

Registered number: 03512889

Booking.com Limited

**Annual Report and Financial Statements
For the year ended 31 December 2022**

TUESDAY



ACFBPHY0

A07

31/10/2023

#111

COMPANIES HOUSE

Booking.com Limited

Company information

Directors	C Olejniczak D Koker D S Tropp
Registered number	03512889
Registered office	7th Floor The Monument building 11 Monument Street London England EC3R 8AF
Independent auditor	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading RG1 3BD
Bankers	Deutsche Bank AG 10 Bishops Square (10BS/04/FB161) London E1 6AO

Booking.com Limited
Contents

	Page
Strategic Report	1
Directors' Report	7
Independent Auditor's Report to the Members of Booking.com Limited	11
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Notes to the Financial Statements	18

Booking.com Limited

Strategic report

For the year ended 31 December 2022

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 B.V., informing hotels and affiliates about Booking.com and informing the hotels about how they may improve their performance on the website of Booking.com B.V., based on guidelines and information provided by Booking.com B.V.

The company made a profit before tax of £40,581,773 (2021: £13,099,157) in the year. The company primarily saw an increase in profitability due to the settlement of the French tax claim which resulted in the company recognising interest income of £15,951,766, for further details, see note 26. Net assets also increased significantly by 77.72% from £48,058,055. This was largely due to the settlement of the dispute with the French tax authorities (note 26) and an increase in finance leases of £19 million (note 14).

The directors continue to 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 post COVID-19. Since the entity operates under a cost plus arrangement, it will continue to receive revenue for the costs incurred.

On 5 December 2022, the group reached a settlement agreement with the French tax authorities in the amount of €49.0 million (£44.5 million). 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 €266 million (£236 million), including €24 million (£21 million) in accumulated interest (of which £16 million relates to VAT and the remainder relating to income tax), from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022. The receipt of the interest income in March 2023, with the return of the excess payment made over the settled amount, has been treated as an adjusting post balance sheet event as it confirmed circumstances that were in place at 31 December 2022 but which were not fully known until the final receipt. £16 million has therefore been recorded as interest receivable from the French tax authorities (see note 11), and £5million has been record as a credit against foreign tax on income for the year (see note 13).

Further to this, the company entered into an agreement with Booking.com BV to repay the loan in full, consisting of €252 million (£228 million) principal and €1.6 million (£1.3 million) interest. The refund of the excess of the payment previously made by the company over the settlement and the refund of the loan occurred in March 2023.

Key performance indicators

As the company's principal business is the provision of support services to Booking.com BV, with revenue based on 1) a cost-plus arrangement; and 2) commission on revenue earned by Booking.com BV in the Territory as per note 3.5, the company identified revenue and earnings before interest, tax, depreciation and amortisation ("EBITDA") as its key performance indicators. Revenue, particularly when taking into account the net stay commission ("NSC"), reflects the general performance of the company and health of its business in the Territory. EBITDA as a measure reflects the company's profitability.

For the financial performance of the company in the year ended 31 December 2022, revenue increased by 44.98% to £101 million. A breakdown of comparative revenue broken down by NSC and cost-plus and other revenue is presented below:

Booking.com Limited

Strategic report (continued)

For the year ended 31 December 2022

Key performance indicators (continued)

	2022	2021
	£	£
NSC	19,041,395	10,619,056
Cost-plus and other	82,028,354	59,091,885

The 79.31% increase in NSC revenue is a result of continued improvement in economic factors post COVID-19. The 38.81% increase in cost-plus and other revenue is primarily the result mark-up percentages applied to increased employee costs arising from an average headcount increase from 151 in 2021 to 236 in 2022 as per Note 8 as well as £8.8 million of costs paid to payment service providers in 2022 compared with £0.1 in 2021. During the year ended 31 December 2022, the company also introduced new mark-up percentages in its service agreements with Booking.com BV; however these mark-up percentages were not a key driver in the increase in revenues during the year.

The increase in EBITDA of 7.76% to £35.4 million (2021: £32.8 million) is driven by an increase in service fee revenue, particularly NSC revenue. This increase in EBITDA is partially offset by higher depreciation expense in 2022 (£17.6 million) compared with 2021 (£9.5 million) which is adjusted out of EBITDA while the resulting cost-plus mark-up is included in revenue.

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.

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 effected 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.

Inflation risk

With many regions experiencing general inflation in prices, it remains uncertain what the trend in global inflation will be and how it will impact the company.

Technology

As an internet-based business, the company is dependent on the uninterrupted operation of its IT systems and website. These systems may be vulnerable to power loss, fire, computer viruses and other events. Loss of these systems would impair the ability of the company to carry on its business effectively. IT risks are managed through the operation of two independent data centres, each of which is capable of supporting the primary needs of the business.

Booking.com Limited

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties (continued)

Climate change

The company recognises climate change as one of the biggest threats to mankind at present. With rising ocean temperatures and continuous meltdown of arctic ice, global warming is causing significant problems in the form of severe floods, earthquakes and droughts in various parts of the world every year.

The company and its directors understand these challenges and support government initiatives to be carbon neutral by 2050. The company's ultimate parent undertaking Booking Holdings Inc. has issued a Climate Action Plan in 2022 in which it committed to reducing scope 1 and 2 emissions by 95% (on a 2019 baseline) by 2030, reducing scope 3 emissions by 50% by 2030, and achieving net-zero emissions by 2040.

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. The risk is minimised by the use of hedges.

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. incurs 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.

In March 2023, the company entered into an agreement with Booking.com BV to repay the loan in full. As the loan principal was repaid in full, interest is no longer accrued on the loan balance with Booking.com B.V., therefore the directors no longer consider this to be a key risk to the company.

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.

As the company entered into an agreement with Booking.com B.V. to repay the loan in full, as noted above, and repayment was made in full in March 2023, the directors no longer consider this to be a key risk to the company. The directors no longer consider this to be a key risk to the company.

Booking.com Limited

Strategic report (continued)

For the year ended 31 December 2022

Financial risk management objectives and policies (continued)

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.

French tax claim

In March 2023, the company received €266 million (£236 million), including €24 million (£21 million) in accumulated interest (of which £16 million relates to VAT and the remainder relating to income tax), from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022. The receipt of the interest income in March 2023, with the return of the excess payment made over the settled amount, has been treated as an adjusting post balance sheet event as it confirmed circumstances that were in place at 31 December 2022 but which were not fully known until the final receipt. £16 million has therefore been recorded as interest receivable from the French tax authorities (see note 11), and £5million has been record as a credit against foreign tax on income for the year (see note 13).

Further to this, the company entered into an agreement with Booking.com BV to repay the loan in full, consisting of €252 million (£228 million) principal and €1.6 million (£1.3 million) interest. The refund of the excess of the payment previously made by the company over the settlement and the refund of the loan occurred in 2023 and as such the balances are still reflected in the Statement of financial position within "debtors falling due within 1 year" and within the "creditors due within 1 year" sections respectively.

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 to ensure the company maintains a reputation for high standards of business conduct.

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. Decisions taken by the directors may have long-term consequences on its stakeholders, as described separately in the stakeholder sections.

As the company has a single-shareholder, it does not have asymmetrical shareholder interests requiring separate considerations of fairness across members of the company.

Booking.com Limited

Strategic report (continued)

For the year ended 31 December 2022

Section 172(1) statement (continued)

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. The company promotes an open and friendly culture of employee engagement at all levels, and the directors engage with employees through various meetings and group communications. 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. The group initiated a number of learning programs, conducted leadership workshops with middle management and used assessments for upward feedback and coaching purposes. The group policies are applied at the company level.

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.

Environment

The Board recognises environment-related threats and considers global warming and environmental challenges to pose a significant threat to normal human life.

The Board remains updated and aware of technological advancements and the opportunities they offer to reduce waste, carbon footprint, facilitate work from home and offer other initiatives which can help in achieving the goal of reducing the Company's impact upon the environment. Further the Board supports and participates in environmental initiatives undertaken at a group level.

Community

The Company recognises that it has a vital role to play in being a responsible corporate citizen. The Company participates in the 'Booking Cares' programme which runs across companies within the larger group. Under the programme, which is also supported by the directors, the group contributes to specially designed projects to support various social enterprises.

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.

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.

Booking.com Limited

Strategic report (continued)

For the year ended 31 December 2022

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).

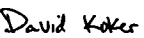
Statement of engagement with stakeholders

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 17 to 44 of Booking Holdings Inc. Proxy Statement relating to their 2022 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 Climate action plan including a section regarding the environmental and climate commitments made by the group. This is located at <https://www.bookingholdings.com/wp-content/uploads/2022/03/BKNG-Climate-Action-Plan-Report-2022.pdf>. Please refer to this report for further details.

This report was approved by the board on 26 October 2023 and signed on its behalf by:

DocuSigned by:

AA8FBA378B404D2...
D Koker
Director

Booking.com Limited

Directors' report

For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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 £36,550,263 (2021: £5,444,467).

The directors do not recommend the payment of a dividend for the year (2021: £nil).

Directors

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

C Olenjiczak
D Koker
D S Tropp

Charitable contributions

During the year the company made charitable donations totalling £780 (2021: £720).

Political donations

No political donations were made during the year (2021: £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.

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 2022.

Booking.com Limited

Directors' report (continued)

For the year ended 31 December 2022

Carbon and carbon emissions report for UK offices (continued)

Emissions from	Energy consumption used to calculate emissions (kWh)		Emissions (tCO ₂ e)	
	2022	2021	2022	2021
Emissions from combustion of gas for heating (Scope 1)	2,019,538	–	408	–
Emissions from combustion of fuel for transport purposes (Scope 1)	–	–	–	–
Emissions from purchased electricity (Scope 2)	1,764,794	115,418	–	26
Emissions from business travel in rental cars or employee owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	–	–	–	–
Total	3,784,332	115,418	408	26

Our greenhouse gas emissions intensity over the reporting period was 0.25 tCO₂e / £1m revenue. Previously our 2021 greenhouse gas emissions intensity was 0.37 tCO₂e / £1m revenue.

Methodology

To determine emissions for the year ended 31 December 2022, 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.

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.

Post balance sheet events

In March 2023, the company received €266 million (£236 million), including €24 million (£21 million) in accumulated interest (of which £16 million relates to VAT and the remainder relating to income tax), from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022. The receipt of the interest income in March 2023, with the return of the excess payment made over the settled amount, has been treated as an adjusting post balance sheet event as it confirmed circumstances that were in place at 31 December 2022 but which were not fully known until the final receipt. £16 million has therefore been recorded as interest receivable from the French tax authorities (see note 11), and £5million has been record as a credit against foreign tax on income for the year (see note 13).

Booking.com Limited

Directors' report (continued)

For the year ended 31 December 2022

Post balance sheet events (continued)

Further to this, the company entered into an agreement with Booking.com BV to repay the loan in full, consisting of €252 million (£228 million) principal and €1.6 million (£1.3 million) interest. The refund of the excess of the payment previously made by the company over the settlement and the refund of the loan occurred in 2023 and as such the balances are still reflected in the Statement of financial position within "debtors falling due within one year" and within the "creditors due within one year" sections respectively.

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 6. These matters relate to the objectives and policies for financial risk management, disabled employees, and employee consultation and engagement with stakeholders.

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 2022

Directors responsibilities statement (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 26 October 2023 and signed on its behalf by:

DocuSigned by:

AA8FBA378B404D2...
D Koker
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 31 December 2022 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. 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 and the directors about their own identification and assessment of the risks of irregularities, including those specific to the company's business sector.

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 including relevant internal specialists such as tax 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.

Gavin Waters (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

Date: 26 October 2023

Booking.com Limited
Statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	5	100,671,022	69,710,941
Cost of sales		(67,436,292)	(53,036,527)
Gross profit		33,234,730	16,674,414
Administrative expenses		(7,123,136)	(1,463,907)
Operating profit	6	26,111,594	15,210,507
Other income and exceptional items	10	469,282	(38,252)
Interest receivable and similar income	11	16,663,023	23,215
Interest payable and similar expenses	12	(2,662,126)	(2,096,313)
Profit before taxation		40,581,773	13,099,157
Tax on profit	13	(4,031,509)	(7,654,690)
Profit for the financial year		36,550,263	5,444,467
Other comprehensive income		–	–
Total comprehensive income for the financial year		36,550,263	5,444,467

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 18 to 38 form part of these financial statements.

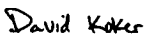
Booking.com Limited**Statement of financial position**

Registered number: 03512889

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	28,030,573	12,529,298
Investments	15	8,368	8,369
		28,038,941	12,537,667
Current assets			
Debtors: amounts falling due after more than one year	16	14,219,806	216,890,248
Debtors: amounts falling due within one year	16	311,970,998	46,059,862
Cash at bank and in hand	17	152,747	94,734
		326,343,551	263,044,844
Creditors: amounts falling due within one year	18	(256,043,639)	(15,675,557)
Net current assets		70,299,912	247,369,287
Total assets less current liabilities		98,338,854	259,906,954
Creditors: amounts falling due after more than one year	19	(12,359,285)	(211,400,256)
Provisions for liabilities	23	(568,912)	(448,643)
Net assets		85,410,656	48,058,055
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	79,297,141	41,944,540
Total shareholders' fund		85,410,656	48,058,055

The financial statements were approved and authorised for issue by the board on 26 October 2023 and were signed on its behalf by:

DocuSigned by:

 AA8FBA378B404D2...
D Koker
Director

The notes on pages 18 to 38 form part of these financial statements.

Booking.com Limited
Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	5,507	6,108,008	36,694,143	42,807,658
Comprehensive income for the year				
Profit for the year	–	–	5,444,467	5,444,467
Total comprehensive income for the year	–	–	5,444,467	5,444,467
Share based payment reserve	–	–	(194,070)	(194,070)
Total transactions with owners	–	–	(194,070)	(194,070)
At 1 January 2022	5,507	6,108,008	41,944,540	48,058,055
Comprehensive income for the year				
Profit for the year	–	–	36,550,263	36,550,263
Total comprehensive income for the year	–	–	36,550,263	36,550,263
Share based payment reserve	–	–	802,338	802,338
Total transactions with owners	–	–	802,338	802,338
At 31 December 2022	5,507	6,108,008	79,297,141	85,410,656

The notes on pages 18 to 38 form part of these financial statements.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

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 2022

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 2022.

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 Booking Holdings Inc. as at 31 December 2022 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 Inc., 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 2022

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.

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 either a markup of 5% or the standard support services, a markup of 10% for the support services provided by non senior employees, 12% for the support services provided by non senior employees working in the strategic management departments and 15% for the support services provided by senior employees. 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.

3.6 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.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.7 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.

3.8 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.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.9 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.

3.10 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.

3.11 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.

3.12 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.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.13 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.

3.14 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.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

3 Summary of significant accounting policies (continued)

3.14 Foreign currency translation (continued)

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'.

3.15 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.

3.16 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.

3.17 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.

3.18 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 2022

3 Summary of significant accounting policies (continued)

3.19 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.

3.20 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.

The Fair Value of awards is determined using an appropriate pricing model, which takes into account Booking Holdings Inc.'s share price. 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 Inc. as incentives and rewards to encourage employees to contribute to the long term success of Booking Holdings Inc.. The RSUs and PSUs are payable in shares of Booking Holdings Inc. 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 Inc. before completing the required service period. The RSUs and PSUs are valued at fair value based on the common stock of Booking Holdings Inc. 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 2022

3 Summary of significant accounting policies (continued)

3.21 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.

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.

	2022	2021
	£	£
Intercompany revenue	100,671,022	69,710,941

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):

	2022	2021
	£	£
Depreciation of tangible fixed assets	9,243,128	17,599,641
Operating lease expenses	20,047,403	19,418,013
Exchange differences	684,842	(1,612,948)
Share based payment expense	3,290,987	1,557,298
Defined contribution pension cost	1,262,168	798,124
Gain on disposal of assets	(1,027)	(511,194)

Booking.com Limited
Notes to the financial statements
For the year ended 31 December 2022

7 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	184,507	102,962

There were no non-audit fees payable to the company's auditor for the year ended 31 December 2022 (2021: £nil).

8 Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	20,751,487	11,678,834
Social security costs	3,632,725	1,564,086
Cost of defined contribution scheme	1,262,168	311,151
Share-based payment (credit)/expenses	(802,338)	194,070
	24,844,042	13,748,141

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

	2022	2021
	No.	No.
Partner services	67	83
Technical	79	23
Administration	90	45
	236	151

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 (2021: £nil).

None of the directors participated in the company's share options scheme during the year (2021: £nil).

10 Other income and exceptional items

	2022	2021
	£	£
Income from fixed asset investments	5,930	25,404
Income from entities under common control	463,353	—
Government grants repaid	—	(63,656)
	469,282	(38,252)

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

10 Other income and exceptional items (continued)

In 2020, 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

	2022 £	2021 £
Bank interest receivable	711,257	23,215
Interest receivable from French tax authorities	15,951,766	–
	16,663,023	23,215

Interest receivable from French tax authorities represented interest accumulated on the settlement agreement with the French tax authorities for a total repayment of €266 million (£236 million) on 5 December 2022.

12 Interest payable and similar expenses

	2022 £	2021 £
Interest on loans from group undertakings	2,577,901	2,062,364
Finance lease interest payable	76,055	11,084
Interest on late filing penalties	8,170	22,865
	2,662,126	2,096,313

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

13 Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	7,879,304	5,403,746
Adjustments in respect of previous periods	(641,289)	6,456
	7,238,015	5,410,202
Foreign tax		
Foreign tax on income for the year	-4,700,416	5,792,223
	-4,700,416	5,792,223
Total current tax	2,537,599	11,202,425
Deferred tax		
Origination and reversal of timing differences	1,162,774	(323,861)
Adjustment in respect of prior years	646,069	7,016
Effect of changes in tax rates	(314,933)	(3,230,890)
Total deferred tax	1,493,910	(3,547,735)
Taxation on profit	4,031,509	7,654,690

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	40,581,773	13,099,157
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	7,710,537	2,488,840
Effects of:		
Expenses not deductible for tax purposes	409,878	2,684,704
Income not taxable for tax purposes at 19%	(1,127)	(5,315)
Adjustments to tax charge in respect of prior periods	4,780	13,472
Tax rate changes	(314,933)	(3,230,890)
Share options	34,123	(88,344)
Foreign tax (credit)/charge (note 26)	(4,700,416)	5,792,223
Overseas interest on tax	888,667	—
Total tax charge for the year	4,031,509	7,654,690

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

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Following the Spring Statement in March 2023, the UK Government confirmed the increase in corporation tax to 25% from April 2023 will go ahead. Deferred tax balances have been remeasured accordingly where appropriate.

Booking.com Limited
Notes to the financial statements
For the year ended 31 December 2022

14 Tangible assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2022	4,249,200	130,222,445	134,471,645
Additions	8,737	25,076,618	25,085,355
Disposals	(299,683)	(32,297)	(331,980)
Transfers	(1,779,221)	1,779,221	–
At 31 December 2022	2,179,033	157,045,986	159,225,020
Depreciation			
At 1 January 2022	1,221,524	120,720,823	121,942,347
Charge for the year	254,633	8,988,495	9,243,128
Adjustments	–	8,971	8,971
At 31 December 2022	1,476,157	129,718,289	131,194,446
Net book value			
At 31 December 2022	702,876	27,327,697	28,030,573
At 31 December 2021	3,027,676	9,501,622	12,529,298

The net carrying amount of assets held under finance leases included in computer equipment is £19,649,055 (2021: £3,453,987).

15 Fixed asset investments

	Investments in group companies £
Cost	
At 1 January 2022	8,369
Disposal	(1)
At 31 December 2022	8,368
Net book value	
At 31 December 2022	8,368
At 31 December 2021	8,369

In order to align the shareholding structure of Booking Brazil with the other partner service support entities, as per 8 July 2022, Booking.com Brazil has been restructured and its 100% shareholder is Booking.com International BV, therefore no longer a subsidiary of Booking.com Limited.

Booking.com Limited
Notes to the financial statements
For the year ended 31 December 2022

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, Russia	Support services	ordinary	1.10%
Booking.com Egypt LLC	Building A 1, Business park A Cairo Festival City, Cairo, Egypt	Support services	ordinary	0.04348%
Booking.com Thailand Co Ltd	No. 399, Levels 34 Interchange 21 Building, Suknumvit 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 2022

16 Debtors

	2022	2021
	£	£
Due after more than one year		
Corporation tax	–	203,029,905
Deferred taxation (see note 22)	14,219,807	13,860,343
	14,219,807	216,890,248
	2022	2021
	£	£
Due within one year		
Amounts owed by group undertakings	73,701,353	41,730,892
Corporation tax	235,700,841	–
VAT and other debtors	1,261,373	1,267,542
Prepayments	1,307,430	1,208,052
Deferred taxation (see note 22)	–	1,853,376
	311,970,997	46,059,862

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 £421,725 (2021: £71,908) which are due in more than one year.

In March 2023, the company received €266 million (£236 million), including €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. As such Corporation tax balances have been classified as due within one year. For further details, see note 26. £16 million of the accumulated interest received has been recorded as interest receivable from the French tax authorities (see note 11), and £5 million has been record as a charge against foreign tax on income for the year (see note 13).

17 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	152,747	94,734

Booking.com Limited
Notes to the financial statements
For the year ended 31 December 2022

18 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,268,724	2,376,815
Amounts owed to parent	–	5,103
Amounts owed to group undertakings	223,624,020	18,203
Corporation tax	8,154,590	3,433,494
Other taxation and social security	1,039,165	667,613
Finance lease liabilities	7,428,171	1,426,089
Accruals	10,528,969	7,748,240
	256,043,639	15,675,557

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

	2022	2021
	£	£
Amounts owed to group undertakings	–	209,179,815
Finance lease liabilities	12,359,285	2,220,441
	12,359,285	211,400,256

Amounts owed to group undertakings includes a credit facility of £nil (2021: £209,179,815) that is unsecured, bears interest at a per annum rate equal to 0.9% above EURIBOR GBP one-month.

In March 2023, the company entered into an agreement with Booking.com BV to repay the loan in full, consisting of €252 million (£228 million) principal and €1.6 million (£1.3 million) interest. As such Amounts owed to group undertakings have been classified as due within one year. For further details, see note 26.

20 Loans and other borrowings

Analysis of the maturity of debt is given below:

	2022	2021
	£	£
Finance leases	19,787,455	3,646,531

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

20 Loans and other borrowings (continued)

Finance leases

The future minimum finance lease payments are as follows:

	2022 £	2021 £
Not later than one year	7,428,171	1,426,089
Later than one year and not later than five years	12,359,284	2,220,442
	19,787,455	3,646,531

The finance leases primarily relate to the lease of IT equipment from Hewlett-Packard International Bank DAC.

During the year, the company acquired 9 new leases for servers in the data centres.

21 Financial instruments

	2022 £	2021 £
Financial assets		
Cash and cash equivalents	152,747	94,734
Financial assets measured at amortised cost	311,970,997	247,236,393
	312,123,745	247,331,127
Financial liabilities		
Financial liabilities measured at amortised cost	259,209,170	222,974,705

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

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

22 Deferred taxation

	2022 £	2021 £
At beginning of year	15,713,719	12,165,984
(Charged)/credited to profit and loss	(847,843)	3,554,751
Adjustment in respect of prior years	(646,069)	(7,016)
At end of year	14,219,807	15,713,719

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

22 Deferred taxation

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Short term timing differences	934,432	727,335
Capital allowances in deficit in depreciation	13,285,375	14,986,384
	14,219,807	15,713,719

23 Provisions for liabilities

The company had the following provisions during the year:

	Dilapidations
	£
At 1 January 2022	448,643
Charged to profit or loss	120,269
At 31 December 2022	568,912

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 2022 and 2028 as the leases terminate. Due to the number of leased properties in the group and the challenges in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision has been calculated using professional advice on dilapidations and estimated lease termination dates. 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 2022 to be £568,912 (2021: £448,643) and this has been recognised in the statement of financial position.

24 Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
5,318,046 (2021: 5,318,046) A ordinary shares of £0.001 each	5,318	5,318
189,161 (2021: 189,161) B ordinary shares of £0.001 each	189	189
	5,507	5,507

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 (2021: £1,650,000) of any dividends declared.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

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 French tax claim

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 €291.5 million (£261.5 million), approximately half of which represented 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 €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., did 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. In October 2020, the group initiated court proceedings with respect to the 2006 through 2012 permanent establishment assessments. Although the group believed that Booking.com had 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 unrecognised tax benefit in the amount of €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 unrecognised tax benefit in the amount of €6.6 million (£5.9 million), resulting in a total unrecognised tax benefit of €49.0 million (£44.5 million) for the French tax matter. On 5 December 2022, the group reached a settlement agreement with the French tax authorities in the amount of €49.0 million (£44.5 million). 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 €266 million (£236 million), including €24 million (£21 million) in accumulated interest (of which £16 million relates to VAT and the remainder relating to income tax), from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022. The receipt of the interest income in March 2023, with the return of the excess payment made over the settled amount, has been treated as an adjusting post balance sheet event as it confirmed circumstances that were in place at 31 December 2022 but which were not fully known until the final receipt. £16 million has therefore been recorded as interest receivable from the French tax authorities (see note 11), and £5million has been record as a credit against foreign tax on income for the year (see note 13).

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 £1,262,168 (2021: £798,124). As at the reporting date, amounts payable of £1,462 (2021: £2,175) had not been paid over to the plan.

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

28 Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	11,491,569	11,267,043
Later than 1 year and not later than 5 years	8,229,622	10,397,959
Later than 5 years	—	355,776
Total	19,721,191	22,020,778

29 Related party transactions

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

	2022 £	2021 £
Booking.com B.V.	13,974,281	4,267,226
Traveljigsaw Limited	100,275	83,066
Priceline Group Treasury Company B.V.	59,475,800	37,276,717
Booking.com Customer Service Centre (UK) Limited	126,251	103,883
Priceline Booking Hellas Service of Electronic (Online) Hotel Booking EPE	5,479	—
Booking Holdings Financial Services UK Limited	19,267	—
	73,701,353	41,730,892

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:

	2022 £	2021 £
Priceline.com International Limited	5,114	5,103
Booking.com B.V.	223,545,247	209,179,815
Booking Holdings Inc.	69,726	16,473
Priceline.com LLC	3,933	1,730
	223,624,020	209,203,121

Booking.com Limited

Notes to the financial statements

For the year ended 31 December 2022

29 Related party transactions (continued)

Amounts owed to group undertakings as at the balance sheet date includes a credit facility of €251,958,376 (£223,545,247) 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. As at 31 December 2021, the amounts owed to group undertakings under the credit facility were €244,613,742 (£209,179,815).

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.

31 Post balance sheet events

In March 2023, the company received €266 million (£236 million), including €24 million (£21 million) in accumulated interest (of which £16 million relates to VAT and the remainder relating to income tax), from the French Tax Authorities, in line with the terms of the settlement agreement entered on 5 December 2022. The receipt of the interest income in March 2023, with the return of the excess payment made over the settled amount, has been treated as an adjusting post balance sheet event as it confirmed circumstances that were in place at 31 December 2022 but which were not fully known until the final receipt.

Further to this, the company entered into an agreement with Booking.com BV to repay the loan in full, consisting of €252 million (£228 million) principal and €1.6 million (£1.3 million) interest. The refund of the excess of the payment previously made by the company over the settlement and the refund of the loan occurred in 2023 and as such the balances are still reflected in the Statement of financial position within "debtors falling due within one year" and within the "creditors due within one year" sections respectively.