957,139

There was no other comprehensive income or loss during the year ended 31 December 2022, or the year ended 31 December 2021.

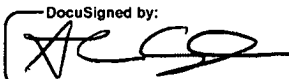
The results stated above are derived from continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

Airbnb UK Limited**Statement of Financial Position
at 31 December 2022**

Company number 07797907	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		572,710		964,511
Current assets					
Debtors	9	42,173,187		21,453,684	
Cash at bank		2		8,440,449	
		42,173,189		29,894,133	
Creditors: amounts falling due within one year	10	(17,231,310)		(13,023,637)	
Net current assets			24,941,879		16,870,496
Total assets less current liabilities			25,514,589		17,835,007
Provisions for liabilities	11		(196,353)		(196,353)
Total assets less total liabilities			25,318,236		17,638,654
Capital and reserves					
Called up share capital	14		102		102
Share premium			4,720,156		4,720,156
Currency translation reserve			48,828		48,828
Other reserve			(59,398,078)		(57,005,245)
Capital contribution			115,131		115,131
Retained earnings			79,832,097		69,759,682
Total shareholder's funds			25,318,236		17,638,654

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:

 4AA91A4283394AF...

A Cupples
 Director
 Date: 21 September 2023

The notes on pages 13 to 23 form part of these financial statements.

Airbnb UK Limited**Statement of Changes in Equity
for the year ended 31 December 2022**

	Called up share capital	Share premium	Currency translation reserve	Other reserve	Capital contribution	Retained earnings	Total shareholder's funds
	£	£	£	£	£	£	£
Balance as at 1 January 2021	102	4,720,156	48,828	(11,103,212)	115,131	19,802,543	13,583,548
Profit after taxation and total comprehensive income for the year	-	-	-	-	-	49,957,139	49,957,139
Net share-based payment debit (see note 15)	-	-	-	(45,902,033)	-	-	(45,902,033)
Balance as at 31 December 2021	102	4,720,156	48,828	(57,005,245)	115,131	69,759,682	17,638,654
Profit after taxation and total comprehensive income for the year	-	-	-	-	-	10,072,415	10,072,415
Net share-based payment debit (see note 15)	-	-	-	(2,392,833)	-	-	(2,392,833)
Balance as at 31 December 2022	102	4,720,156	48,828	(59,398,078)	115,131	79,832,097	25,318,236

The notes on pages 13 to 23 form part of these financial statements.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022

1 Statutory information

Airbnb UK Limited ("the Company") is a private company, limited by shares, incorporated and domiciled in England and Wales in the United Kingdom ("UK") under the Companies Act 2006. The Company's registered number and registered office address can be found on the Company Information page. The principal activity of the Company is set out in the Strategic Report on page 1.

2 Accounting policies

Basis of preparation of 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" ("FRS 102") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

As a qualifying entity, the Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 'Statement of Cash Flows';
- the requirements of Section 11 'Basic Financial Instruments' paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 'Other Financial Instruments' paragraphs 12.26, 12.27, 12.29(a), 12.29(b), 12.29A and 12.30;
- the requirements of Section 26 'Share-based Payment' paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 'Related Party Disclosures' paragraph 33.7.

This information is included in the consolidated financial statements of the ultimate parent undertaking, Airbnb, Inc., which may be obtained from Airbnb, Inc., 888 Brannan Street, San Francisco, California, 94103.

The following principal accounting policies have been applied:

Going concern

The financial statements report a profit after tax of £10,072,415 (2021: £49,957,139) and at the balance sheet date, the Company had net assets of £25,318,236 (2021: £17,638,654). The Company operates under a return on sales model via an intercompany agreement with a fellow group company, Airbnb Ireland UC, and therefore is structured to be profit making on an annual basis.

In considering the appropriateness of the use of the going concern assumption, the directors have considered the structure of the Company's operations in the context of the wider group, and the provision of group support, including that via existing intercompany agreements in place.

Following consideration of these matters, the directors continue to believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Turnover

Turnover represents the value of services provided to Airbnb Ireland UC under the intercompany services agreement in place. The agreement stipulates that turnover is calculated based on a recharge of costs incurred by the Company, together with a return on sales made to UK customers. Turnover is recognised on an accruals basis, when chargeable costs are incurred by the Company and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the Statement of Comprehensive Income in the period in which the service is received.

(ii) Pension costs

Contributions to the Company's defined contribution scheme are charged to the Statement of Comprehensive Income in the year in which they become payable. The assets of the scheme are held separately from those of the Company in an independently administered fund.

(iii) Annual bonus plan

Airbnb, Inc. operates an annual bonus plan for employees in which the Company participates. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(iv) Share-based payments

Airbnb, Inc. operates a share-based compensation plan and grants stock options and restricted stock units ("RSUs") to the Company's employees. The value of the employee services received in exchange for the grant of options and RSUs is recognised as an expense with a corresponding increase in the other reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options and RSUs granted on grant date. The Company recharges the employer tax benefit associated with all the equity awards granted to employees of the Company to Airbnb, Inc., with a corresponding increase in the amounts owed to group undertakings.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Computer equipment	-	20% straight line
Office furniture and equipment	-	20% straight line
Leasehold improvements	-	Over the shorter of the lease term or asset life

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Cash and cash equivalents

Cash and cash equivalents include cash at bank. The Company participates in an intragroup cash pooling program. The amounts placed with the cash pooling entity are included under "amounts owed by group undertakings".

Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences. Deferred tax balances are not discounted.

Financial instruments

The Company has chosen to apply the provision of Section 11 'Basic Financial Instruments' and Section 12 of 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, including other debtors and amounts due from group 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.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

At the end of each reporting period, financial assets measured at amortised costs 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 the Statement of Comprehensive Income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that 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.

Basic financial liabilities, including trade and other creditors and amounts due to fellow group undertakings, 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 payments discounted at a market rate of interest.

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

The Company has taken exemption from the requirement to present certain financial instruments disclosures, as required by Sections 11 and 12 of FRS 102.

Foreign currencies

The Company's functional and presentational currency is Pound Sterling (£).

Transactions denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date. Exchange differences are included in the Statement of Comprehensive Income within administrative expenses 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.

Capital and reserves

- Called up share capital represents the nominal value of the shares issued.
- The share premium account represents the amount subscribed for share capital in excess of the nominal value.
- Currency translation reserve represents exchange differences arising from historical consolidation entries.
- Other reserve represents accumulated impact of share-based payments (see note 15).
- Retained earnings represent the cumulative profits or losses, net of dividends paid and other adjustments.
- Capital contribution represents cash injections received from parent undertaking.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- The Company has intercompany receivables and payables, which it expects to be fully received and paid without a premium or discount. In assessing the recoverability of amounts owed to the Company by fellow group undertakings, management has considered the anticipated cash flow within the wider group, as well as the structure of the Company's operations in the context of the wider group, and the provision of group support, including that via existing intercompany agreements in place and has deemed these balances recoverable.
- Determine whether transactions with other subsidiary undertakings of the Company have been conducted on an arms' length basis. These decisions involve the input of internal and external tax advisors to the Company, including analysis of comparable companies and groups which operate in similar markets to Airbnb, Inc.
- The Company makes an estimate of the timing differences expected between amounts that have originated but not reversed at the reporting date. The Company also estimates the expected tax rates to apply in the future in which the timing differences are expected to reverse. The Company makes an assessment over the recoverability of deferred tax balances based on the expected future taxable income the Company is expected to recognise. This estimate is based on historical performance as well as expected future performance.

4 Turnover

Turnover, all of which arises in the Republic of Ireland, is attributable to the principal activities of the Company.

5 Employees and Directors

	2022 £	2021 £
Staff costs consist of:		
Wages and salaries	8,719,926	8,027,489
Share-based payments (see note 15)	6,314,152	4,476,014
Social security costs	2,761,280	6,399,181
Pension costs	391,043	391,076
	18,186,401	19,293,760
	Number	Number
The average number of employees, including the directors, during the year were:	55	56

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Employees and Directors (continued)

There were two directors remunerated by the Company for services provided to the Company during the year (2021: one):

	2022 £	2021 £
Director's emoluments	269,817	184,289
Share-based payments	424,444	564,975
Company contributions to defined contribution pension scheme	12,785	12,019
	<u>707,046</u>	<u>761,283</u>

There were two directors who were members of a defined contribution pension scheme (2021: one). During the year, two directors received shares under the long-term incentive schemes (2021: one). During the year, no directors exercised share options (2021: none).

6 Operating profit

	2022 £	2021 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	475,151	707,500
Operating lease expense	791,936	738,695
Auditor's remuneration		
- Audit of these financial statements	30,575	22,935
- Other services	2,206	2,033
	<u></u>	<u></u>

Fees payable to the Company's auditor were settled by a fellow group undertaking in both the current and prior year.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Taxation on profit on ordinary activities

	2022 £	2021 £
a) Tax expenses included in the Statement of Comprehensive Income		
UK corporation tax	611,049	1,843,816
Adjustment in respect of prior periods	62,295	695,686
	<u>673,344</u>	<u>2,539,502</u>
Taxation on profit on ordinary activities		
Deferred tax:		
Origination and reversal of timing differences	877,590	(432,576)
Adjustments in respect of previous periods	19,845	-
Changes to tax rates	277,133	(486,380)
	<u>1,174,568</u>	<u>(918,956)</u>
Total deferred tax (see note 13)		
Taxation on profit on ordinary activities	<u>1,847,912</u>	<u>1,620,546</u>

The Company has no tax losses arising in the UK that are available indefinitely for offset against future taxable profits of the Company.

b) Reconciliation of tax charge

The tax assessed is lower than (2021 - lower than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2022 £	2021 £
Profit before taxation	11,920,327	51,577,685
Profit before taxation on ordinary activities multiplied by the UK corporation tax rate of 19% (2021: 19%)	2,264,862	9,799,760
Expenses not deductible for tax purposes	24,123	84,396
Income not taxable	(4,751)	-
Origination and reversal of timing differences	-	(380,014)
Adjustment in respect of prior periods	82,140	695,686
Changes to tax rates	277,133	(486,380)
Effects of share-based payments	(795,595)	(8,040,340)
Capital allowances in excess of depreciation	-	(52,562)
	<u>1,847,912</u>	<u>1,620,546</u>
Taxation on profit on ordinary activities		

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse. For further information on deferred tax balances see note 13.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Tangible assets

	Leasehold improvements £	Office furniture and equipment £	Computer equipment £	Total £
<i>Cost</i>				
At 1 January 2022	1,686,873	220,202	3,210,450	5,117,525
Additions	-	-	83,350	83,350
Disposal	-	(7,626)	(45,549)	(53,175)
At 31 December 2022	<u>1,686,873</u>	<u>212,576</u>	<u>3,248,251</u>	<u>5,147,700</u>
<i>Accumulated depreciation</i>				
At 1 January 2022	973,670	131,083	3,048,261	4,153,014
Charge for the year	346,729	38,494	89,928	475,151
Disposal	-	(7,626)	(45,549)	(53,175)
At 31 December 2022	<u>1,320,399</u>	<u>161,951</u>	<u>3,092,640</u>	<u>4,574,990</u>
<i>Net book value</i>				
At 31 December 2022	<u>366,474</u>	<u>50,625</u>	<u>155,611</u>	<u>572,710</u>
At 31 December 2021	<u>713,203</u>	<u>89,119</u>	<u>162,189</u>	<u>964,511</u>

9 Debtors

	2022 £	2021 £
Amounts receivable within one year		
Amounts owed by group undertakings	37,152,720	18,298,734
Value added tax	2,338,267	607,729
Prepaid corporation tax	1,371,950	-
Prepayments	197,377	248,369
Other debtors	71,634	83,045
	<u>41,131,948</u>	<u>19,237,877</u>
Amounts receivable after more than one year		
Deferred tax asset (see note 13)	852,018	2,026,586
Other debtors	189,221	189,221
	<u>1,041,239</u>	<u>2,215,807</u>
Total debtors	<u>42,173,187</u>	<u>21,453,684</u>

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Debtors (continued)

Amounts owed by group undertakings consist of £10,666,006 (2021: £17,746,169) that is unsecured, non-interest bearing and repayable within 60 days. In the event the amounts due are not repaid within 60 days, the balance becomes interest bearing on an arms' length basis. There is an amount owed by group undertakings of £26,334,075 (2021: £Nil) relating to the cash pool balance, which is interest bearing on an arms' length basis and repayable on demand. The remaining £152,639 (2021: £552,565) of the amounts owed by group undertakings is unsecured, non-interest bearing and repayable on demand.

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,345,653	1,516,093
Amounts due to group undertakings	6,245,669	2,724,287
Corporation tax payable	-	851,124
Other taxes and social security	2,198,663	4,895,826
Other creditors	3,441,325	3,036,307
	<u>17,231,310</u>	<u>13,023,637</u>

Amounts due to group undertakings are unsecured, non-interest bearing and repayable within 90 days. In the event the amounts due are not repaid within 90 days, the balance becomes interest bearing on an arms' length basis.

11 Provisions for liabilities

	Dilapidations £
At 1 January 2022	196,353
Charged to Statement of Comprehensive Income	-
	<u>196,353</u>
At 31 December 2022	<u>196,353</u>

12 Commitments

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

	2022 £	2021 £
No later than one year	616,496	801,708
Later than 1 year and not later than 5 years	-	150,022
	<u>616,496</u>	<u>951,730</u>

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Deferred tax asset

	2022 £	2021 £
Capital allowances in excess of depreciation	117,128	104,849
Share-based payments	720,817	1,915,197
Other	14,073	6,540
	<u>852,018</u>	<u>2,026,586</u>

The movement in deferred tax asset comprises of:

	2022 £	2021 £
Balance at 1 January	2,026,586	1,107,630
Amount (charged)/credited to the income statement	<u>(1,174,568)</u>	<u>918,956</u>
Balance at 31 December	<u>852,018</u>	<u>2,026,586</u>

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

14 Share capital

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
102 (2021 - 102) ordinary shares of £1 each	<u>102</u>	<u>102</u>

15 Share-based payments

Share options granted typically vest over a four-year period from the date of grant and are exercisable for up to ten years. All share options are equity-settled and vesting of share options is conditional on continued service of the employee with the Company. The share options will vest and become exercisable in equal monthly periods across the total vesting period. The total share option expense¹ recognised during the year ended 31 December 2022 was £15,744 (2021: credit of £103,519), with a corresponding increase (2021: decrease) in the other reserve.

RSUs granted typically vest over a four-year period from the date of grant and are all equity-settled, payable in shares of Airbnb, Inc. The service-based vesting condition for these awards is generally satisfied over four years. The RSUs will vest and become exercisable in equal quarterly periods across the total vesting period. The total RSU expense² recognised during the year ended 31 December 2022 was £6,298,408 (2021: £4,504,071), with a corresponding increase in the other reserve.

Airbnb UK Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

15 Share-based payments (continued)

The Company also operates a separate recharge agreement with Airbnb, Inc. This agreement is separate from the intercompany services agreement in place (see note 2). The total employer tax benefit recharged³ under this agreement during the year ended 31 December 2022 was £8,706,985 (2021: £50,378,047), with a corresponding increase in amounts owed to group undertakings.

The net impact of the above share-based payments transactions on shareholder's funds during the year ended 31 December 2022 was a net debit of £2,392,833 (2021: net debit of £45,902,033):

	2022 £	2021 £
¹ Share option expense/(credit)	15,744	(103,519)
² RSU expense	6,298,408	4,504,071
ESPP expense	-	75,462
Total share-based payment expense (note 5)	6,314,152	4,476,014
 ³ Employer tax benefit recharge	 (8,706,985)	 (50,378,047)
 Net share-based payment debit	 (2,392,833)	 (45,902,033)

The Company has taken the reduced disclosure exemptions available in respect of share-based payments, as the Company is a qualifying entity and equivalent disclosures are given in the consolidated financial statements of Airbnb, Inc. The Company is a qualifying entity as its results are consolidated into the financial statements of Airbnb, Inc., which are publicly available at the address given in note 16.

16 Ultimate controlling party

The immediate parent undertaking is Airbnb Holdings, LLC, a company incorporated in the United States of America. The ultimate parent undertaking and ultimate controlling party is Airbnb, Inc. a company incorporated in the United States of America.

Airbnb, Inc. is the only company that consolidates the Company's results. The consolidated financial statements of Airbnb, Inc. may be obtained from Airbnb, Inc., 888 Brannan Street, San Francisco, California, 94103.

The Company has taken exemption from the requirement to disclose certain related party transactions as required by paragraph 33.7 of FRS 102.