

Notes to the consolidated financial statements continued

Year ended 31 December 2013

26. Share-based payments (continued)

The number of outstanding share awards is as follows:

	BIP 2013	CIP 2013	BIP 2012	CIP 2012
At 1 January	4,186,265	313,318	5,384,567	235,982
Granted during the year	840,131	42,849	1,002,056	77,336
Exercised during the year	(1,879,726)	(171,806)	(2,103,870)	–
Expired during the year	(196,734)	(7,427)	(96,488)	–
At 31 December	2,949,936	176,934	4,186,265	313,318
Average fair value of share awards granted during the year at date of grant (pence)	510.5	338.0	364.3	163.7
Fair value of awards granted during the year (£)	4,289,205	144,834	3,650,791	126,632

Exercise Price = £nil.

The inputs to the Black-Scholes Simulation model, used to determine the charge to the income statement for BIP are as follows:

		2013	2012
Weighted average share price	pence	545.8	394.0
Weighted average exercise price	pence	nil	nil
Expected life	years	3.0	3.0
Expected dividend yields	%	2.2	2.6

The inputs to the Monte Carlo Simulation model, used to determine the charge to the income statement for CIP are as follows:

		2013	2012
Weighted average share price	pence	550.5	369.8
Weighted average exercise price	pence	nil	nil
Expected volatility	%	39.4	50.0
Expected life	years	3.0	3.0
Risk-free rate	%	0.5	4.0
Expected dividend yields	%	2.2	2.3

The Group recognised total expenses of £3.6m (2012: £3.9m) related to equity-settled share-based payment transactions.

27. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the Board of Directors, who are considered key management personnel of the Group, was as follows:

	2013 £m	2012 £m
Short-term employee benefits	1.7	1.8
Share-based payments	1.4	1.3
	3.1	3.1

Further information about the remuneration of the individual directors is provided in the Board Report on Remuneration on pages 47 to 61.