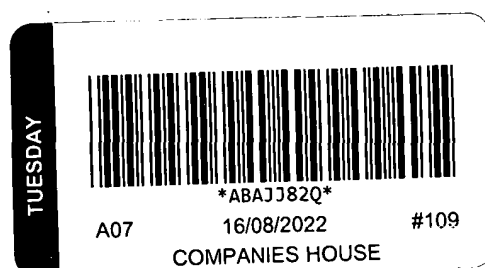


Booking.com Customer Service Center (UK) Limited

**Annual report and financial statements
for the year ended 31 December 2020**



Booking.com Customer Service Center (UK) Limited

Company information

Directors	D S Tropp J R Waters
Registered number	08515908
Registered office	7th Floor The Monument Building 11 Monument Street London EC3R 8AF
Independent auditors	Deloitte LLP Statutory Auditor St Albans United Kingdom
Bankers	Deutsche Bank AG 10 Bishops Square (10BS/04/FB161) London United Kingdom E1 6AO

Booking.com Customer Service Center (UK) Limited

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Booking.com Customer Service Center (UK) Limited

Strategic report for the year ended 31 December 2020

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 Customer Service Center (UK) Limited's (hereinafter referred to as 'Booking.com') principal business activity is to provide customer support services to Booking.com B.V..

The Company made a gross profit of £4,570,048 (2020: £21,388,364) which was primarily due to a significant reduction in expenses due to the winding down of the company's operations. Profit before tax has increased to £7,762,918 (2019: £3,619,253) due to furlough credits received in 2020. Net assets also decreased by 17.2% from £11,901,985 to £9,859,303. The decrease in net assets in the year was due to the full impairment of fixed assets with no residual value and the declaration of an interim dividend.

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Resulting measures taken by various governments to contain the virus affected global economic activity.

Booking.com was severely impacted by the COVID-19 pandemic in 2020. The impact of COVID-19 on the business is explained further in note 3.3 and the impact of COVID-19 on our business section below.

As a result of COVID-19, government aid was received during 2020 amounting to £5.5 million but a decision has since been made in 2021 to repay this amount in full. Subsequently, repayment was made on 27 July 2021.

On 21 December 2020, directors resolved to declare an interim dividend of in aggregate £8,433,332 to be paid to the sole shareholder. The dividend has been paid on 27 January 2021.

As explained in note 3.3 Implications of COVID-19 on our business, in Q4 2020 Booking.com management has announced the intention to liquidate the company. The cost plus revenue structure based on the existing service agreement with Booking.com B.V will remain in place.

Financial key performance indicators

For the financial performance of the company in the year ended 31 December 2020, revenue decreased to £35.8 million (2019: £76.3 million) which was due to the fact that the Company operates on a cost plus basis and there has been a significant reduction on expenses due to the winding down of the company's operations. Gross profit margin decreased to 13% (2019: 28%) as a result of the cost plus impact on a number of one off restructuring items in 2019.

Earnings before interest, tax, depreciation and amortisation ('EBITDA') increased to £9.1 million (2019: £8.0 million). EBITDA is calculated by taking the profit before tax of £7.8m (2019: £3.6m) and adjusting for depreciation of £0.5m (2019: £1.5m), impairment of £0.8m (2019: £2.9m) and interest receivable of £(0.02)m (2019: £(0.05)m). During the year current assets decreased by £12.9 million to £31.5 million in 2020 (2019: £44.4 million).

The average number of employees for the year ended 31 December 2020 was 981 (2019: 1,200). As of 31 December 2020, no employees remained in the company as a result of the liquidation of the company as explained in note 3.3.

Principal risks and uncertainties

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

Booking.com Customer Service Center (UK) Limited

Strategic report (continued) for the year ended 31 December 2020

The impact of COVID-19 on our business

As explained in note 3.3 Implications of COVID-19 on our business, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus had a significant impact on the company during the year.

As a result of the decline in travel and loss of associated revenues, Booking.com management determined the need for cuts across the business, including layoffs of employees and the closure of several offices across the globe.

In Q4 2020, Booking.com management announced the intention to liquidate the company and put actions in place in order to pursue this decision:

- All employees were made redundant. As of 31 December 2020, no employees remained in the company.
- The Cambridge office was closed in October 2021 while the London lease negotiation is still in progress.

The main risks that result from the current uncertain situation regarding COVID-19 are:

- Health risks: We have implemented precautions regarding the COVID-19 outbreak based on the recommendations of official health authorities such as the World Health Organisation (WHO). By doing so, we aimed to minimise health risks to our employees. As of 31 December 2020, no employees remained in the company.
- Financial condition/liquidity: in light of the envisaged liquidation, it is expected that the company will be able to continue to meet its obligations with creditors, given the cost-plus nature of the company. To date, and until business is wound up, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated.
- Going concern: As noted in note 3.3, the impact of the COVID-19 pandemic has resulted in a decision made by Booking.com management to liquidate the company. As explained in note 3.3 Implications of COVID-19 on our business, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus have already affected our business. As a result of the decline in travel and loss of associated revenues, Booking.com management determined the need for cuts across the business, including layoffs of employees and the closure of several offices across the globe.

The COVID-19 outbreak continued to develop after 2020 but measures taken by various governments to contain the virus have affected global economic activity positively. The Group was able to bounce back and has seen increased revenues and profit in 2021 as compared to the results in 2020. This bounce back also continued into 2022. In addition, as noted in note 3.3, 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 7%. As such, the Company will remain in a viable financial position. As of this moment, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated. Whilst uncertain, we do not believe at this time that the impact of the COVID-19 virus would have a material adverse effect on the financial condition or liquidity of this entity. Also, given that the Company has no employees after Q4 2020 and is due to be liquidated, COVID-19 is not expected to be a principal risk in 2022 and 2023.

Booking.com Customer Service Center (UK) Limited

Strategic report (continued) for the year ended 31 December 2020

Financial risk management objectives and policies

Interest rate risk

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

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

Liquidity risk

Considering the cost plus revenue structure of the company and that it has no long term liabilities and is not financed by external parties, the liquidity risk associated with these borrowings is considered as low.

Section 172(1) Statement

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

From the perspective of the board, as a result of the group governance structure whereby the board of Booking.com Customer Service Center (UK) Limited is embedded at senior management level within the group, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the group board in relation both to the group and to this entity. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group board has considered the matters set out in s172 (for the group and for the entity) is set out on pages 14 to 37 of Booking Holding Inc. Proxy Statement relating to their 2021 annual meeting of stockholders filed with the Securities and Exchange Commission.

Employees

With a global footprint and representation from many nationalities, diversity and inclusivity are values embedded at the very core of our business and the risk of discrimination and non-inclusion is something we act strongly against. At the group level, we reviewed and updated job descriptions in an effort to eliminate unintended gender bias, hired a new Head of Diversity and Inclusion and participated in different industry events. In 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.

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.

As explained in note 3.3 Implications of COVID-19 on our business, in Q4 2020, Booking.com management announced the intention to liquidate the company.

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 Customer Service Center (UK) Limited

Strategic report (continued) for the year ended 31 December 2020

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.

Statement of engagement with employees

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 considered 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). In Q4 2020, Booking.com management announced the intention to liquidate the company and all employees were made redundant. As of 31 December 2020, no employees remained in the company.

Statement of engagement with shareholders

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 14 to 37 of Booking Holding Inc. Proxy Statement relating to their 2020 annual meeting of stockholders filed with the Securities and Exchange Commission for further detail of this level of engagement.

The withdrawal of the United Kingdom from the European Union

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement".

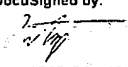
The directors have assessed the impact that Brexit has had on the company, and consider that there is no impact on the service agreement with Booking.com B.V. hence there has been no impact on the company's operations.

Climate impact

Booking Holdings Inc. prepares a yearly CSR report including a section regarding the environmental and climate impact of the group. This is located at <https://www.bookingholdings.com/wp-content/uploads/2022/03/BKNG-Sustainability-Report-2021.pdf>. Please refer to this report for further details.

This report was approved by the board on

2022 and signed on its behalf by:

DocuSigned by:

11/8/2022
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D S Tropp

Director

Booking.com Customer Service Center (UK) Limited

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company during the year was the provision of customer support services for Booking.com B.V..

Results and dividends

The profit for the year, after taxation, amounted to £6,394,290 (2019: £1,896,684).

During the year, directors resolved to declare an interim dividend of in aggregate £8,433,332 (2019: £nil) to be paid to the sole shareholder. The dividend was paid on 27 January 2021. The directors have not proposed any further dividends during the year.

Directors

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

A Rotelli (resigned 1 February 2021)
D S Tropp (appointed 30 November 2020)
J R Waters

Charitable contributions

During the year the company made no charitable donations (2019: £nil).

Political contributions

No political donations were made during the year (2019: £nil).

Booking.com Customer Service Center (UK) Limited

Directors' report (continued) for the year ended 31 December 2020

Going concern

As explained in the strategic report, Booking.com group was severely impacted by the COVID-19 pandemic in 2020. As a result of the decline in travel and loss of associated revenues, management at Booking.com determined the need for cuts across the business, including layoffs of employees and the closure of several offices across the globe.

In Q4 2020, Booking.com management announced the intention to liquidate the company on 18 December 2024 and put actions in place in order to pursue this decision:

- All employees were made redundant. As of 31 December 2020, no employees remained in the company.
- The negotiations around the lease agreements termination for the two offices were started and are currently still in progress

As a result, the company and the financial statements have been prepared on a basis other than going concern. Provisions have been made in respect of contracts that have become onerous at the balance sheet date. No provision has been made for the future costs of terminating the business unless such costs were committed to at the reporting date. The company is continuing to be non-operating. It will be formally dissolved once the lease of the London office ends in 2024.

Implications of COVID-19 on our business

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections globally. 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 7%. As of this moment and until business is wound up, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated.

Whilst the impact of the COVID-19 virus has determined Booking.com management decision to wind up the business, we do not believe that COVID-19 virus would have a material adverse effect on the financial condition or liquidity of this entity and its ability to continue to meet its obligations with creditors.

In addition, the Booking Group was able to bounce back and has seen increased revenues and profit in 2021 as compared to the results in 2020. This bounce back also continued into 2022. This is due to the increased vaccination efforts and lower travel restrictions.

Future developments

As explained in note 3.3, Booking.com management announced the intention to wind up the business and liquidate the company. The company is continuing to be non-operating. It will be formally dissolved once the lease of the London office ends in 2024.

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, S414C(11) to set out in the company's strategic report in the format 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 have been omitted 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.

Booking.com Customer Service Center (UK) Limited

Directors' report (continued) for the year ended 31 December 2020

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 2020. Comparative information is not mandatory in the first year of reporting and has not been presented.

Emissions from	Unit measure	Energy consumption used to calculate emissions
Emissions from combustion of gas for heating (Scope 1)	Tonnes of CO ₂ e	-
Emissions from combustion of fuel for transport purposes (Scope 1)	Tonnes of CO ₂ e	-
Emissions from purchased electricity (Scope 2)	Tonnes of CO ₂ e	287
Emissions from business travel in rental cars or employee owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	Tonnes of CO ₂ e	-
Total gross tCO₂e based on above	Tonnes of CO ₂ e	287
Total gross tCO₂e based on above	kWh	1,265,421
Intensity ratio: gross tCO ₂ e / per £1m of revenue		8.02 tonnes / £1m

Methodology

To determine emissions for the year ended 31 December 2020, 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.

Booking.com Customer Service Center (UK) Limited

Directors' report (continued) for the year ended 31 December 2020

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.

Disclosure of information to auditors

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

so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

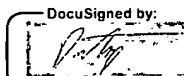
the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on

2022 and signed on its behalf by:

DocuSigned by:
 11/8/2022
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D S Tropp

Director

Independent auditors' report to the members of Booking.com Customer Service Center (UK) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31st December 2020 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 26.

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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 3.3 in the financial statements which indicates that the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Independent auditors' report to the members of Booking.com Customer Service Center (UK) 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.

Independent auditors' report to the members of Booking.com Customer Service Center (UK) Limited (continued)

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.

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 general data protection regulation and employment law.

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 in-house 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.

Independent auditors' report to the members of Booking.com Customer Service Center (UK) 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: 12 August 2022

Booking.com Customer Service Center (UK) Limited

Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	35,773,553	76,331,283
Cost of sales		(31,203,505)	(54,942,919)
Gross profit		4,570,048	21,388,364
Administrative expenses		(2,286,788)	(17,815,769)
Operating profit	6	2,283,260	3,572,595
Other income	10	5,458,094	-
Interest receivable and similar income	11	21,564	46,658
Profit before tax		7,762,918	3,619,253
Tax on profit	12	(1,368,628)	(1,722,569)
Profit for the financial year		6,394,290	1,896,684

The statement of comprehensive income has been prepared on the basis that all operations are discontinued operations.

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 16 to 32 form part of these financial statements.

Booking.com Customer Service Center (UK) Limited

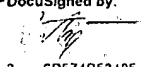
Registered number: 08515908

**Statement of financial position
as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	-	1,183,529
		-	1,183,529
Current assets			
Debtors: amounts falling due within one year	15	31,467,134	44,418,885
Cash at bank and in hand	16	50,000	-
		31,517,134	44,418,885
Creditors: amounts falling due within one year	17	(14,165,222)	(23,524,196)
Net current assets		17,351,912	20,894,689
Total assets less current liabilities		17,351,912	22,078,218
Provisions for liabilities	20	(7,492,609)	(10,176,233)
		(7,492,609)	(10,176,233)
Net assets		9,859,303	11,901,985
Capital and reserves			
Called up share capital	21	1,600,000	1,600,000
Profit and loss account	22	8,259,303	10,301,985
Total shareholders' funds		9,859,303	11,901,985

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

2022

DocuSigned by:

 3 6D574B53485

11/8/2022

D S Tropp**Director**

The notes on pages 16 to 32 form part of these financial statements.

Booking.com Customer Service Center (UK) Limited

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2019	1,600,000	8,433,332	10,033,332
Comprehensive income for the year			
Profit for the year	-	1,896,684	1,896,684
Total comprehensive income for the year	-	1,896,684	1,896,684
Share based payments	-	(28,031)	(28,031)
Total transactions with owners	-	(28,031)	(28,031)
At 1 January 2020	1,600,000	10,301,985	11,901,985
Comprehensive income for the year			
Profit for the year	-	6,394,290	6,394,290
Total comprehensive income for the year	-	6,394,290	6,394,290
Dividends paid (note: 13)	-	(8,433,332)	(8,433,332)
Share based payments	-	(3,640)	(3,640)
Total transactions with owners	-	(8,436,972)	(8,436,972)
At 31 December 2020	1,600,000	8,259,303	9,859,303

The notes on pages 16 to 32 form part of these financial statements.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

1. General information

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

The principal activity of the company during the year was the provision of customer support services for 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 judgment in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

3.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(m), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share Based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bookings Holdings as at 31 December 2020 and these financial statements may be obtained from 800 Connecticut Avenue, Norwalk, Connecticut 06854, USA.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

3.3 Going concern

As explained in the strategic report and the directors' report, Booking.com group was severely impacted by the COVID-19 pandemic in 2020. As a result of the decline in travel and loss of associated revenues, management at Booking.com determined the need for cuts across the business, including layoffs of employees and the closure of several offices across the globe.

In Q4 2020, Booking.com management announced the intention to liquidate the company on 18 December 2024 and put actions in place in order to pursue this decision:

- All employees were made redundant. As of 31 December 2020, no employees remained in the company.
- The negotiations around the lease agreements termination for the two offices were started and are currently still in progress

As a result, the company and the financial statements have been prepared on a basis other than going concern. Provisions have been made in respect of contracts that have become onerous at the balance sheet date. No provision has been made for the future costs of terminating the business unless such costs were committed to at the reporting date. The company is continuing to be non-operating. It will be formally dissolved once the lease of the London office ends in 2024.

Implications of COVID-19 on our business

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections globally. 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 7%. As of this moment and until business is wound up, there are no changes to the intercompany structure as a result of the impact to the business of COVID-19, which means we do not expect the arrangement with Booking.com B.V. to be amended or renegotiated.

Whilst the impact of the COVID-19 virus has determined Booking.com management decision to wind up the business, we do not believe that COVID-19 virus would have a material adverse effect on the financial condition or liquidity of this entity and its ability to continue to meet its obligations with creditors.

In addition, the Booking Group was able to bounce back and has seen increased revenues and profit in 2021 as compared to the results in 2020. This bounce back also continued into 2022. This is due to the increased vaccination efforts and lower travel restrictions.

3.4 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 7%. Revenue is earned in the period where the service is provided. The company provides customer support services to, for the benefit of, and upon request of Booking.com under the terms and conditions set out in the service agreement.

3.5 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 grants will be received.

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

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

3.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

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

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

3.7 Operating leases

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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

3.8 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.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

3.9 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 financed at a rate of interest that is not the market rate or in the 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 Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

3.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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'.

3.11 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.

3.12 Interest income

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

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

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 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.

3.15 Dividends

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

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

4. Critical accounting judgements and estimation uncertainty

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

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

4.1) Critical judgements in applying the company's accounting policies

Management does not consider there to be any critical judgements aside from the provision for onerous lease contracts in applying accounting policies.

4.2) Key sources of estimation uncertainty

The key sources of estimation uncertainty in applying the accounting policies are discussed below:

(i) Provisions

A provision is made for dilapidations, related to the foreseen end of the lease contracts, representing the estimated cost to restore the premises by square footage. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements, calculated by using market benchmark rates for these estimations, based on the cost guide the Company uses with the external broker. If the benchmark rates by square footage differ from the actual rates, this would result in a directly proportional change in the provision.

A provision is made for onerous lease contracts. This requires management's best estimate and judgement of the expenditure that will be incurred based on the expected outcome of the negotiations with landlords for the early termination of the lease contracts of the two company's premises. Being the negotiations with the landlords still ongoing, the provision is made equal to the future remaining lease payments until lease end date. If an agreement is reached with landlords for early termination, this would result in a direct change in the provision, which would be revised to take into account the terms of the agreement. See note 20.

5. Turnover

The company's turnover arises from the service agreement with Booking.com B.V.. Booking.com Customer Service Center (UK) Limited's principal activity is to provide customer support services towards this company in the Netherlands.

	2020 £	2019 £
Intercompany revenue	<u>35,773,553</u>	<u>76,331,283</u>

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

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	512,159	1,496,321
Impairment of tangible fixed assets	846,152	2,922,051
Operating lease expense	647,202	2,189,342
Onerous lease	-	8,605,443
Exchange differences	32,269	1,465
Share based payment expense	59,133	56,553
Defined contribution pension cost	725,168	794,015
Redundancy costs	-	13,079,952
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	35,000	24,840
	<u> </u>	<u> </u>

The amount of non-audit fees paid to the company's auditor during the year was £nil (2019: £nil).

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	26,369,950	32,800,441
Social security costs	2,598,496	3,616,451
Cost of defined contribution scheme	725,168	794,015
Redundancy costs	-	13,079,952
	<u>29,693,614</u>	<u>50,290,859</u>

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

	2020 No.	2019 No.
Administration	981	1,200
	<u> </u>	<u> </u>

As of 31 December 2020, no employees remained in the company as a result of the liquidation of the company as explained in note 3.3.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

9. Directors' remuneration

During the year, no director received any emoluments for services to the company (2019: £nil).

None of the directors are employed by the company and are remunerated by the entity within the group by which they are employed.

10. Other income

	2020 £	2019 £
Government grants	5,458,094	-

During the 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 £5,458,094. In 2021, a decision was made to repay this amount in full. Subsequently, repayment was made on 27 July 2021.

11. Interest receivable and similar income

	2020 £	2019 £
Interest receivable from group companies	21,564	46,658

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(735,938)	3,585,413
Adjustments in respect of previous periods	193,727	(4,337)
Total current tax	(542,211)	3,581,076
Deferred tax		
Origination and reversal of timing differences	2,196,980	(2,042,926)
Adjustments in respect of prior periods	(54,879)	(30,627)
Effect of changes in tax rates	(231,262)	215,046
Total deferred tax	1,910,839	(1,858,507)
Taxation on profit	1,368,628	1,722,569

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

12. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	7,762,918	3,619,253
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,474,954	687,658
Effects of:		
Fixed asset differences	-	(38,555)
Expenses not deductible for tax purposes	37,034	56,082
Adjustments from previous periods	138,848	(34,964)
Effect of changes in tax rates	(231,262)	215,046
Share options	39,712	11,503
Deferred tax not provided	(90,658)	825,799
Total tax charge for the year	1,368,628	1,722,569

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

13. Dividends

	2020 £	2019 £
Interim dividend of £5.27 paid per ordinary share	8,433,332	-

No final dividend has been proposed for the year ended 31 December 2020 (2019: £nil).

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

14. Tangible assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2020	7,983,246	1,584,661	9,567,907
Additions	73,776	124,049	197,825
Disposals	-	(328,630)	(328,630)
At 31 December 2020	<u>8,057,022</u>	<u>1,380,080</u>	<u>9,437,102</u>
Depreciation			
At 1 January 2020	7,057,445	1,326,933	8,384,378
Charge for the year	278,993	250,095	529,088
Disposals	-	(322,516)	(322,516)
Impairment	720,584	125,568	846,152
At 31 December 2020	<u>8,057,022</u>	<u>1,380,080</u>	<u>9,437,102</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>925,801</u>	<u>257,728</u>	<u>1,183,529</u>

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

15. Debtors

	2020 £	2019 £
Amounts owed by entities under common control	30,293,683	41,359,808
VAT repayable	156,189	82,131
Other debtors	-	113,853
Prepayments and accrued income	1,017,262	952,254
Deferred taxation (see note 19)	-	1,910,839
	31,467,134	44,418,885

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.

Amounts owed by group companies are unsecured, interest-free and repayable on demand.

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	50,000	-

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	86,218
Trade creditors	47,568	60,281
Amounts owed to entities under common control	2,248,615	2,216,825
Amounts owed to immediate parent	8,433,332	-
Corporation tax	1,401,933	3,173,716
Other taxation and social security	62,953	570,772
Other creditors and accrued expenses	1,970,821	17,416,384
	14,165,222	23,524,196

The amounts owed to group undertakings are interest free and repayable on demand.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

18. Financial instruments

	2020 £	2019 £
Financial assets		
Cash and cash equivalents	50,000	-
Financial assets that are debt instruments measured at amortised cost	31,310,945	42,425,915
	<u>31,360,945</u>	<u>42,425,915</u>
Financial liabilities		
Cash and cash equivalents	-	(86,218)
Financial liabilities measured at amortised cost	(12,700,336)	(19,693,490)
	<u>(12,700,336)</u>	<u>(19,779,708)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

19. Deferred taxation

	2020 £	2019 £
Asset at beginning of year	1,910,839	52,332
(Charged)/credited to profit or loss	(1,965,718)	1,858,507
Adjustment in respect of prior years	54,879	-
Asset at end of year	<u>-</u>	<u>1,910,839</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	-	133,199
Short term timing differences - trading	-	1,777,640
	<u>-</u>	<u>1,910,839</u>

There is unprovided deferred tax of £735,141 (2019: £738,873) related to short term timing differences.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

20. Provisions

	Onerous lease £	Dilapidations £	Total £
At 1 January 2020	8,605,443	1,570,790	10,176,233
Credited to profit or loss	-	(161,270)	(161,270)
Utilised in year	(2,522,354)	-	(2,522,354)
At 31 December 2020	6,083,089	1,409,520	7,492,609

The company holds two lease contracts, for premises located in London and Cambridge, respectively. In light of the envisaged liquidation, the negotiations around the lease agreements early termination have begun and are currently still in progress.

The directors consider the estimation of the remaining lease termination costs at 31 December 2020 to be £6,083,089, and the present obligation has been recognised in the statement of financial position.

As part of the company'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 in 2021, which is the envisaged termination of the leases. The provision has been calculated using benchmark rates for these estimations, based on the cost guide the company uses with its broker. The directors consider the possible dilapidations provision at 31 December 2020 to be £1,409,520, and this has been recognised in the statement of financial position.

21. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,600 (2019: 1,600) ordinary shares of £1,000 each	1,600,000	1,600,000

The ordinary shares carry full voting rights and entitle the holder to full participation in respect of equity and in the event of winding up of the company. The shares may be considered by the directors when considering dividends from time to time.

22. Reserves

Profit and loss account

This reserve represents cumulative profits and losses.

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

23. Pension commitments

The company operated 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 the profit and loss during the year was £725,168 (2019: £794,015). As at the reporting date, amounts payable of £nil (2019: £44,935) had not been paid over to the plan.

24. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,969,835	2,324,331
Later than 1 year and not later than 5 years	4,063,391	6,033,226
Later than 5 years	-	-
	<u>6,033,226</u>	<u>8,357,557</u>

25. Related party transactions

The company is a wholly owned member of Booking Holdings, and as such has taken advantage of the exemption permitted by section 33 related party disclosure, not to provide disclosures of transactions entered into with other wholly owned members of the group.

The following amounts were due from group companies:

	2020 £	2019 £
Booking.com B.V.	28,608,220	30,175,199
Booking Holdings Group Treasury Company	1,685,463	11,184,609
	<u>30,293,683</u>	<u>41,359,808</u>

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

Booking.com Customer Service Center (UK) Limited

Notes to the financial statements for the year ended 31 December 2020

25. Related party transactions (continued)

The following amounts were due to group companies:

	2020 £	2019 £
Booking.com Limited	2,248,615	2,216,825
Booking.com Customer Service Holding B.V.	8,433,332	-
	<u>10,681,947</u>	<u>2,216,825</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.

26. Controlling party

100% of the issued share capital of the company is owned by Booking.com Customer Service Holding B.V., a company incorporated in the Netherlands whose principal place of business is at Herengracht 597, Amsterdam. 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.