

Notes to the consolidated financial statements

continued

29. Share-based payments continued

The number of options outstanding and exercisable as at 31 March was as follows:

	2019 Number	2018 Number
Outstanding at 1 April	303,880	248,263
Options granted in the year	71,552	127,691
Dividend shares awarded	3,343	1,306
Options forfeited in the year	-	(73,380)
Options exercised in the year	(229,378)	-
Outstanding at 31 March	149,397	303,880
Exercisable at 31 March	-	74,686

The weighted average market value per ordinary share for DABP options exercised in 2019 was 438.1p (2018: n/a). The DABP awards outstanding at 31 March 2018 have a weighted average remaining vesting period of 0.8 years (2018: 1.2 years) and a weighted average contractual life of 8.8 years (2018: 9.2 years). The charge for the year includes an estimate of the awards to be granted after the balance sheet date in respect of achievement of 2019 targets.

Single Incentive Plan Award

During the period, the Group introduced a new Single Incentive Plan Award ('SIPA') for the Operating Leadership Team and certain key employees. The scheme replaces the Performance Share Plan and the annual cash bonus scheme for all new awards for those individuals. The extent to which awards vest will depend upon the satisfaction of the Group's financial and operational performance in the financial year of the award date (the "Performance Conditions"). The awards will vest in tranches, with the first tranche vesting on the date on which the Remuneration Committee determines that the Performance Conditions have been satisfied, and subsequent tranches vesting on the first and second anniversary of this date, subject to continuing employment.

On 17 August 2018, the Group awarded 974,106 nil cost options under the SIPA scheme. For the 2018 awards, the Group's performance is measured by reference to Operating profit (75% of the award), live car stock advertised on autotrader.co.uk (12.5% of the award) and the average number of full page advert views (12.5% of the award). The fair value of the 2018 award was determined to be £4.48 per option using a Black-Scholes pricing model. The resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date. SIPA award holders are entitled to receive dividends accruing between the grant date and the vesting date and this value will be delivered in shares.

The assumptions used in the measurement of the fair value at grant date of the PSP awards are as follows:

Grant date	Share price at grant date £	Exercise price £	Expected volatility %	Option life years	Risk-free rate %	Dividend yield %	Non- vesting condition %	Fair value per option £
17 August 2018	4.48	Nil	n/a	3.0	0.7	1.7	0.0	4.48

Expected volatility is estimated by considering historic average share price volatility at the grant date.

The number of options outstanding and exercisable as at 31 March was as follows:

	2019 Number	2018 Number
Outstanding at 1 April	-	-
Options granted in the year	974,106	-
Options forfeited in the year	(51,054)	-
Outstanding at 31 March	923,052	-
Exercisable at 31 March	-	-