

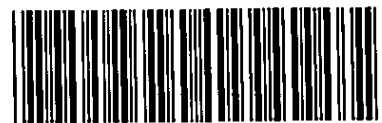
Company Registration No. 04217916

Skyscanner Limited

Report and Financial Statements

31 December 2012

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Skyscanner Limited

Report and financial statements 2012

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Skyscanner Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Gareth Williams
Bonamy Grimes
Barry Smith
Julian Pancholi
Calum Paterson
Jason Stockwood (resigned 28 November 2012)
Ray Nola

Secretary

Shane Corstorphine (appointed 23 April 2012)
Derek Gardiner (resigned 23 April 2012)

Registered Office

Pinsent Masons LLP
5 Old Bailey
London
EC4M 7BA

Bankers

Clydesdale Bank PLC
7th Floor
Clydesdale Bank Exchange
20 Waterloo Street
Glasgow
G2 6DB

Royal Bank of Scotland
The Gemini Building
2nd floor
24 St Andrew Square
Edinburgh
EH2 1AF

Barclays
2nd Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

HSBC
21 Collyer Quay
07-01 HSBC Building
Singapore 049320

Solicitors

Pinsent Masons LLP
139 Fountainbridge
Edinburgh
EH3 9QG

Independent auditor

Deloitte LLP
Saltire Court, 20 Castle Terrace
Edinburgh
EH1 2DB

Skyscanner Limited

Directors' report (continued)

The directors present their directors' report and financial statements for the year ended 31 December 2012

Principal activities

The company's principal activity continues to be that of a search engine technology company for the travel sector

Business review

The company continued to report significant growth in both turnover and profitability in a competitive market. Revenue for the year was £33.5m (£12.5m for 7 month period ended 31 December 2011) with profit before tax of £1.1m (£2.4m for 7 month period ended 31 December 2011).

The table below shows the proforma performance of the company for the 12 month period ending 31 December 2011

	2011
	£'000
Turnover	21,400
Profit Before Tax	4,114

The increase in profitability was driven by a significant growth in the number of visitors to the website and mobile applications. We also increased the number of managed markets so that we can focus on delivering relevant, complete and accurate content in local markets.

Headquartered in Edinburgh we also currently have offices in Glasgow, Singapore and China. During 2013 we plan to open offices in the Americas in order to establish a foothold in both the North and South American markets.

We will also continue to enhance our product offerings in non flight verticals such as Car Hire, Hotels & Holidays. Strong turnover and profit growth is expected to continue in the current financial year.

The success of the business during 2012 was only possible because of the efforts of the outstanding global team which totalled 179 by the end of 2012.

During 2013, we aim to grow the global team by a further 100 employees and believe that we will continue to experience a rapid increase in user sessions, turnover and profitability.

Risk Management Objectives & Policies

Financial Risks and Going Concern

The Directors, in their consideration of going concern have reviewed the company's future forecasts and revenue projections, which are based on a combination of market data, past experience and current trading conditions. They believe, based on those forecasts, projections, current committed debt position and projected strong cash generation that it is appropriate to prepare the financial statements of the company on a going concern basis.

The Directors are of the firm belief that these projections substantiate the company's ability to operate within the financial covenants of the Group's current debt obligations.

Liquidity Risk

In order to maintain liquidity, ensuring that sufficient funds are available for on-going operations and future developments, we perform on-going cash flow analysis. We also have a strong credit control function.

Foreign Exchange Risk

We currently hedge around 90% of Euro cashflow exposure in order to protect against fluctuation in exchange rates.

Skyscanner Limited

Directors' report (continued)

Employee Involvement

A great deal of effort is devoted to providing clear and consistent communication of the company strategy and plans to enable employees to deliver the strategy. We encourage the involvement of employees in the performance of Skyscanner through a companywide employee bonus scheme.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Directors

The present membership of the Board is set out on Page 1.

Independent auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP resigned and Deloitte LLP was appointed as auditor on 16 January 2012. A resolution to reappoint Deloitte LLP as auditor will be put to the members at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Gareth Williams
Director

11 June 2013

Skyscanner Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditor's report to the members of Skyscanner Limited

We have audited the financial statements of Skyscanner Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on matters prescribed in the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Skyscanner Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Colin Gibson CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom
12 June 2013

Skyscanner Limited

Profit and loss account Year ended 31 December 2012

		Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
	Notes		
Turnover	1, 2	33,479	12,520
Cost of sales		(8,192)	(3,152)
Gross profit		25,287	9,368
Administrative expenses		(14,282)	(7,003)
Operating profit		11,005	2,365
Interest receivable	6	11	15
Profit on ordinary activities before taxation	3	11,016	2,380
Tax on profit on ordinary activities	7	(2,013)	(444)
Profit for the financial year	15	9,003	1,936

The Company has no recognised gains or losses other than the profit for the current year and previous period

The result for the current year and previous period has been derived from continuing activities

The accompanying notes form an integral part of these financial statements

Skyscanner Limited

Balance sheet at 31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	8	50	35
Tangible assets	9	2,379	480
Investments	10	2,592	-
		<u>5,021</u>	<u>515</u>
Current assets			
Debtors	11	8,496	4,244
Cash at bank and in hand		6,292	2,776
		<u>14,788</u>	<u>7,020</u>
Creditors: amounts falling due within one year	12	<u>(2,996)</u>	<u>(2,846)</u>
Net current assets		<u>11,792</u>	<u>4,174</u>
Total assets less current liabilities		<u>16,813</u>	<u>4,689</u>
Creditors: amounts falling due after one year	13	<u>(192)</u>	<u>-</u>
Net assets		<u><u>16,621</u></u>	<u><u>4,689</u></u>
Capital and reserves			
Called up share capital	14	16	16
Share premium account	15	4,396	4,396
Profit and loss account	15	12,209	277
		<u>16,621</u>	<u>4,689</u>
Shareholders' funds	16	<u><u>16,621</u></u>	<u><u>4,689</u></u>

The financial statements of Skyscanner Limited, registered number 04217916 were approved by the Board of Directors on 11 June 2013

Signed on behalf of the Board of Directors



Gareth Williams
Director

Notes to the financial statements (continued)
Year ended 31 December 2012

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules

The directors have prepared cash flow forecasts for the company for the period for at least twelve months from the date of signing of these accounts. The company has no external borrowings and the cash flow forecasts show that the company has sufficient available funds for the foreseeable future.

On the basis of the forecasts prepared the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

Intangible fixed assets purchased separately from the business are capitalised at their cost. Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives. Provision is made for any impairment.

Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets, over their estimated useful economic lives as follows

Between 3-4 years straight line

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Investments held as fixed assets are stated at cost less provision for any impairment.

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

1. Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the 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

Cash flow statement

In accordance with the exemption contained in FRS 1, no cash flow statement has been prepared as the company is part of a group. The cash flows of the company are incorporated in the consolidated financial statements of Skyscanner Holdings Limited. Included within the cash balance in Skyscanner Limited is a deposit of £2,000,000 on 100 day notice

Pension

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due

Share based payments

Since 19 December 2011 the ultimate parent, Skyscanner Holdings Limited, has operated a share based incentive scheme (awards of shares and options). FRS 20 requires that where the ultimate parent's shares or options over the company's shares are granted to a subsidiary undertaking's employees, an expense should be recorded in the profit and loss account, with a corresponding credit to reserves. This charge is measured at the fair value of the share or share option at the date of grant. The fair value is measured using the Black Scholes model, taking into account the terms and conditions upon which the options were granted

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

2. Analysis of turnover

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
UK	12,315	4,006
Rest of world	21,164	8,514
	<u>33,479</u>	<u>12,520</u>

3. Profit on ordinary activities before taxation

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation on tangible fixed assets - owned	552	202
Depreciation on tangible fixed assets - leased	21	-
Amortisation of intangible fixed assets	22	12
Research & development	625	-
Auditors remuneration – audit of these financial statements	25	18
Foreign exchange loss	176	127
Operating lease rentals – land and buildings	347	236
– equipment	1,298	517
	<u>1,298</u>	<u>517</u>

4 Remuneration of directors

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Directors' emoluments	542	341
Company contributions to money purchase pension schemes	20	21
Amounts paid to third parties in respect of directors' services	80	49
	<u>642</u>	<u>411</u>

The aggregate emoluments of the highest paid director, including share options, were £247,000 (2011 £143,000), and Company pension contributions of £9,226 (2011 £10,196) were made to a money purchase scheme on his behalf

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

4. Remuneration of directors (continued)

	Number of directors	
	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	<u>3</u>	<u>3</u>

5. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows

	Year ended 31 December 2012 Number	7 Month Period ended 31 December 2011 Number
Development, operations and commercial	141	115
Administration	<u>17</u>	<u>12</u>
	<u>158</u>	<u>127</u>

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Wages and salaries	5,995	3,457
Social security costs	650	342
Other pension costs	361	159
Share based payments (note 18)	<u>337</u>	<u>161</u>
	<u>7,343</u>	<u>4,119</u>

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

6. Interest receivable and similar income

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Bank interest receivable	11	15

7. Taxation

Analysis of charge in year

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
UK corporation tax		
Current tax for the period	2,298	469
Adjustments in respect of prior periods	(190)	(8)
Total current tax	2,108	461
Deferred tax (note 10)		
Current year	(95)	(14)
Change in tax rate	-	1
Adjustment in respect of prior periods	-	(4)
Total deferred tax	(95)	(17)
Tax on profit on ordinary activities	2,013	444

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

7. Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26%). The differences are explained below:

	Year ended 31 December 2012 £'000	7 month period ended 31 December 2011 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	11,016	2,380
Current tax at 24.5% (2011: 26%)	2,699	619
Effects of:		
Expenses not deductible for tax purposes	2	71
Difference between capital allowances and depreciation	(10)	14
Depreciation on ineligible assets	41	10
Short term timing differences	2	-
Schedule 12 relief in respect of share options exercised	-	(245)
Adjustments in respect of prior periods	(190)	(8)
R&D Relief	(233)	-
Group Relief Claimed – Skyscanner Holdings	(275)	-
Employee share options	72	-
Total current tax charge (see above)	2,108	461

Factors that may affect future current and total tax charges

The Finance Act 2012 was enacted in July 2012 and reduced the UK Corporation Tax rate from 24% to 23% from 1 April 2013. A further 3% reduction to 20% from 1 April 2015 announced by the Chancellor in the March 2013 Budget. The reduction to 20% had not been substantively enacted at the balance sheet date and therefore have not been recognised in these financial statements.

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

8. Intangible fixed assets

	Licences £'000	Other £'000	Total £'000
Cost			
At beginning of year	101	53	154
Additions	37	-	37
At end of year	138	53	191
Amortisation			
At beginning of year	66	53	119
Charge for the year	22	-	22
At end of year	88	53	141
Net book value			
At 31 December 2012	50	-	50
At 31 December 2011	35	-	35

9. Tangible fixed assets

	Furniture, fittings and equipment £'000
Cost	
At beginning of year	1,040
Additions	2,472
At end of year	3,512
Depreciation	
At beginning of year	560
Charge for the year	573
At end of year	1,133
Net book value	
At 31 December 2012	2,379
At 31 December 2011	480

Included within Tangible Fixed Assets is an amount of £447,230 under Finance Leases, £255,560 of which is payable in one year. There is no charge in place in relation to this lease however in the event of default the entire amount of the lease will become payable. The depreciation charged to the financial statements in the year in respect of such assets amounted to £21,296.

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

10. Investment

On 16 December 2011 Skyscanner Limited was acquired by Skyscanner Holdings Limited. As part of the transaction, shares in Skyscanner Holdings Limited were issued in return for shares in Skyscanner Limited of equivalent value. As a result, the Employee Benefit Trust ("EBT") received shares in Skyscanner Holdings Limited in exchange for the shares held in Skyscanner Limited. Skyscanner Limited continues to be deemed the sponsoring company of the EBT at the balance sheet date, as such the shares held are disclosed on the balance sheet as an investment carried at cost.

11. Debtors

	2012 £'000	2011 £'000
Trade debtors	4,221	2,815
Prepayments and accrued income	1,673	1,416
Amount due from group undertakings	2,494	-
Deferred tax	108	13
	<u>8,496</u>	<u>4,244</u>

All amounts are due within one year.

The elements of deferred taxation are as follows:

	2012 £'000	2011 £'000
Difference between accumulated depreciation and amortisation and capital allowances	13	3
Short term timing differences	95	10
	<u>108</u>	<u>13</u>

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

12. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	988	810
Taxation and social security	236	240
Other creditors	-	42
Corporation tax	711	1,414
Accruals and deferred income	806	340
Finance leases & hire purchase	255	-
	<u>2,996</u>	<u>2,846</u>

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

	2012 £'000	2011 £'000
Finance lease falling due after one year	<u>192</u>	<u>-</u>

14. Called up share capital

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
1,609,146 (December 2011 1,609,146) Ordinary shares of 1p each	<u>16</u>	<u>16</u>
	<u>16</u>	<u>16</u>

All shares rank pari passu

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

15. Reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	4,396	277
Profit for the year	-	9,003
Credit in relation to share based payments (note 18)	-	337
Parent company shares held in Employee Benefit Trust (note 10)	-	2,592
	<hr/>	<hr/>
At end of year	4,396	12,209
	<hr/>	<hr/>

16. Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial period	9,003	1,936
Credit in relation to share based payment (note 18)	337	161
Parent company shares held in Employee Benefit Trust (note 10)	2,592	-
	<hr/>	<hr/>
Net addition to shareholders' funds	11,932	2,097
Consideration paid for the purchase of own shares by EBT	-	(2,592)
Opening shareholders' funds	4,689	5,184
	<hr/>	<hr/>
Closing shareholders' funds	16,621	4,689
	<hr/>	<hr/>

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

17. Commitments

Annual commitments under non-cancellable operating leases are as follows

	Year ended 31 December 2012		Period ended 31 December 2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	-	792	190	1,080
Between two to five years	432	-	-	-
	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>

18. Employees share schemes

Share based payments

The ultimate parent, Skyscanner Holdings Limited, grants share options to senior employees of the company. The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares

Nature of scheme/Grant date	Number of options	Contractual life of options
Equity-settled granted on April 2007	46,168	10 years or exercisable on sale or listing
Equity-settled granted on January 2008	83,367	10 years or exercisable on sale or listing
Equity-settled granted on September 2008	5,323	10 years or exercisable on sale or listing
Equity-settled granted on January 2009	132,005	10 years or exercisable on sale or listing
Equity-settled granted on November 2009	77,920	10 years or exercisable on sale or listing
Equity-settled granted on June 2010	632,578	10 years or exercisable on sale or listing
Equity-settled granted on June 2012	709,590	10 years or exercisable on sale or listing

As at 31 December 2012, 759,325 of the above noted options had vesting conditions attached. These options have a vesting condition of 36 months from the date of issue. All other options have no conditions attached.

Skyscanner Limited

Notes to the financial statements (continued) Year ended 31 December 2012

18 Employees share schemes (continued)

The number and weighted average exercise price of share options is as follows

	Year ended 31 December 2012		Period ended 31 December 2011	
	Weighted average exercise price (£)	Number of options	Weighted average exercise price (£)	Number of options
Outstanding at the beginning of the period	1 46	977,361	1 45	1,011,074
Granted during the period	4 62	709,590	-	-
Options lapsed	1 46	(53,746)	-	-
Exercised during the period	0 75	(13,221)	1 01	(33,713)
Outstanding at the end of the period	<u>2 82</u>	<u>1,619,984</u>	<u>1 46</u>	<u>977,361</u>
Exercisable at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at the period end have an exercise price in the range of £0 12 to £4 62

	Year ended 31 December 2012	Period ended 31 December 2011
Granted in fiscal year		
Basic price	£4 62	-
Share price	£4 62	-
Risk-free interest rate	1 36%	-
Expected volatility	20 74%	-
Vesting period (in months)	36	-
Maturity (in months)	120	-
Fair value per share option	£1 17	-

Expected volatility is based on historical volatility as assessed by the directors.

The valuation was carried out using a Black Scholes model

The total expense recognised for the period arising from share based payments is as follows

	Year ended 31 December 2012 £'000	Period ended 31 December 2011 £'000
Equity settled share based payments	<u>337</u>	<u>161</u>

Skyscanner Limited

Notes to the financial statements (continued) **Year ended 31 December 2012**

19. Related party disclosures

During the year £27,000 (7 month period ending 31 December 2011 £13,125) in consultancy fees was paid to Nitro Ventures Limited. The company is partly owned by Julian Pancholi, one of the directors.

During the year £53,065 (7 month period ending 31 December 2011 £31,467) was paid to Ray Nolan, Chairman, for his services to the company during the period.

20. Immediate and ultimate parent company

The immediate and ultimate parent company and ultimate controlling party is Skyscanner Holdings Limited, incorporated in Scotland.

The only group in which the results of the company are consolidated is that headed by Skyscanner Holdings Limited.