

Registered number: 03512889

**Booking.com Limited**

**Annual Report and Financial Statements  
For the year ended 31 December 2021**

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## **Booking.com Limited**

### **Company information**

<b>Directors</b>	C Olejniczak D Koker D S Tropp
<b>Registered number</b>	03512889
<b>Registered office</b>	7th Floor The Monument building 11 Monument Street London England EC3R 8AF
<b>Independent auditor</b>	Deloitte LLP Statutory Auditor 3 Victoria Square Victoria Street St Albans AL1 3TF
<b>Bankers</b>	Deutsche Bank AG 10 Bishops Square (10BS/04/FB161) London E1 6AO

**Booking.com Limited**

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# **Booking.com Limited**

## **Strategic report For the year ended 31 December 2021**

### **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 UK support services to Booking.com B.V. for the Booking.com website. The company's services include promoting Booking.com BV, informing hotels and affiliates about Booking.com (and vice versa) and informing the hotels about how they may improve their performance on the website of Booking.com BV, based on guidelines and information provided by Booking.com BV.

The company made a profit before tax of £13,099,157 (2020: £6,496,440) in the year. The company primarily saw an increase in profitability due to increased commissions arising from a greater number of bookings as a result of COVID-19 restrictions being lifted in the second half of 2021. Net assets also increased significantly by 12.27% from £42,807,658. This was largely due to a reduction in intragroup balances outstanding in respect of the ongoing dispute with the French tax authorities (note 26).

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 2021, revenue decreased by 11.68% to £69.7 million as a result of lower costs and lower bookings in the region for the first half of 2021, impacted by COVID-19 (2020: £78.9 million). However, due to the easing of COVID-19 restrictions for the second half of the year, the total NSC revenue increased from 4.8 million to 10.2 million, driving the gross profit margin increase to 20.9% (2020: 17.06%).

The decrease in earnings before interest, tax, depreciation and amortisation ("EBITDA") of 12.92% to £32.8 million (2020: £37.6 million) was due to a decrease in the service fee. The net book value of fixed assets fell by £10.1 million, to £12.5 million (2020: £22.6 million). The net current assets decreased by £40 million to £247.4 million (2020: £287.1 million) largely due to the settlement agreement that has been negotiated with the French tax authorities (see note 26).

The average number of employees was 151 (2020: 162) as per note 8.

These indicators have been chosen amongst 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 2021**

#### **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.

##### *COVID-19*

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected global economic activity. At this stage, the impact on the results of the company is limited due to the cost recovery nature of the company.

##### *Ukrainian War*

After the end of 2021, political tensions in the region escalated into a war between the Russian Federation and Ukraine. This conflict has severely affected global events, adversely impacted commodity prices and financial markets, and attribute to increased volatility within the business environment as a whole (primarily restrictions on supply and demand chains) can be expected. However, the extent of the consequences of these events on the company cannot currently be fully anticipated.

#### **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 Pound 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.

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 B.V. 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. This is monitored on an ongoing basis.

##### *Liquidity risk*

The company's long term liabilities mostly 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.

## **Booking.com Limited**

### **Strategic report (continued) For the year ended 31 December 2021**

#### **Financial risk management objectives and policies (continued)**

##### *French tax claim*

On 5 December 2022, the group reached a settlement agreement with the French tax authorities in the amount of EUR 49.0 million (£44.5 million). This constitutes an adjusting balance sheet event, which is reflected in the Statement of financial position and the Statement of comprehensive income of these financial statements as of 31 December 2021. As part of the settlement agreement, any excess of the payment previously made by the company with respect to the reassessments for the tax periods 2006 through 2012 over the settlement amount for those tax periods would be refunded. The refund of the excess of the payment previously made by the company over the settlement amount was received in March 2023. See note 26 for further details.

The risk of non-payment of the loan is low as the loan is related to an intra-group lender. Also, in case of a need for cash, the company has the support of the group.

#### **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.

In accordance with Section 172 (1) of the Companies Act 2006, the directors, both individually and collectively, act in the way that he or she would to promote the success of the company for the benefit of its members. The directors consider the views and interests of a wider set of stakeholders. During the year, the Board members received reports and presentations, they participated in discussions and considered the impact of the company's activities on its key stakeholders. The company has identified its key stakeholders as its employees and other affiliated entities within the Booking Holdings Inc. group.

##### *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 2020, the group invested additional resources to further the learning and talent development efforts. In 2020 the group initiated a number of learning programs, conducted leadership workshops with middle management and used assessments for upward feedback and coaching purposes.

##### *Supplier relationships*

The directors treat the Company's suppliers as key business partners. The company employs robust procurement processes to manage the on boarding, and maintenance of its suppliers, making use of a dedicated procurement team. Annual training is also provided to all employees covering anti-bribery and corruption matters and completion of this training is monitored by the compliance function.

##### *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.

## **Booking.com Limited**

### **Strategic report (continued) For the year ended 31 December 2021**

#### **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.

#### **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).

#### **Statement of engagement with stakeholders**

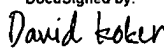
There is active engagement with all stakeholders of the company, from employees, vendors, government authorities, the local community and environment, and other stakeholders. Please refer to pages 13 to 36 of Booking Holding Inc. Proxy Statement relating to their 2021 annual meeting of stockholders filed with the Securities and Exchange Commission for further detail of this level of engagement.

#### **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://72455aba-9713-480a-90bcdec5f811752f.usrfiles.com/ugd/72455a\\_a0dc4e3c57994a2c8daffd310a49e16a.pdf](https://72455aba-9713-480a-90bcdec5f811752f.usrfiles.com/ugd/72455a_a0dc4e3c57994a2c8daffd310a49e16a.pdf). Please refer to this report for further details.

This report was approved by the board on

2023 and signed on its behalf by:

DocuSigned by:  
  
A705DC88EEB5454...  
10-Mar-23  
Director

## **Booking.com Limited**

### **Directors' report For the year ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **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 £5,444,467 (2020: loss of £29,406,657).

The directors do not recommend the payment of a dividend for the year (2020: £nil).

#### **Directors**

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

A D'Amico (resigned 6 July 2021)  
C Olenjiczak (appointed 6 July 2021)  
D Koker  
D S Tropp

#### **Charitable contributions**

During the year the company made charitable donations totaling £720 (2020: £860).

#### **Political donations**

No political donations were made during the year (2020: £nil).

#### **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 Limited supports Booking.com which is a primary brand in the Booking Holdings Inc group and the directors have concluded that Booking Holdings Inc has adequate resources and will continue to support the company as it is of strategic importance to the group.

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 continued into 2021. Measures taken by various governments to contain the virus have affected global economic activity. As noted in note 3.4, 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%. Additional revenues are allocated to the company by Booking.com B.V. based on company performance within the territory.

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.



## Booking.com Limited

### Directors' report (continued) For the year ended 31 December 2021

#### Carbon and carbon emissions report for UK offices

In line with 'The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018' the company presents details of its carbon and energy use.

The amounts below represent annual quantities of emissions from the companies' operations across the UK for the year ended 31 December 2021.

Emissions from	Energy consumption used to calculate emissions (kWh)		Emissions (tCO <sub>2</sub> e)	
	2021	2020	2021	2020
Emissions from combustion of gas for heating (Scope 1)	-	-	-	-
Emissions from combustion of fuel for transport purposes (Scope 1)	-	-	-	-
Emissions from purchased electricity (Scope 2)	115,418	201,253	26	46
Emissions from business travel in rental cars or employee owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	-	-	-	-
<b>Total</b>	<b>115,418</b>	<b>201,253</b>	<b>26</b>	<b>46</b>

Our greenhouse gas emissions intensity over the reporting period was 0.37 tCO<sub>2</sub>e / £1m revenue. Previously our 2020 greenhouse gas emissions intensity was 0.58 tCO<sub>2</sub>e / £1m revenue.

#### Methodology

To determine emissions for the year ended 31 December 2021, the company used actual energy consumption data for each office from supplier invoices. For the offices where actual consumption data were not available the company estimated the energy consumption either per FTE or by the area (sq.m) of the office space.

The collected consumption data is then converted into greenhouse gas emissions associated with each activity using emission factors that are based on the guidelines of the Department for Environment, Food and Rural Affairs (Defra) of the UK Government.

#### Energy efficient actions

The company will continue its offset program with high quality Carbon offsets. In the future the company will also examine the possibility to transition from avoidance offsets to removal offsets.

#### Future developments

The disclosure of future developments have been included in the Strategic report in accordance with section 414 C (11) of the Companies Act 2006 as the directors consider that this information is of strategic importance.

#### 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.

## **Booking.com Limited**

### **Directors' report (continued) For the year ended 31 December 2021**

#### **Post balance sheet events**

On 5 December 2022, the Booking.com group reached a settlement agreement with the French tax authorities in the amount of EUR 49.0 million (£44.5 million). This constitutes an adjusting balance sheet event, which is reflected in the Statement of financial position and the Statement of comprehensive income of these financial statements as of 31 December 2021.

As part of the settlement agreement, any excess of the payment previously made by the company with respect to the reassessments for the tax periods 2006 through 2012 over the settlement amount for those tax periods would be refunded. The timing of the refund of the excess of the payment previously made by the company over the settlement amount will occur in 2023, and as such the balance is still reflected in the Statement of financial position within "debtors falling due after more than one year". See note 26 for further information.

#### **Russia / Ukraine conflict**

After the end of 2021, political tensions between the Russian Federation and Ukraine escalated into a war. This conflict has severely affected global events, adversely impacted commodity prices and financial markets, and attributed to increased volatility within the business environment. The situation remains very unstable, and the impact of imposed sanctions, restrictions on the business activities of companies operating in the region, and the consequences for the economic environment as a whole (primarily restrictions on supply and demand chains) can be expected.

#### **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' 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 Financial Reporting Standard 102 '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.

## Booking.com Limited

### Directors' report (continued) For the year ended 31 December 2021

#### Disclosure of information to auditor

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 auditor is unaware, and
- the directors have 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 auditor is aware of that information.

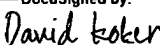
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### Auditor

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

2023 and signed on its behalf by:

DocuSigned by:  
  
A705DC88EEB5454...  
**D Koker** 10-Mar-23  
**Director**

## **Booking.com Limited**

### **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 2021 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**

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

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

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

## **Booking.com Limited**

### **Independent Auditor's Report to the Members of Booking.com Limited (continued)**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

## **Booking.com Limited**

### **Independent Auditor's Report to the Members of Booking.com Limited (continued)**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, competition law, employment law and general data protection regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures to address it are described below:

- Revenue is generated by this entity on a cost plus arrangement. Revenue could therefore be manipulated if costs are not complete or accurate. To address this we selected a sample of expenses recognised during the year and traced to supporting invoice to ensure costs have been recorded accurately. We also selected a sample of payments made post year end and traced to supporting invoice to ensure these were correctly included or excluded from expenses recognised in the year. Furthermore, we reviewed the terms of the transfer pricing arrangements to assess the appropriateness of the mark up applied in the cost plus arrangement.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and the internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

## **Booking.com Limited**

### **Independent Auditor's Report to the Members of Booking.com Limited (continued)**

#### **Report on other legal and regulatory requirements**

#### **Opinions 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: 10 March 2023

## Booking.com Limited

### Statement of comprehensive income For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	5	69,710,941	78,925,808
Cost of sales		(53,036,527)	(65,462,498)
<b>Gross profit</b>		<b>16,674,414</b>	<b>13,463,310</b>
Administrative expenses		(1,463,907)	(4,709,205)
<b>Operating profit</b>	6	<b>15,210,507</b>	<b>8,754,105</b>
Other income	10	25,404	88,411
Interest receivable and similar income	11	23,215	36,927
Interest payable and similar expenses	12	(2,096,313)	(2,383,003)
Exceptional items	10	(63,656)	-
<b>Profit before taxation</b>		<b>13,099,157</b>	<b>6,496,440</b>
Tax on profit	13	(7,654,690)	(35,903,097)
<b>Profit/(loss) for the financial year</b>		<b>5,444,467</b>	<b>(29,406,657)</b>

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 38 form part of these financial statements.



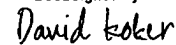
**Booking.com Limited**

Registered number: 03512889

**Statement of financial position  
As at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	12,529,298	22,617,939
Investments	15	8,369	8,369
		<u>12,537,667</u>	<u>22,626,308</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	16	216,890,248	235,000,207
Debtors: amounts falling due within one year	16	46,059,862	61,519,611
Cash at bank and in hand	17	94,734	46,444
		<u>263,044,844</u>	<u>296,566,262</u>
Creditors: amounts falling due within one year	18	(15,675,557)	(9,473,837)
<b>Net current assets</b>		<u>247,369,287</u>	<u>287,092,425</u>
<b>Total assets less current liabilities</b>		<u>259,906,954</u>	<u>309,718,733</u>
Creditors: amounts falling due after more than one year	19	(211,400,256)	(266,476,262)
Provisions for liabilities	23	(448,643)	(434,813)
<b>Net assets</b>		<u>48,058,055</u>	<u>42,807,658</u>
<b>Capital and reserves</b>			
Called up share capital	24	5,507	5,507
Share premium account	25	6,108,008	6,108,008
Profit and loss account	25	41,944,540	36,694,143
<b>Total equity</b>		<u>48,058,055</u>	<u>42,807,658</u>

The financial statements were approved and authorised for issue by the board on 2023 and were signed on its behalf by:

DocuSigned by:  
  
 A705DC88EEB5454...  
**D Koker** 10-Mar-23  
**Director**

The notes on pages 16 to 38 form part of these financial statements.

## Booking.com Limited

### Statement of changes in equity For the year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	<b>5,507</b>	<b>6,108,008</b>	<b>67,951,173</b>	<b>74,064,688</b>
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(29,406,657)	(29,406,657)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(29,406,657)</b>	<b>(29,406,657)</b>
Share based payment reserve	-	-	(1,850,373)	(1,850,373)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(1,850,373)</b>	<b>(1,850,373)</b>
<b>At 1 January 2021</b>	<b>5,507</b>	<b>6,108,008</b>	<b>36,694,143</b>	<b>42,807,658</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	5,444,467	5,444,467
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>5,444,467</b>	<b>5,444,467</b>
Share based payment reserve	-	-	(194,070)	(194,070)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(194,070)</b>	<b>(194,070)</b>
<b>At 31 December 2021</b>	<b>5,507</b>	<b>6,108,008</b>	<b>41,944,540</b>	<b>48,058,055</b>

The notes on pages 16 to 38 form part of these financial statements.

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **1. General information**

Booking.com Limited (the 'company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office and principal place of business is 7th Floor, The Monument building, 11 Monument Street, London, England, EC3R 8AF.

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:

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.2 Financial reporting standard 102 - reduced disclosure exemptions**

FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been satisfied by the company for the year ended 31 December 2021.

Therefore, the Company has taken advantage of the following disclosure exemptions, as permitted by FRS 102:

- 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 2021 and these financial statements may be obtained from 800 Connecticut Avenue, Norwalk, Connecticut 06854, USA.

##### **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.

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **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 Limited 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.

31 December 2021

The COVID-19 outbreak continued into 2021. Measures taken by various governments to contain the virus have affected global economic activity. 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%. Additional revenues are allocated to the company by Booking.com B.V. based on company performance within the territory.

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.

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 3. Summary of significant accounting policies (continued)

##### 3.6 Government grants

Government grants are recognised when there is a reasonable assurance that the company will comply with the conditions attaching it to them and the grant will be received.

Government grants are accounted for under the accruals model as permitted by FRS 102.

##### 3.7 Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### 3.8 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.

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.9 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.

##### **3.10 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.

##### **3.11 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.

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.12 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.

##### **3.13 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 the Statement of comprehensive income 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.

##### **3.14 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 ordinary shares.

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.



## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.15 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'.

##### **3.16 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.

##### **3.17 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.

##### **3.18 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.

##### **3.19 Interest income**

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

## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.20 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.

##### **3.21 Share based remuneration**

The company issues equity-settled share options to certain employees within the group. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair Value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Employees of the company are also awarded restricted stock units (RSUs) and performance share units (PSUs) in Booking Holdings as incentives and rewards to encourage employees to contribute to the longterm success of Booking Holdings. The RSUs and PSUs are payable in shares of Booking Holdings upon vesting, which is generally a period of three years. Subject to certain exceptions (a change in control, death, disability, etc) the RSUs and PSUs are forfeited if the employee leaves Booking Holdings before completing the required service period. The RSUs and PSUs are valued at fair value based on the common stock of Booking Holdings at the date of grant of the RSUs or PSUs. Stock based compensation expense for RSUs and PSUs during the vesting period includes estimated forfeitures. The PSUs are based on the attainment of certain performance targets. Stock based compensation expense for PSUs is recorded based on the estimated probable outcome at the end of the performance period

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 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.

There were no judgments apart from those involving estimates, that had a significant effect on the amounts recognised in the financial statements.

#### 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.

	2021 £	2020 £
Intercompany revenue	<b>69,710,941</b>	78,925,808

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

#### 6. Operating profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	<b>17,599,641</b>	28,793,599
Operating lease expenses	<b>19,418,013</b>	22,027,180
Exchange differences	<b>(1,612,948)</b>	(473,182)
Share based payment expense	<b>1,557,298</b>	1,972,918
Defined contribution pension cost	<b>798,124</b>	295,014
Gain on disposal of assets	<b>(511,194)</b>	(11,646)

# Booking.com Limited

## Notes to the financial statements For the year ended 31 December 2021

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<b>102,962</b>	86,231

There were no non-audit fees payable to the company's auditor for the year ended 31 December 2021 (2020: £nil).

### 8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	<b>11,678,834</b>	9,502,901
Social security costs	<b>1,564,086</b>	1,678,482
Cost of defined contribution scheme	<b>311,151</b>	295,014
Share based payment expenses	<b>194,070</b>	-
	<b>13,748,141</b>	11,476,397

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

	2021 No.	2020 No.
Partner services	<b>83</b>	100
Technical	<b>23</b>	49
Administration	<b>45</b>	13
	<b>151</b>	162

### 9. Directors' remuneration

During the year, no director received any emoluments for services to the company as they are paid by another entity within the group for services (2020: £nil).

None of the directors participated in the company's share options scheme during the year (2020: £nil).

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 10. Other income

	2021 £	2020 £
Income from fixed asset investments	25,404	24,755
Government grants	-	63,656
	<u>25,404</u>	<u>88,411</u>

During the prior year, the company received cash payments in relation to the Government Coronavirus Job Retention Scheme (CJRS) to compensate for part of the payroll costs of employees placed on furlough, amounting to £63,656.

In 2021, the Company voluntarily returned the full amount to HMRC against Coronavirus Job Retention Scheme.

#### 11. Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	<u>23,215</u>	<u>36,927</u>

#### 12. Interest payable and similar expenses

	2021 £	2020 £
Interest on loans from group undertakings	2,062,364	2,353,784
Finance lease interest payable	11,084	29,219
Interest on late filing penalties	22,865	-
	<u>2,096,313</u>	<u>2,383,003</u>

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 13. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	5,403,746	280,140
Adjustments in respect of previous periods	6,456	46,521
	<u>5,410,202</u>	<u>326,661</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	5,792,223	38,588,781
	<u>5,792,223</u>	<u>38,588,781</u>
<b>Total current tax</b>	<u>11,202,425</u>	<u>38,915,442</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(323,861)	(1,801,182)
Adjustment in respect of prior years	7,016	(120,132)
Effect of changes in tax rates	(3,230,890)	(1,091,031)
<b>Total deferred tax</b>	<u>(3,547,735)</u>	<u>(3,012,345)</u>
<b>Taxation on profit</b>	<u>7,654,690</u>	<u>35,903,097</u>

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 13. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	<b>13,099,157</b>	6,496,440
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>2,488,840</b>	1,234,324
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>2,684,704</b>	57,291
Income not taxable for tax purposes at 19%	<b>(5,315)</b>	(2,769,992)
Adjustments to tax charge in respect of prior periods	<b>13,472</b>	(73,611)
Tax rate changes	<b>(3,230,890)</b>	(1,091,031)
Share options	<b>(88,344)</b>	(42,665)
Foreign tax charge (note 26)	<b>5,792,223</b>	38,588,781
<b>Total tax charge for the year</b>	<b>7,654,690</b>	35,903,097

The movements relating to share options have been combined together to reflect the net tax impact.

##### Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax balances have been remeasured accordingly where appropriate.

# Booking.com Limited

## Notes to the financial statements For the year ended 31 December 2021

### 14. Tangible assets

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2021	4,366,158	131,414,871	135,781,029
Additions	-	7,194,025	7,194,025
Disposals	(116,958)	(8,386,451)	(8,503,409)
At 31 December 2021	<u>4,249,200</u>	<u>130,222,445</u>	<u>134,471,645</u>
<b>Depreciation</b>			
At 1 January 2021	985,318	112,177,772	113,163,090
Charge for the year	236,206	17,363,435	17,599,641
Disposals	-	(8,381,411)	(8,381,411)
Adjustment	-	(438,973)	(438,973)
At 31 December 2021	<u>1,221,524</u>	<u>120,720,823</u>	<u>121,942,347</u>
<b>Net book value</b>			
At 31 December 2021	<u>3,027,676</u>	<u>9,501,622</u>	<u>12,529,298</u>
At 31 December 2020	<u>3,380,840</u>	<u>19,237,099</u>	<u>22,617,939</u>

The net carrying amount of assets held under finance leases included in computer equipment is £3,453,987 (2020: £1,845,404).

### 15. Fixed asset investments

	Investments in group companies £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	<u>8,369</u>



## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 15. 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 Support services	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%

# Booking.com Limited

## Notes to the financial statements For the year ended 31 December 2021

### 16. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Corporation tax	203,029,905	222,834,223
Deferred taxation (see note 22)	13,860,343	12,165,984
	<u>216,890,248</u>	<u>235,000,207</u>
	2021 £	2020 £
<b>Due within one year</b>		
Amounts owed by group undertakings	41,730,892	57,629,731
VAT and other debtors	1,267,542	810,829
Prepayments and accrued income	1,208,052	2,336,311
Tax recoverable	-	742,740
Deferred taxation (see note 22)	1,853,376	-
	<u>46,059,862</u>	<u>61,519,611</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.

Prepayments includes an amounts of £71,908 (2020: £343,989) which are due in more than one year.

### 17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>94,734</u>	<u>46,444</u>

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,376,815	4,462,919
Amounts owed to parent	5,103	-
Amounts owed to group undertakings	18,203	124,455
Corporation tax	3,433,494	-
Other taxation and social security	667,613	984,314
Finance lease liabilities	1,426,089	732,083
Accruals	7,748,240	3,170,066
	<u>15,675,557</u>	<u>9,473,837</u>

Amounts owed to parent are unsecured and interest free repayable on a monthly basis.

Amounts owed to group undertakings are unsecured and bear interest at a per annum rate equal to 0.9% above EURIBOR GBP one-month.

#### 19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	209,179,815	265,347,162
Finance lease liabilities	2,220,441	1,129,100
	<u>211,400,256</u>	<u>266,476,262</u>

Amounts owed to group undertakings includes a credit facility of £244,613,742 (2020: £260,781,195) that is unsecured, bears interest at a per annum rate equal to 0.9% above EURIBOR GBP one-month and is repayable on 23 January 2024.

#### 20. Loans and other borrowings

	2021 £	2020 £
<b>Analysis of the maturity of debt is given below:</b>		
Finance leases	<u>3,646,531</u>	<u>1,861,183</u>

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 20. Loans and other borrowings (continued)

##### Finance leases

The future minimum finance lease payments are as follows:

	2021 £	2020 £
Not later than one year	1,426,089	732,083
Later than one year and not later than five years	2,220,442	1,129,100
	<u>3,646,531</u>	<u>1,861,183</u>

The finance leases primarily relate to the lease of IT equipment from Hewlett-Packard International Bank DAC that started on June 29, 2020 with a term of three years.

During the year, the company acquired further IT equipment via leases from Hewlett-Packard International Bank DAC that started in April 2021 and June 2021 respectively, both with a term of three years.

#### 21. Financial instruments

	2021 £	2020 £
<b>Financial assets</b>		
Cash and cash equivalents	94,734	46,444
Financial assets measured at amortised cost	247,236,393	283,611,094
	<u>247,331,127</u>	<u>283,657,538</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>222,974,705</u>	<u>274,965,785</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings, repayments 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.

# Booking.com Limited

## Notes to the financial statements For the year ended 31 December 2021

### 22. Deferred taxation

	2021 £	2020 £
At beginning of year	12,165,984	9,153,639
Credited to profit or loss	3,554,751	2,892,213
Adjustment in respect of prior years	(7,016)	120,132
<b>At end of year</b>	<b>15,713,719</b>	<b>12,165,984</b>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Short term timing differences	727,335	578,113
Capital allowances in deficit in depreciation	14,986,384	11,587,871
	<b>15,713,719</b>	<b>12,165,984</b>

### 23. Provisions for liabilities

The company had the following provisions during the year:

	Dilapidations £
At 1 January 2021	434,813
Charged to profit or loss	13,830
<b>At 31 December 2021</b>	<b>448,643</b>

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 2021 to be £448,643 (2020: £434,813) and this has been recognised in the statement of financial position.

# Booking.com Limited

## Notes to the financial statements For the year ended 31 December 2021

### 24. Called up share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
5,318,046 (2020: 5,318,046) A ordinary shares of £0.001 each	5,318	5,318
189,161 (2020: 189,161) B ordinary shares of £0.001 each	189	189
	<u>5,507</u>	<u>5,507</u>

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 (2020: £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.

### 26. Contingent liabilities

French tax authorities conducted audits of the company for the years 2003 through 2012. In December 2015, the French tax authorities issued Booking.com assessments for unpaid income and value added taxes ("VAT") related to tax years 2006 through 2012 for approximately EUR 291.5 million (£261.5 million), approximately half of which represents penalties and interest. The assessments asserted that the company had a permanent establishment in France. As a result of a formal demand from the French tax authorities for payment of the amounts assessed against the company for the years 2006 through 2012, in January 2019, the company paid the assessments of approximately EUR 291.5 million (£261.5 million) in order to preserve its right to contest those assessments in court. The payment, which was made after entering into a Credit Agreement with Booking.com B.V., is included in "creditor amounts falling due after more than one year" in the Statement of financial position at 31 December 2021, and does not constitute an admission that the Booking.com Group (the "group") owes the taxes and will be refunded (with interest) to the group to the extent the group prevails. As such, the balance is also reflected in "debtors falling due after more than one year". In October 2020, the group initiated court proceedings with respect to the 2006 through 2012 permanent establishment assessments. Although the group believes that Booking.com has been, and continues to be, in compliance with French tax law during September 2020, the group 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, an expense for unrecognized tax benefit in the amount of EUR 42.4 million (£38.6 million) was recorded during the year ended 31 December 2020, reducing the amount reflected in "debtors falling due after more than one year". As discussions continued, the company recorded an additional expense for unrecognized tax benefit in the amount of EUR 6.6 million (£5.9 million), resulting in a total unrecognized tax benefit of EUR 49.0 million (£44.5 million) for the French tax matter. The balance of "debtors falling due after more than one year" has been adjusted to reflect this additional expense as of 31 December 2021.

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 26. Contingent liabilities (continued)

On 5 December 2022, the group reached a settlement agreement with the French tax authorities in the amount of EUR 49.0 million (£44.5 million). This constitutes an adjusting balance sheet event, which is reflected in the Statement of financial position and the Statement of comprehensive income of these financial statements as of 31 December 2021.

As part of the settlement agreement, any excess of the payment previously made by the company with respect to the reassessments for the tax periods 2006 through 2012 over the settlement amount for those tax periods would be refunded. In March 2023, the company received EUR 266 million (£ 236 million), including EUR 24 million (£ 21 million) in accumulated interest, from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022.

#### 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 £798,124 (2020: £295,014). As at the reporting date, amounts payable of £2,175 (2020: £79,565) had not been paid over to the plan.

#### 28. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	11,267,043	11,332,232
Later than 1 year and not later than 5 years	10,397,959	4,787,185
Later than 5 years	355,776	1,320,914
<b>Total</b>	<b>22,020,778</b>	<b>17,440,331</b>

## Booking.com Limited

### Notes to the financial statements For the year ended 31 December 2021

#### 29. Related party transactions

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

	2021 £	2020 £
Booking.com B.V.	4,267,226	2,244,423
Traveljigsaw Limited	83,066	99,701
Priceline Group Treasury Company B.V.	37,276,717	53,036,991
Booking.com Customer Service Centre (UK) Limited	103,883	2,248,616
	<u>41,730,892</u>	<u>57,629,731</u>

Amounts due from Priceline 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:

	2021 £	2020 £
Priceline.com International Limited	5,103	17,321
Booking.com B.V.	209,179,815	265,347,163
Booking Holdings Inc.	16,473	107,134
Priceline.com LLC	1,730	-
	<u>209,203,121</u>	<u>265,471,618</u>

Amounts owed to group undertakings includes a credit facility of £244,613,742 (2020: £260,781,195) that is unsecured, bears interest at a per annum rate equal to 0.9% above EURIBOR GBP one-month, and is repayable on 24 January 2024.

#### 30. 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 Inc., 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 06854, USA and this is the smallest and largest group in which the results of the company are consolidated.



## **Booking.com Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **31. Post balance sheet events**

On 5 December 2022, the Booking.com group reached a settlement agreement with the French tax authorities in the amount of EUR 49.0 million (£44.5 million). This constitutes an adjusting balance sheet event, which is reflected in the Statement of financial position and the Statement of comprehensive income of these financial statements as of 31 December 2021.

As part of the settlement agreement, any excess of the payment previously made by the company with respect to the reassessments for the tax periods 2006 through 2012 over the settlement amount for those tax periods would be refunded. In March 2023, the company received EUR 266 million (£ 236 million), including EUR 24 million (£ 21 million) in accumulated interest, from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022.