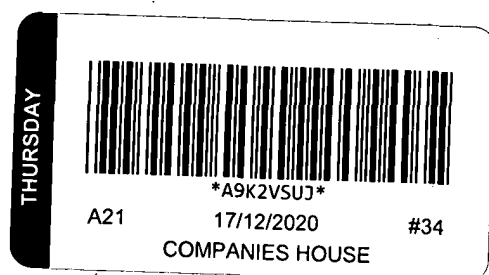


Booking.com Limited

**Annual report and financial statements
for the year ended 31 December 2019**



Booking.com Limited

Company Information

Directors	A D'Amico D Koker
Company secretary	Taylor Vinters Directors Limited
Registered number	03512889
Registered office	Block 3 WestBrook Centre Milton Road Cambridge CB4 1YG
Independent auditor's	Deloitte LLP Statutory Auditor St Albans United Kingdom
Bankers	Deutsche Bank AG 10.Bishops.Square.(10BS/04/FB161) London E1 6AO

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Booking.com Limited

Strategic report for the year ended 31 December 2019

Introduction

The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Fair review of the company's business

Booking.com Limited's principal business activity is to provide support services to Booking.com B.V..

These services, provided to, for the benefit of and upon request of Booking.com shall include: promoting of Booking.com amongst accommodations in the Territory; informing accommodations and Strategic Partners in the Territory about Booking.com; informing the accommodations pro-actively about how they may improve their performance on the website of Booking.com, based on guidelines and information provided by Booking.com; promoting of Booking.com's feature "Business bookers" to companies in the Territory on how to manage its company's hotel reservations via Booking.com's website; informing Booking.com about accommodations and Strategic Partners in the Territory; supporting the web marketing activities of Booking.com; providing IT related equipment, data center space and herewith related support to Booking.com.

Having considered the impact of the COVID-19 pandemic on the business, summarised in note 3.4, the directors foresee a long term growth in support services offered by Booking.com Limited to Booking.com B.V. in line with the growth anticipated in Booking.com B.V. due to growth in the tourism industry. Since the entity operates under a cost plus arrangement, it will continue to receive revenue for the costs incurred.

Key performance indicators

For the financial performance of the company in the year ended 31 December 2019, revenue increased by 9.4% to £96.8 million (2018: £88.5 million) and gross profit margin remained relatively flat at 26.57% (2018: 26.75%).

The increase in earnings before interest, tax, depreciation and amortisation ("EBITDA") of 17% to £53.3 million (2018: £45.69 million) was mainly due to the fact that there was an increase in the service fee. The net book value of fixed assets fell by £5.6 million, to £46.1 million (2018: £51.7 million). The current assets remained consistent with the prior year while current liabilities decreased, largely due to the payment of the corporation tax liabilities with the French tax authorities, which was funded by a long term loan from the parent company and is therefore shown in creditors due after one year. Please see note 26 for further information.

The average number of employees was 154 (2018: 181) as per note 9.

These indicators have been chosen among the most commonly used ones and provide a general indication of the company's general performance.

Booking.com Limited

Strategic report (continued) for the year ended 31 December 2019

Principal risks and uncertainties

The healthy financial position and the cost-plus structure ensure that the risks to stakeholders of Booking.com Limited are minimised. The limited risks are explained below.

The potential impact of COVID-19 on our business

As explained in note 3.4 Implications of COVID-19 on the business and note 30 Subsequent events in the financial statements, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus have already affected the business in 2020. In addition to the already known effects, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer term impact on the business may be. The scale and duration of this pandemic remain uncertain but are expected to only have a limited impact on the business. The main risks that result from the current uncertain situation regarding COVID-19 are:

- **Health risks:** We have implemented precautions regarding the COVID-19 outbreak based on the recommendations of official health authorities such as the World Health Organization (WHO). By doing so, we aim to minimise health risks to our employees.
- **Revenues:** given the cost-plus nature of the company, it is expected that the company will remain in a viable position. However, we do expect that revenues will decrease due to a reduction in costs incurred by the company, leading to a decrease in profits. We have experienced a decrease in revenues for the first 10 months of 2020 compared to the same period in 2019. We expect that revenues will continue to decrease in line with our reduction in expenses. There is a risk that a deteriorating financial condition of the parent company may result in changes to the current service agreement in place, resulting in reduced service fees earned by the company and lower profits compared to previous periods. To date, there have been no changes made to the structure of our intercompany agreements with Booking.com B.V., and there are currently no plans to implement any changes in the future.
- **Liquidity:** To manage the liquidity risk arising from the COVID-19 crisis, various entities within the corporate Group, including Booking.com B.V., have taken steps to optimise our working capital, reduce costs, and defer various payments, such as tax payments, where agreed.
- **Going concern:** As noted in note 3.4 Implications of COVID-19 on our business, we do not believe that the impact of the COVID-19 virus will have a material adverse effect on the financial condition or liquidity of this entity.

Booking.com Limited

Strategic report (continued) for the year ended 31 December 2019

Financial risk management objectives and policies

Foreign currency risk

Booking.com Limited records its transactions and prepares its financial statements in pounds sterling. However, a substantial proportion of Booking.com limited's expenditure is paid in Euros and US dollars. As a result, cash balances are held in Euros and US dollars. Fluctuations in exchange rates between Pounds sterling and both the Euro and US dollar may result in realised and unrealised exchange movements.

Interest rate risk

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in market interest rates. This is monitored on an ongoing basis.

As all trade creditors are non interest bearing, they do not expose the company to interest rate risk. The company does not use derivative instruments to hedge against interest rate risk.

The loan with Booking.com BV is incurring interest at a fixed rate of 90 basis points per annum above the EURIBOR 1 month rate. If this is $<0.0\%$ no interest is due. The risk associated with these borrowings, linked to a potential significant increase of the EURIBOR 1 month rate, is considered as low.

Liquidity risk

The company long term liabilities which consist of borrowings with Booking.com B.V.. Considering the cost plus revenue structure of the company, and the derived positive expected cash flows, the liquidity risk associated with these borrowings is considered as low.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The company's credit risk is primarily attributable to trade and other receivables. The amounts presented in the statement of financial position are net of allowances attributable to trade and other receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. In December 2018 the company was requested to pay 291.5m Euros to the French tax authorities, which was paid in January 2019 after entering into a Credit Agreement with Booking.com B.V. The company believes that Booking.com Limited has been, and continues to be, in compliance with French tax law, and the company intends to contest the assessments. The directors believe the full amount will be recovered. However, in September 2020, the company contacted the French tax authorities regarding the potential to achieve resolution of the matter through a settlement. After assessing several potential outcomes and potential settlement amounts and terms, a 50 million Euros settlement proposal has been filed. Additional assessments could result when the French tax authorities complete the outstanding audits.

Booking.com Limited

Strategic report (continued) for the year ended 31 December 2019

Section 172(1) Statement

The ultimate parent company, Booking Holdings Inc., has a governance structure which provides a framework for the Board of Directors to make decisions for the long-term success of Booking Holdings Inc. and its stakeholders. That governance structure also enables compliance with the requirements of Section 172 of the Companies Act 2006 through corporate governance practices based on the principles of transparency, equity, accountability and corporate responsibility.

From the perspective of the board, as a result of the group governance structure whereby the entity board is embedded at senior management level within the group, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the group board in relation both to the group and to this entity. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group board has considered the matters set out in s172 (for the group and for the entity) is set out on pages 13 to 37 of Booking Holding Inc. Proxy Statement relating to their 2020 annual meeting of stockholders filed with the Securities and Exchange Commission.

Employees

With a global footprint and representation from many nationalities, diversity and inclusivity are values embedded at the very core of our business and the risk of discrimination and non-inclusion is something we act strongly against. At the group level, we reviewed and updated job descriptions in an effort to eliminate unintended gender bias, hired a new Head of Diversity and Inclusion and participated in different industry events. In 2019, the group invested additional resources to further the learning and talent development efforts. In 2019 the group initiated a number of learning programs, conducted leadership workshops with middle management and used assessments for upward-feedback and coaching purposes.

The Booking Holdings Inc. group

The company is part of a larger group. For additional information on corporate social responsibility please also refer to the group corporate social responsibility report at <https://bookingholdings.com/corporate-responsibility>. The company provides continuous support to the related entity Booking.com B.V., and represents the local partner services organisation which is key for the success of the Booking Group in the UK market.

To the extent that the corporate governance structure is set at Booking Holdings Inc. level, there are no other entity specific examples to be disclosed.

Disabled employees

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 the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and mailings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Employees are eligible for various benefits (e.g. target related bonuses, pension plan, staff discount).

**Strategic report (continued)
for the year ended 31 December 2019**

Statement of engagement with stakeholders

There is active engagement with all stakeholders of the company, from employees, vendors, government authorities, the local community and environment, and other stakeholders. Please refer to pages 13 to 37 of Booking Holding Inc. Proxy Statement relating to their 2020 annual meeting of stockholders filed with the Securities and Exchange Commission for further detail of this level of engagement.

The withdrawal of the United Kingdom from the European Union

Due to the invocation of Article 50 of the Treaty on European Union by the United Kingdom, the UK officially left the EU on 31 January 2020 and there is a transition period to 31 December 2020. The terms of the future relationship between the UK and the EU are still unknown, and at the date of this report it is impossible to assess in detail the opportunities and threats that such a withdrawal could present. The directors are aware that the risks which may result from the withdrawal of the UK from the EU may include, but may not be limited to:

- The introduction of tariffs, or changes to rates of other taxes, which may be particularly impactful on companies which operate internationally;
- New restrictions on the free movement of citizens of the EU and the UK, which may affect employees and customers;
- General downward economic pressure, especially in the short term, which may affect overall demand for the company's services, possibly reducing revenue; and
- Exchange rate volatility which may lead to unpredictable changes in the value of the company's current assets and liabilities.

The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any new rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

Climate impact

Booking Holdings Inc. prepares a yearly CSR report including a section regarding the environmental and climate impact of the group. This is located at https://www.bookingholdings.com/wp-content/uploads/2020/04/BKNG_CR2019-1.pdf. Please refer to this report for further details.

This report was approved by the board on

2020 and signed on its behalf by:

A D'Amico
Director



11th December 2020

Booking.com Limited

Directors' report for the year ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is to provide support services to Booking.com B.V.

Results and dividends

The profit for the year, after taxation, amounted to £13,335,096 (2018: £13,557,019).

The directors do not recommend the payment of a dividend for the year (2018: £nil).

Prior year restatement

Prior year deferred tax asset of £6,209,737 has been reclassified from being disclosed as a debtor due within one year to a debtor due after more than one year. This is to reflect the nature of the deferred tax asset which is made up of fixed asset timing differences that are expected to reverse in more than one year.

Directors

The directors who served during the year and to the date of signing of the financial statements were:

A D'Amico

D Koker (appointed 29 April 2019)

K J D Mollat (resigned 29 April 2019)

Charitable contributions

During the year the company made charitable donations totalling £750 (2018: £690).

Political donations

No political donations were made during the year (2018: £nil).

Directors' report (continued) for the year ended 31 December 2019

Going concern

The directors have considered the principal risks and uncertainties which include the current economic downturn and the potential adverse effect on sales and the increased inherent credit risk resulting from the downturn. Booking.com Limited has obtained a letter of support from Booking Holdings Inc. confirming that they will guarantee that Booking.com Limited will be able to meet all obligations as they fall due for at least 12 months from the date of signing these financial statements. Booking.com Ltd supports Booking.com, a primary brand in the Booking Holdings Inc. group and the directors have concluded that Booking Holdings Inc. has adequate resources to continue to support the company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Implications of COVID-19 on our business

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected global economic activity. As noted in note 3.5, the company holds an agreement with Booking.com B.V. whereby costs to provide support services to Booking.com B.V. are reimbursed at cost plus a margin of 5%. As such, the company will remain in a viable financial position. As of this moment, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated.

Whilst uncertain, we do not believe at this time that the impact of the COVID-19 virus would have a material adverse effect on the financial condition or liquidity of this entity.

Future developments

The directors foresee a long term growth in support services offered by Booking.com Limited to Booking.com B.V. in line with the growth anticipated in Booking.com B.V. due to the cost plus revenue structure based on the existing service agreement between both parties.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report as required by Schedule 7 to the Large and Medium-sized Companies and Groups (accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report as they are included in the strategic report on pages 1 to 4. These matters relate to the objectives and policies for financial risk management, disabled employees, and employee consultation.

Directors' report (continued) for the year ended 31 December 2019

Post balance sheet events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected global economic activity. As the pandemic only became apparent in 2020 after the balance sheet date, the COVID-19 outbreak is a non-adjusting post balance sheet event.

At this stage, the impact on the results of the company is limited due to the cost recovery nature of the company. As of this moment, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19 that will affect the ongoing viability of the company. The intercompany commitments between the company and its affiliate companies therefore remain in place, and the company remains appropriately funded and can expect to receive the agreed remuneration for services rendered.

In August 2020, Booking.com announced its intention to reduce its global workforce and in October 2020, Booking.com commenced voluntary leaver schemes in the United Kingdom. The company has commenced the process of consulting with its employees, work councils and employee representatives and the target is to complete the vast majority of announcements to the affected employees by the end of 2020.

Certain governments have passed legislation to help businesses during the COVID-19 pandemic through loans, wage subsidies, tax relief or other financial aid, and some of these governments have extended or are considering extending these programs. The company has participated in the United Kingdom's job retention scheme and has claimed a total of £64,000 to the date of signing.

We also refer you to note 3.4 Implications of COVID-19 on the business.

In relation to the audit that French tax authorities recently concluded, that started in 2013 for the years 2003 until mid 2012, the company believes that it has been, and continues to be, in compliance with French tax law, therefore contesting the assessments. However, in September 2020, the company contacted the French tax authorities regarding the potential to achieve resolution of the matter through a settlement. After assessing several potential outcomes and potential settlement amounts and terms, a 50 million Euros settlement proposal has been filed. Additional assessments could result when the French tax authorities complete the outstanding audits.

We also refer you to note 26 Contingent Liabilities.

**Directors' report (continued)
for the year ended 31 December 2019**

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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting 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 and disclose 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

2020 and signed on its behalf by:



11th December 2020

A D'Amico
Director

Independent auditor's report to the members of Booking.com Limited Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Booking.com Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 31.

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 are 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Booking.com Limited
Report on the audit of the financial statements (continued)

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, 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.

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

Independent auditor's report to the members of Booking.com Limited
Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Julian Rae (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Statutory Auditor
St Albans
United Kingdom
Date: 15 December 2020

**Statement of comprehensive income
for the year ended 31 December 2019**

	Note	2019 £	2018 £
Turnover	5	96,848,826	88,519,704
Cost of sales		(71,117,173)	(64,838,416)
Gross profit		25,731,653	23,681,288
Administrative expenses		(7,375,486)	(7,193,177)
Other operating income	6	-	194,113
Operating profit	7	18,356,167	16,682,224
Other income	11	31,459	20,453
Interest receivable and similar income	12	43,654	263,841
Interest payable and similar expenses	13	(2,322,401)	(91,182)
Profit before taxation		16,108,879	16,875,336
Tax on profit	14	(2,773,783)	(3,318,317)
Profit for the financial year		13,335,096	13,557,019

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations and there are no other items of comprehensive income.


The notes on pages 16 to 37 form part of these financial statements.

**Statement of financial position
as at 31 December 2019**

	Note	2019 £	2018 (Restated) £
Fixed assets			
Tangible assets	15	46,146,194	51,710,534
Investments	16	8,369	18,250
		<u>46,154,563</u>	<u>51,728,784</u>
Current assets			
Debtors: amounts falling due after more than one year	17	256,018,772	267,713,235
Debtors: amounts falling due within one year	17	33,497,578	22,845,190
Cash at bank and in hand	18	19,723	1,466,039
		<u>289,536,073</u>	<u>292,024,464</u>
Creditors: amounts falling due within one year	19	(9,594,716)	(279,597,488)
Net current assets		<u>279,941,357</u>	<u>12,426,976</u>
Total assets less current liabilities		<u>326,095,920</u>	<u>64,155,760</u>
Creditors: amounts falling due after more than one year	20	(248,946,839)	-
Provisions for liabilities	23	(303,105)	-
Net assets		<u>76,845,976</u>	<u>64,155,760</u>
Capital and reserves			
Called up share capital	24	5,507	5,507
Share premium account	25	6,108,008	6,108,008
Profit and loss account	25	70,732,461	58,042,245
Total equity		<u>76,845,976</u>	<u>64,155,760</u>

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

2020 and


A D'Amico
Director

11th December 2020

The notes on pages 16 to 37 form part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	5,507	6,108,008	44,403,626	50,517,141
Comprehensive income for the year				
Profit for the year	-	-	13,557,019	13,557,019
Total comprehensive income for the year	-	-	13,557,019	13,557,019
Share based payment reserve	-	-	81,600	81,600
Total transactions with owners	-	-	81,600	81,600
At 1 January 2019	5,507	6,108,008	58,042,245	64,155,760
Comprehensive income for the year				
Profit for the year	-	-	13,335,096	13,335,096
Total comprehensive income for the year	-	-	13,335,096	13,335,096
Share based payment reserve	-	-	(644,880)	(644,880)
Total transactions with owners	-	-	(644,880)	(644,880)
At 31 December 2019	5,507	6,108,008	70,732,461	76,845,976

The notes on pages 16 to 37 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1. General information

Booking.com Limited ('the company') is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is Block 3, Westbrook Centre, Milton Road, Cambridge, CB4 1YG.

The principal activity of the company is to provide support services to Booking.com B.V.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied:

3.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of financial position paragraph 4.12 (a)(iv);
- the requirements of Section 7 Statement of cash flows;
- the requirements of Section 3 Financial statement presentation paragraph 3.17(d);
- the requirements of Section 11 Financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(m), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 Bookings Holdings as at 31 December 2019 and these financial statements may be obtained from 800 Connecticut Avenue, Norwalk, Connecticut 06854, USA.

Notes to the financial statements for the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

3.3 Basis of consolidation

The company is a wholly-owned subsidiary of Priceline.com International Limited, a company incorporated in England and Wales, which itself is a wholly-owned subsidiary of Booking Holdings Inc., a company incorporated in the United States of America. Booking Holdings Inc. is the controlling party and the parent undertaking of the smallest and largest group which consolidates the financial information of the company. Therefore the company has taken advantage of the exemption available under Section 400 Act 2006 not to prepare consolidated financial statements itself.

Copies of the group's financial statements may be obtained from Booking Holdings, at their registered office and principal place of business which is 800 Connecticut Avenue, Norwalk, Connecticut 06854, USA.

3.4 Going concern

The directors have considered the principal risks and uncertainties, which include the current economic downturn and the potential adverse effect on sales and the increased inherent credit risk resulting from the downturn. Booking.com Limited has obtained a letter of support from Booking Holdings Inc., confirming that they will guarantee that Booking.com Limited will be able to meet all obligations as they fall due for at least 12 months from the date of signing these financial statements. Booking.com Ltd supports Booking.com, a primary brand in the Booking Holdings Inc. group and the directors have concluded that Booking Holdings Inc. has adequate resources to continue to support the company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Implications of COVID-19 on our business

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected global economic activity. As noted in note 3.5, the company holds an agreement with Booking.com B.V. whereby costs to provide support services to Booking.com B.V. are reimbursed at cost plus a margin of 5%. As such, the company will remain in a viable financial position. As of this moment, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated.

Whilst uncertain, we do not believe at this time that the impact of the COVID-19 virus would have a material adverse effect on the financial condition or liquidity of this entity.

3.5 Turnover

Turnover is based on the service agreement with Booking.com B.V. whereby the company will be reimbursed and compensated for all reasonable costs and expenses with a markup of 5%. In addition, the company will receive an amount equal to 2% of the revenue earned by Booking.com B.V. in the Territory. Revenue is earned in the period during which the service is provided.

**Notes to the financial statements
for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

3.6 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Depreciation is provided on the following basis:

Office equipment	- 10% - 20% per annum
Computer equipment	- 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

3.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income.

**Notes to the financial statements
for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

3.8 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

3.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period.

3.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

3.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**Notes to the financial statements
for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

3.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

**Notes to the financial statements
for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

3.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

3.17 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**Notes to the financial statements
for the year ended 31 December 2019**

3. Summary of significant accounting policies (continued)

3.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Notes to the financial statements
for the year ended 31 December 2019**

4. Critical accounting judgements and estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

4.1 Critical judgements in applying the company's accounting policies

The critical judgements in applying accountings policies are discussed below.

(i) Ongoing claim with French tax authorities

Judgement is applied by management when determining the likelihood of any liability arising from the outcome of the ongoing matter with the French tax authorities. Booking.com engaged with local tax advisors and in the opinion of the advisor it is more likely-than-not that Booking.com would win this case. Therefore, the company has not recorded a provision for this matter (see note 26).

(ii) Dilapidations provision

A provision is made for dilapidations. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. (See note 23).

4.2 Key sources of estimation uncertainty

Management does not consider there to be any key sources of estimation uncertainty in applying accounting policies.

5. Turnover

The company's turnover arises from the service agreement with Booking.com B.V. Booking.com Limited's principal activity is to provide support services to this company.

	2019 £	2018 £
Intercompany revenue	<u>96,848,826</u>	<u>88,519,704</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**Notes to the financial statements
for the year ended 31 December 2019**

6. Other operating income

	2019 £	2018 £
Other operating income	-	194,113

7. Operating profit

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

	2019 £	2018 £
Depreciation of tangible fixed assets	34,946,297	29,009,048
Operating lease expenses	19,636,018	17,283,996
Exchange differences	(240,631)	68,184
Share based payment expense	2,346,310	2,713,821
Defined contribution pension cost	272,878	270,084
(Gain)/loss on disposal of assets	(694,485)	104,712

8. Auditors' remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	47,760	46,550

There were no non-audit fees payable to the company's auditor for the year ended 31 December 2019 (2018: £nil).

**Notes to the financial statements
for the year ended 31 December 2019**

9. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	9,064,966	9,599,768
Social security costs	2,139,016	1,620,045
Cost of defined contribution scheme	272,878	270,084
	<u>11,476,860</u>	<u>11,489,897</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Partner services	91	54
Technical	50	109
Administration	13	18
	<u>154</u>	<u>181</u>

10. Directors' remuneration

During the year, no director received any emoluments as they are paid by another entity within the group for services (2018: £nil).

None of the directors participated in the company's share options scheme during the year (2018: £nil).

11. Other income

	2019 £	2018 £
Income from fixed asset investments	<u>31,459</u>	<u>20,453</u>

**Notes to the financial statements
for the year ended 31 December 2019**

12. Interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	43,522	3,810
Other interest receivable	132	260,031
	<u>43,654</u>	<u>263,841</u>

13. Interest payable and similar expenses

	2019 £	2018 £
Bank charges	-	8
Interest on loans from group undertakings	2,322,401	91,174
	<u>2,322,401</u>	<u>91,182</u>

14. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	5,684,512	5,442,905
Adjustments in respect of previous periods	33,173	(251,678)
	<u>5,717,685</u>	<u>5,191,227</u>
Total current tax	<u>5,717,685</u>	<u>5,191,227</u>
Deferred tax		
Origination and reversal of timing differences	(2,607,452)	(1,871,545)
Adjustment in respect of prior years	(610,919)	(1,365)
Effect of changes in tax rates	274,469	-
Total deferred tax	<u>(2,943,902)</u>	<u>(1,872,910)</u>
Taxation on profit	<u>2,773,783</u>	<u>3,318,317</u>

**Notes to the financial statements
for the year ended 31 December 2019**

14. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	16,108,879	16,875,336
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	3,060,687	3,206,314
Effects of:		
Capital allowances for year in excess of depreciation	-	42,320
Expenses not deductible for tax purposes	94,704	4,855
Income not taxable for tax purposes at 19%	(5,977)	(3,601)
Exempt AGBH distributions	-	(3,886)
Adjustments to tax charge in respect of prior periods	33,173	(251,678)
Adjustments to tax charge in respect of prior periods - deferred tax	(610,919)	(1,365)
Other timing differences leading to an increase in taxation	274,552	220,181
Share scheme	445,799	515,266
Share awards	(518,236)	(410,089)
Total tax charge for the year	2,773,783	3,318,317

Factors that may affect future tax charges

In the March 2020 Budget the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. However, it is likely that the overall effect of the change, it had been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £1,076,899, and to increase the deferred tax asset by £1,076,899.

**Notes to the financial statements
for the year ended 31 December 2019**

15. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2019	4,385,405	122,736,876	127,122,281
Additions	58,427	29,330,021	29,388,448
Disposals	-	(8,915,099)	(8,915,099)
At 31 December 2019	<u>4,443,832</u>	<u>143,151,798</u>	<u>147,595,630</u>
Depreciation			
At 1 January 2019	490,177	74,921,570	75,411,747
Charge for the year	319,280	34,627,017	34,946,297
Disposals	-	(8,908,608)	(8,908,608)
At 31 December 2019	<u>809,457</u>	<u>100,639,979</u>	<u>101,449,436</u>
Net book value			
At 31 December 2019	<u>3,634,375</u>	<u>42,511,819</u>	<u>46,146,194</u>
At 31 December 2018	<u>3,895,228</u>	<u>47,815,306</u>	<u>51,710,534</u>

16. Fixed asset investments

	Investments in group companies £
Cost	
At 1 January 2019	18,250
Disposals	(9,881)
At 31 December 2019	<u>8,369</u>

**Notes to the financial statements
for the year ended 31 December 2019**

16. Fixed asset investments (continued)

Investments in group companies comprise: equity shares in the following:

Name	Registered office	Principal activity	Class of shares	Holding
Bookingdotcom Satis Destek Hizmetleri Limited Sirketi	Omer Avni Mah Inebolu Sok.No:39 Haktan Is Merkezi Kat:1, 34427, Kabatas Beyoglu, Istanbul, Turkey	Support services	ordinary	0.05%
Priceline Booking.com Hellas	280 Kifissias Avenue Chalandri, P.C. 152 32, Athens, Greece	Support services	ordinary	0.1667%
Booking.com Russia LLC	125047, Moscow, ul. Butyrsky val, 10, Russian Federation	Support services	ordinary	1.10%
Booking.com Brasil SdRdH LTDA	Alameda Santos, 960, 90 andar, Sao Paulo-SP; CEP 01418-100, Brazil	Support services	ordinary	0.00005%
Booking.com Egypt LLC	Building A1, Business park A Cairo Festival City, Cairo, Egypt	Support services	ordinary	0.04348%
Booking.com Natal Prestacao de Servicos LTDA	Avenida Engenheiro Roberto Freire, 1962, Capim Macio; lojas 22,23 e 24 Seaway Shopping. CEP 59082-400, Brazil	Support services	ordinary	0.001%
Booking.com Thailand Co Ltd	No. 399, Levels 34 Interchange 21 Building, Sukhumvit Road, North Klongtoey Sub-district, Wattana District, Bangkok 10110, Thailand	Support services	ordinary	0.0005%

**Notes to the financial statements
for the year ended 31 December 2019**

17. Debtors

	2019 £	2018 (Restated) £
Due after more than one year		
Corporation tax - prior year assessments (see note 26)	246,865,133	261,503,498
Deferred taxation (see note 22)	9,153,639	6,209,737
	<u>256,018,772</u>	<u>267,713,235</u>

	2019 £	2018 (Restated) £
Due within one year		
Amounts owed by group undertakings	26,834,271	13,485,118
VAT and other debtors	2,106,670	2,098,836
Prepayments and accrued income	4,556,637	7,261,236
	<u>33,497,578</u>	<u>22,845,190</u>

The amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Prepayments includes an amounts of £1,376,494 (2018: £2,230,947) which are due in more than one year.

Prior year deferred tax asset of £6,209,737 has been reclassified from being disclosed as a debtor due within one year to a debtor due after more than one year. This is to reflect the nature of the deferred tax asset which is made up of fixed asset timing differences that are expected to reverse in more than one year.

18. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	19,723	1,466,039
	<u>19,723</u>	<u>1,466,039</u>

**Notes to the financial statements
for the year ended 31 December 2019**

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	160,963	-
Trade creditors	664,607	1,834,971
Amounts owed to group undertakings	57,578	8,087,866
Corporation tax	2,723,990	2,897,307
Other taxation and social security	966,522	275,359
Accruals and deferred income	5,021,056	4,998,487
Corporation tax - prior year assessments (see note 26)	-	261,503,498
	<u>9,594,716</u>	<u>279,597,488</u>

Amounts owed to group undertakings includes a credit facility of £nil (2018: £8m) that is unsecured, bears interest at a per annum rate equal to 1.125% above LIBOR GBP one-month, and is repayable on demand.

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	248,946,839	-
	<u>248,946,839</u>	<u>-</u>

Amounts owed to group undertakings includes a credit facility of £246,865,057 (2018: £nil) that is unsecured, bears interest at a per annum rate equal to 0.9% above LIBOR GBP one-month, and is repayable on 23 January 2024.

**Notes to the financial statements
for the year ended 31 December 2019**

21. Financial instruments

	2019	2018
	£	£
Financial assets		
Cash and cash equivalents	19,723	1,466,039
Financial assets measured at amortised cost	280,362,711	284,348,688
	<u>280,382,434</u>	<u>285,814,727</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(254,851,043)	(276,424,821)

Financial assets measured at amortised cost comprise amounts owed by group undertakings, prepayments and other debtors, and corporation tax - prior year assessments.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors, and corporation tax - prior year assessments.

**Notes to the financial statements
for the year ended 31 December 2019**

22. Deferred taxation

	2019 £	2018 £
At beginning of year	6,209,737	4,336,827
Credited to profit or loss	2,943,902	1,872,910
At end of year	9,153,639	6,209,737

The deferred tax asset is made up as follows:

	2019 £	2018 £
Short term timing differences	669,693	18,455
Capital allowances in deficit in depreciation	8,483,946	6,191,282
	9,153,639	6,209,737

23. Provisions for liabilities

The company had the following provisions during the year:

	Dilapidations £
At 1 January 2019	-
Additions dealt with in profit or loss	303,105
At 31 December 2019	303,105

Dilapidations provision

As part of the group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2021 and 2028 as the leases terminate. Due to the significant number of leased properties in the group and the difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered a source of significant estimation uncertainty. The provision has been calculated using professional advice on dilapidations and estimated lease termination dates. The directors consider the possible dilapidations provision at 31 December 2019 to be £303,106 and this has been recognised in the statement of financial position.

**Notes to the financial statements
for the year ended 31 December 2019**

24. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,318,046 (2018: 5,318,048) A ordinary shares of £0.001 each	5,318	5,318
189,161 (2018: 189,161) B ordinary shares of £0.001 each	189	189
	<hr/> 5,507 <hr/>	<hr/> 5,507 <hr/>

A and B ordinary shares rank pari passu in all aspects except dividends whereby the A ordinary shares are entitled to the first £1,650,000 (2018: £1,650,000) of any dividends declared.

25. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Profit and loss account

This reserve represents cumulative profits and losses.

**Notes to the financial statements
for the year ended 31 December 2019****26. Contingent liabilities**

French tax authorities recently concluded an audit of Booking.com that started in 2013 of the years 2003 until mid 2012. They are asserting that Booking.com has a permanent establishment in France and are seeking to recover what they claim are unpaid income taxes and value-added taxes ("VAT"). In December 2015, the French tax authorities issued Booking.com assessments for approximately 291.5 million Euros, the majority of which would represent penalties and interest. In December 2018 the company was requested to pay the amount due as a result of the corporation tax reassessment of the 2006 to 2012 fiscal years. The amount of 291.5m Euros was paid in January 2019 after entering into a Credit Agreement with Booking.com B.V.. At 31 December 2019 this is reflected as an amount owed to group undertakings of £261.5m included within creditors due after one year. The same amount is expected to be recovered from the tax authorities, and as such it is reflected in debtors falling due after more than one year. In September 2020, the company contacted the French tax authorities regarding the potential to achieve resolution of the matter through a settlement. After assessing several potential outcomes and potential settlement amounts and terms, a 50 million Euros settlement proposal has been filed. Additional assessments could result when the French tax authorities complete the outstanding audits (see note 30).

The company believes that it has been, and continues to be, in compliance with French tax law, therefore contesting the assessments.

The company believes that Booking.com has been, and continues to be, in compliance with French tax law, and the company intends to contest the assessments. If the company is unable to resolve the matter with the French authorities, it would expect to challenge the assessments in the French courts. In order to contest the assessments in court, the company may be required to pay, upfront, the full amount or a significant part of any such assessments, though any such payment would not constitute an admission by it that it owes the tax. Booking.com engaged with local tax advisors and in the opinion of the advisor it is more likely-than-not that Booking.com would win this case. Therefore, the company has not recorded any provision for this matter.

27. Pension commitments

The company operates a defined contribution plan for all employees of the company. Contributions made into this plan are paid by the company at rates specified in the rules of the schemes. The total amount recognised in profit and loss during the year was £272,878 (2018: £270,084). As at the reporting date, amounts payable of £61,517 (2018: £57,159) had not been paid over to the plan.

28. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	14,270,909	14,890,203
Later than 1 year and not later than 5 years	14,641,607	29,296,158
Later than 5 years	2,108,165	3,242,631
Total	31,020,681	47,428,992

**Notes to the financial statements
for the year ended 31 December 2019**

29. Related party transactions

	2019 £	2018 £
Booking.com B.V.	9,688,964	10,592,490
Traveljigsaw Limited	93,915	51,132
Priceline Group Treasury Company B.V.	14,834,567	2,332,209
Booking.com Customer Service Centre (UK) Limited	2,216,825	509,287
	<u>26,834,271</u>	<u>13,485,118</u>

Amounts due from Booking Holdings Group Treasury Company ('PGTC') are resulting from the sweeps taking place under the Cash Concentration Agreement entered into by the two parties. The Company receives interest on its credit balance with PGTC. The interest rate is equal to Market Clearing Price Bid Rate ref Central Bank +/- 0 basis points per annum. If the rate of interest is less than zero, the credit interest rate is deemed to be zero.

Other amounts due from group companies are unsecured, interest-free and repayable on demand.

The following amounts were owed to group undertakings at the year end:

	2019 £	2018 £
Booking.com International Services B.V.	-	16,443
Priceline.com International Limited	13,366	-
Booking.com B.V.	248,991,051	8,071,423
	<u>249,004,417</u>	<u>8,087,866</u>

Amounts owed to group undertakings includes a credit facility of £nil (2018: £8m) that is unsecured, bears interest at a per annum rate equal to 1.125% above LIBOR GBP one-month, and is repayable on demand.

Amounts owed to group undertakings includes a credit facility of £246,865,057 (2018: £nil) that is unsecured, bears interest at a per annum rate equal to 0.9% above LIBOR GBP one-month, and is repayable on 24 January 2024.

Notes to the financial statements for the year ended 31 December 2019

30. Post balance sheet events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected global economic activity. As the pandemic only became apparent in 2020 after the balance sheet date, the COVID-19 outbreak is a non-adjusting post balance sheet event.

At this stage, the impact on the results of the company is limited due to the cost recovery nature of the company. As of this moment, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19 that will affect the ongoing viability of the company. The intercompany commitments between the company and its affiliate companies therefore remain in place, and the company remains appropriately funded and can expect to receive the agreed remuneration for services rendered.

In August 2020, Booking.com announced its intention to reduce its global workforce and in October 2020, Booking.com commenced voluntary leaver schemes in the United Kingdom. The company has commenced the process of consulting with its employees, work councils and employee representatives and the target is to complete the vast majority of announcements to the affected employees by the end of 2020.

Certain governments have passed legislation to help businesses during the COVID-19 pandemic through loans, wage subsidies, tax relief or other financial aid, and some of these governments have extended or are considering extending these programs. The company has participated in the United Kingdom's job retention scheme and has claimed a total of £64,000 to the date of signing.

We also refer you to note 3.4 Implications of COVID-19 on our business.

In relation to the audit that French tax authorities recently concluded, that started in 2013 for the years 2003 until mid 2012, the company believes that it has been, and continues to be, in compliance with French tax law, therefore contesting the assessments. However, in September 2020, the company contacted the French tax authorities regarding the potential to achieve resolution of the matter through a settlement. After assessing several potential outcomes and potential settlement amounts and terms, a 50 million Euros settlement proposal has been filed. Additional assessments could result when the French tax authorities complete the outstanding audits.

We also refer you to note 26 Contingent Liabilities.

31. Controlling party

100% of the issued share capital of the company is owned by Priceline.com International Limited, a company incorporated in England and Wales whose principal place of business is at 100 New Bridge Street, London EC4V 6JA. The directors consider this to be the immediate parent company.

The company's ultimate parent company and controlling party is Booking Holdings, a company incorporated in the United States of America, whose principal place of business and registered office is, and whose financial statements can be obtained at 800 Connecticut Avenue, Norwalk, Connecticut 06954, USA and this is the smallest and largest group in which the results of the company are consolidated.