



**Points  
of Light  
Foundation UK  
(trading as  
MissionFish UK)**

**Annual Report and Accounts**

30 September 2009

Company Limited by Guarantee  
Registration Number  
5507404 (England and Wales)

Charity Registration Number  
1110538

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## Reference and administrative details of the charity, its Trustees and advisers DRAFT

<b>Trustees</b>	Abbie Rumbold (Chair) (reappointed 9 November 2009) Katie Briggs (appointed 26 January 2009) Douglas Gledhill (resigned 9 November 2009) Alison Merifield Matthew Metcalfe (appointed 21 April 2009) Sean Milliken (reappointed 9 November 2009) Emma Sambrook Llewellyn Thomas
<b>Company secretary</b>	Nick Aldridge
<b>Staff</b>	CEO: Nick Aldridge Marketing and Care Manager: Ria Fleming Accountant: Anya Milligan
<b>Registered office</b>	Hotham House 1 Heron Square Richmond Riverside Surrey TW9 1EJ
<b>Websites</b>	<a href="http://www.missionfish.org.uk">www.missionfish.org.uk</a> <a href="http://www.pointsoflight.org.uk">www.pointsoflight.org.uk</a>
<b>Company registration number</b>	5507404 (England and Wales)
<b>Charity registration number</b>	1110538
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	Royal Bank of Scotland plc 26a The Quadrant Richmond Surrey TW9 1DF

**Reference and administrative details of the charity, its Trustees and advisers DRAFT**

**Solicitors**        Bates Wells & Braithwaite  
                             2 – 6 Cannon Street  
                             London  
                             EC4M 6YH

The Trustees present their statutory report together with the accounts of Points of Light Foundation UK for the period from 1 October 2008 to 30 September 2009.

The report has been prepared in accordance with Part VI of the Charities Act 2006 and also constitutes the directors' report for the purposes of the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in the Principal Accounting Policies section therein and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on 'Accounting and Reporting by Charities' issued in March 2005.

## **Introduction**

Points of Light Foundation UK and MissionFish UK

The Charity's declared objects are to advance all purposes which are charitable under the law of England and Wales. Our principal activity to achieve these objects is a partnership with eBay.co.uk under our trading name MissionFish. The partnership delivers the eBay for Charity programme, which enables the full range of UK charities to raise unrestricted funds through the eBay marketplace.

## **Vision, Mission and Values**

Our vision is to help charities get the most out of online commerce. To do this, we create and apply innovative, technology-based solutions that help charities find new, efficient sources of unrestricted income.

We aim to achieve our vision by making it possible for any charity of any size to receive donations from online commerce and to be able to use online commerce to generate unrestricted income. Our vehicle for achieving this vision is the eBay for Charity programme, which we aim to make reliable, efficient, and sustainable.

In all our work, we aim to be:

- ◆ Trusted by our partners and users,
- ◆ Responsive, with excellent customer service,
- ◆ Ambitious on behalf of the charities we help,
- ◆ Cutting edge, helping charities to embrace new technology.

## **Public benefit**

As a grantmaking charity, the public benefit delivered by MissionFish occurs through the activities of those charities that fundraise through us. We believe that the greatest possible benefit can be delivered by generating unrestricted funding for those charities, so do not seek to impose any conditions on our grants beyond those already specified by charity law.

**Public benefit** (continued)

We undertake regular checks to ensure that charities on the system are correctly registered, in good standing with relevant regulators, meeting our charitable purposes, and that their bank details are up to date so donations can be promptly passed on. We suspend from our system any where this is not the case. 23 charities were removed from our register during the calendar year 2009. In half the cases, we were unable to obtain accurate bank details; a quarter no longer wished to receive donations from us, and a quarter had closed or been removed from the Charity Commission register.

**Governance, structure and management**

## Structure and governing documents

Points of Light Foundation UK is governed by its memorandum and articles of association (dated 5 July 2005). It is constituted as a company limited by guarantee (Company Registration No. 5507404 (England and Wales)) and is a registered charity (Charity Registration No. 1110538).

The sole member of the company is Points of Light Foundation, a United States 501(c)(3) non-profit organisation ('Points of Light Foundation US'). In the event of the charitable company being wound up the member undertakes to contribute an amount not exceeding £1.

## The Board of Trustees

The Board of Trustees is responsible for the overall governance of the charitable company. Whilst there is no cap on the total number of Trustees, the minimum number of Trustees is three. Currently, there are seven Trustees. All Trustees are appointed by Points of Light Foundation US.

To enable and promote board renewal, at the final board meeting of each calendar year, one-third of the Trustees retire from office. The Trustees to retire are those who have been longest in office. Trustees who retire shall be eligible for reappointment by Points of Light Foundation US. There is no limit on the number of times a Trustee may be reappointed.

The names of the Trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts.

Trustees meet quarterly, during which time they oversee current business, and review strategy, operational and financial performance against annual plans and budgets.

Each meeting is focused on particular areas of the strategic plan and the completion of key tasks by the board:

	Key tasks	Focus
Winter	Approve accounts Approve 1st draft of annual report	Reputation and brand Strength of marketplace
Spring	Planning and strategy day Formal approval of annual report	Review of overall strategy and focus

**Governance, structure and management** (continued)

## The Board of Trustees (continued)

	Key tasks	Focus
Summer	Agree strategy and budget	Financial sustainability
Autumn	Report from annual summit with POLF US Governance issues	Partnership with eBay

New Trustees receive an induction pack containing a detailed background on the charitable company and its work, to help to enable them to make informed decisions from the outset.

## Compliance with the Code of Governance

The charitable company recognizes the Code of Governance for the voluntary sector, and the board takes collective responsibility for upholding its principles. The charity has a formal board development policy, designed to promote learning and professional development within the board, so that all board members can make a full contribution to governance.

To help to ensure the effective discharge of Trustees' roles and responsibilities, Trustees are recruited and developed to provide expertise relating to the charitable company's activities and operating needs.

During the period, the Trustees made a number of changes to the charity's governance in order to enhance board performance. These changes included:

- ◆ The formalisation of role descriptions for the chair and Trustees;
- ◆ An update to the charity's governing document to introduce terms for Trustees;
- ◆ An open skills audit to identify which skills were lost when individual Trustees left the board; and
- ◆ Recruitment processes to find new Trustees who could bring additional skills to the board.

## Fundraising Standards Board membership

The charity became a member of the Fundraising Standards Board (FRSB) self-regulatory scheme in July 2008, submitting references from two major fundraising charities we had recently supported. We display the FRSB logo on every page of our website, and link via this back to the FRSB website.

We also comply with the key principles embodied in the scheme's "Fundraising Promise":

- ◆ We are committed to high standards
- ◆ We are honest and open
- ◆ We are clear
- ◆ We are respectful



### Governance, structure and management (continued)

Fundraising Standards Board membership (continued)

- ◆ We are fair and reasonable
- ◆ We are accountable

We have established a formal complaints procedure, accessible through the "Contact Us" section of our website, which pledges to resolve any complaints within 5 days. We successfully answered 2579 enquiries from users during the period, with an average time of 39 hours to close each case.

During the period, we received 9 complaints. The majority were connected with payment errors or delays, several concerned the time taken to transfer donations to the benefiting charities, and one concerned our interface. All the complaints focused on areas identified by the charity as needing improvement, and all the areas have been improved during the period.

Most notably, we:

- ◆ Reduced by two weeks the time taken between the collection and delivery of donations to charities;
- ◆ Dramatically simplified and enhanced the users' Donation Accounts, particularly for new users, to reduce confusion; and
- ◆ Expended significant time and effort to improve our diagnostic processes for payment errors, particularly PayPal errors, with great success.

Internal controls and delegated authority

The Trustees delegate the exercise of certain powers in connection with the management and administration of the charitable company as set out below. This is controlled by the requirement of regular reporting back to the Trustees, so that all decisions made under delegated authority can be ratified by the Trustees.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Performance is monitored and appropriate management information is prepared and reviewed regularly by both the Board.

Systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

They include:

- ◆ A regularly updated 3-year strategic plan and annual budget approved by the Trustees;
- ◆ Regular consideration by the Trustees of financial results, variances from budgets, nonfinancial performance indicators and benchmarking reviews;
- ◆ Delegation of day-to-day management authority and duties, with controls on expenditure decisions by the CEO and individual Trustees;
- ◆ Monitoring of the charitable company's day-to-day financial transactions by the CEO, accountant and accounting team at Points of Light US;
- ◆ Clear expenses policies with trustee approval required for any significant expenditure; and

### **Governance, structure and management** (continued)

Internal controls and delegated authority (continued)

- ◆ Identification and management of risks through a Risk Register.

A CEO is employed and is responsible for the day-to-day management of the charitable company's activities and for implementing policies and plans agreed by the Trustees.

The Trustees have designated two of their number – the chair and the executive director of MissionFish US, to provide support to the CEO in undertaking staff reviews, setting work plans for the coming year, and recommending annual adjustments to staff remuneration packages if deemed appropriate.

Trustees' responsibilities

The Trustees (who are also directors of Points of Light Foundation UK for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP;
- ◆ make judgments and 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and

### **Governance, structure and management** (continued)

Trustees' responsibilities (continued)

- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

Risk management

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the charitable company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

As part of this process, the Trustees have reviewed the adequacy of the charitable company's current internal controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and Trustees.

The principal risks and uncertainties facing the charitable company centre on financial, technological and contractual issues, and are recorded and addressed in the Risk Register. The Register is updated regularly by the CEO and received annually by the Trustees.

Expenses

The charity operates a strict expenses policy, allowing reimbursement of reasonable expenses incurred by Trustees and staff on the business of the Charity subject to the production of appropriate vouchers and receipts. Such expenses must be allowable under HMRC's rules, and are reimbursed subject to the following guidelines:

- ◆ Only expenses actually incurred, and not being met by another body, are eligible for reimbursement. Please enclose original receipts with your claim, to show the expenses were actually incurred.
- ◆ Claims for the use of public transport should be at standard class rates and supported by a ticket or, if not available, a receipt or credit card voucher.
- ◆ Where public transport is not readily available, a private car may be used. The mileage rate is 40p per mile for the first 10,000 miles undertaken for all organisations in a tax year and 25p per mile thereafter.
- ◆ When travelling to another country on charity business, staff should make their own travel arrangements. All international flights should be at Economy Class. In all cases, advantage should be taken of discounted fares. All travel claims must be supported by receipts.

## Governance, structure and management (continued)

Expenses (continued)

- ◆ Reasonable expenses for meals and entertainment will be refunded provided that original receipted bills are provided. Staff may claim reasonable and necessary hotel accommodation with specific prior agreement. All such expenses should be reasonable for a charitable organization, and necessary for the conduct of its business.

Expenses should be submitted for approval within 45 days of the expenditure.

- ◆ Expenses incurred by staff up to £100 must be approved by the CEO and Accountant.
- ◆ Expenses over £100 must be approved by one trustee,
- ◆ Expenses over £750 must be reported to two Trustees and minuted at a board meeting.

Expenditure on the charity's credit card must take place with the CEO's permission, and receipts should be provided. Expenses incurred personally by staff must be submitted for reimbursement using the charity's claim form, and accompanied by receipts.

During the period, the total expenses claimed by Trustees and staff were as follows:

- ◆ Travel: £1,194
- ◆ Subsistence: £118
- ◆ Business meeting: £1046
- ◆ Accommodation: £240
- ◆ Board meeting: £265
- ◆ Miscellaneous: £377

No expenses were claimed by individual Trustees.

## Achievements and performance

This period's and the coming year's key objectives and the impact of achievements so far are summarised below. Numbers refer to the period from 1 October 2008 to 30 September 2009 unless otherwise stated.

Strategic objectives

Our major strategic aim is to deliver a reliable, efficient and sustainable eBay for Charity programme. Together with our parent nonprofit, Points of Light Foundation US, we provide much of the legal, financial and technological infrastructure that makes eBay for Charity possible. We also vet the charities that wish to participate, collect and process donations, and advise charities on how to make the most of the eBay marketplace.

Through eBay for Charity, eBay sellers specify a charity (registered with the eBay for Charity programme) that they wish to benefit from a percentage of the proceeds of a sale. We treat these donations as restricted funds, and forward them to the charity specified by the eBay seller.

### **Achievements and performance** (continued)

#### Strategic objectives (continued)

Charities are able to trade in their own right via eBay for Charity, either by running a charity shop online, or by holding online fundraising auctions, often in collaboration with commercial companies who donate the items. In these cases, we provide the charities and companies with support and advice to make sure their fundraising is as successful as possible.

We also enable and encourage eBay and PayPal users to support charities by making cash donations, which are not attached to any particular eBay listing. For instance, eBay buyers are able to add a small donation to their purchase when buying an item on eBay, or to make a donation via PayPal when browsing the eBay for Charity site.

Our primary goals for the marketplace, with the ultimate aim of maximising funds raised for UK charities are:

- ◆ To increase the volume, range and quality of listings on eBay for Charity, making it a viable and attractive marketplace for buyers;
- ◆ To increase the number and range of sellers and charities actively participating in the marketplace by creating listings and making donations; and
- ◆ To increase the number and value of donations to charity made by eBay and PayPal users.

Our over-arching aim for the period was to explore and maximise the potential of recent product launches and enhancements for raising additional funds for UK charities. Our objectives were to:

- ◆ Maintain and strengthen our fundraising partnership with eBay, to the benefit of UK charities;
- ◆ Build a thriving eBay for Charity marketplace, through active marketing to charities and sellers, and via special auctions to attract attention and users;
- ◆ Enhance the reputation of eBay for Charity and MissionFish within the third sector by publicising its success to date; and
- ◆ Work towards sustainability by increasing earned income for MissionFish, making the charity less reliant on grant income.

**Achievements and performance** (continued)

Strategic objectives (continued)

Results from the period show strong growth in all areas of the eBay for Charity marketplace, with 1.6m donations worth £5.23m made during the period.

	<b>FY 2009</b>	<b>FY 2008</b>	<b>Growth</b>
<b>Community selling and Gift Aid</b>	£1,021,236	£477,272	150%
<b>Direct selling by charities</b>	£3,075,556	£2,083,062	48%
<b>Give at Checkout</b>	£1,093,893	N/A	N/A
<b>Total raised</b>	£5,226,288	£2,535,971	106%

The impressive results achieved by the new Give at Checkout product mean that a far greater proportion of funds raised now comes from donations, rather than sales by charities. This figure has more than doubled in relative terms, from 20% of funds raised to 41%.

New charities continue to register to use eBay for Charity: 955 charities registered during the period, with the total number of charities on our database now over 4,000. Recent registrations include:

- ◆ Friends of Milnrow Parish
- ◆ South Wales Police Youth Trust
- ◆ Heartbeat Home for Horses Ltd
- ◆ Sickle Cell Carers Awareness Network (SCCAN)
- ◆ Moroccan Children's Trust
- ◆ Operation Sunshine
- ◆ FOGG (Friends of Girton Glebe Primary School)
- ◆ DEC Haiti Earthquake Appeal
- ◆ Global missions
- ◆ Macmillan Cancer Support - Derbyshire & South Yorkshire
- ◆ The Cyrenians
- ◆ Multiple Sclerosis People's Help (MSPH)
- ◆ Cats Protection South Ayrshire
- ◆ Solihull Community Foundation - Solihull Together

### Achievements and performance (continued)

#### Give at Checkout growth

Throughout summer 2008, we developed the "Give at Checkout" product with eBay, and trialled it in November-December 2008. The product enables shoppers on eBay to give to a featured charity when they buy an item on eBay, simply by ticking a box.

By the end of the period, over £1.15m had been raised for a wide range of charities, including over £100,000 for Comic Relief in the lead up to its event on 13 March. During the period we made several enhancements to the product, including:

- ◆ More attractive and dynamic wording, to further encourage impulse donations;
- ◆ The option for users to increase their donation to £2 or £5, once they had "opted in" by ticking the box; and
- ◆ A clearer and more emphatic thank you screen for each donor who gives.

#### Building the strength of our brands

Our main marketing objectives for the period were to:

- ◆ Demonstrate and publicise our successes to attract charities to the programme;
- ◆ Explore the potential of partnerships with umbrella organizations to reach smaller organisations;
- ◆ Raise the profile of the programme within the sector through events and advertising;
- ◆ Work with eBay on renewed marketing of the programme to potential donors;
- ◆ Pursue strategic fundraising partnerships with charities who make the programme a high priority fundraising channel; and
- ◆ Selectively pursue campaigns involving multiple charities, prioritizing cases where they are committed to working together.

We continued to maintain a strong presence at charity-facing events, in order to increase the profile and usage of eBay for Charity among the charity sector.

**Achievements and performance** (continued)

Building the strength of our brands (continued)

Our event participation during the period included:

Network	Event	Time
acevo	Annual conference: attended and advert in conference brochure	November
Action Planning	London: stand	May
	Yorkshire: stand	June
	Birmingham: stand	July
Association of charity shops	Annual conference: two workshops and a stand	
Institute of Fundraising	York conference: speaking slot	February
	London - cost-effective fundraising event: stand	March
	London – Fundraising conference – stand	October
	London – community fundraising event – stand	December
	Annual fundraising conference: advert in delegate pack	July
NCVO	Annual Conference: advert, stand, and insert in delegate pack	February
	Funding conference: advert	December
DTA	eBay trading workshop: speaker	April and October
Children's Hospices UK	Annual conference speaker	November

We also undertook the following marketing activities to increase adoption and activities among charities and donors:

- ◆ 2 adverts in Professional Fundraising magazine (March);
- ◆ Trial of four online advertising placements in Facebook (July); and
- ◆ The trial of a Twitter account, which now has over 1,250 followers.

In partnership with eBay, we marketed eBay for Charity to the eBay for Charity user base via:

- ◆ A direct mail to the entire eBay buyer user base, highlighting Christmas opportunities to support charity;
- ◆ Regular announcements on the eBay boards, highlighting new products and service improvements;
- ◆ Virtual Christmas cards and thank you messages to all eBay for Charity sellers;
- ◆ 4 newsletters to all charities that had opted in to receive communications from us; and
- ◆ Announcements in MF accounts and online to ensure charities remain informed about the latest changes to eBay for Charity.

### **Achievements and performance** (continued)

#### Building the strength of our brands (continued)

We also achieved significant press coverage for eBay for Charity within the trade press, notably in Third Sector and Professional Fundraising magazines. Third Sector covered the rapid growth of eBay for Charity with a major article in June 2009, and Professional Fundraising highlighted Give at Checkout in February 2009 as an example of successful innovation in fundraising technology.

Through active fundraising partnerships with a wide variety of charities and commercial organisations holding major auctions, we have helped to secure extensive coverage for eBay for Charity in the national press. Significant collaborations in the financial period included charity auctions run by NSPCC, Children in Need, Cancer Research UK, The Guardian, and The Evening Standard.

#### Income and Sustainability

During the period we made significant strides towards increasing the financial sustainability of the eBay for Charity infrastructure.

During the period, the charity's unrestricted income, excluding in-kind provision, was £350,054, with £245,054 earned, and £105,000 received in grants. In the previous financial year, we earned £80,902 and received £120,000 in grants. The significant increase in earned income means that the UK charity is now sustainable on the basis of earned income alone.

#### Organisational and structural reforms

The international structure of MissionFish remains under review. Proposals for structural reform are now being actively considered, following the merger and integration of Points of Light Foundation (US) with Hands On Network. It is not envisaged that any changes will materially affect the financial or legal position of the charitable company.

### **Plans for the future**

Our main priorities for the period October 2009 to September 2010 are as follows:

Build a thriving eBay for Charity marketplace:

- ◆ Review and improve donor recognition on eBay, both public and private.
- ◆ Explore and trial ways of reaching to high volume sellers through eBay's seller communications team.
- ◆ Review contribution and importance of direct selling, and MF's support for it.
- ◆ Focus online marketing efforts to drive growth in seller donations and Give at Checkout.
- ◆ Explore the effectiveness of ways to increase demand for eBay for Charity items through marketing to buyers, e.g. Facebook.
- ◆ Define and scope ways in which eBay for Charity might better personalize its offerings, so they are more appropriate for individual users.

### Plans for the future (continued)

Build a thriving eBay for Charity marketplace: (continued)

- ◆ Monitor the effects of the recession on people's propensity to give, for instance through Give at Checkout, and take steps to bolster it.
- ◆ Review and improve MF account interface for charities, so they are more easily able to manage their interactions with eBay for Charity.
- ◆ Support product team in increasing the reliability and relevance of data on listings and finances.

We are also beginning to explore ways in which the eBay for Charity infrastructure could be used to create new donation opportunities for users of other eBay Inc properties, notably PayPal.

Enhance our reputation within the third sector:

- ◆ Confirm our presence within "giving sector" through participation in Giving Forum, Institute of Fundraising events, etc.
- ◆ Build links with key Labour and Conservative influencers to help publicise eBay for Charity and MissionFish.
- ◆ Capitalise on strong relationship with Giving Ambassador to strengthen MissionFish's leadership role on philanthropy.
- ◆ Explore and use board members' networks to connect MissionFish with other like-minded organizations.
- ◆ Contribute to any new thinking on Gift Aid and other relevant changes in the legal and regulatory frameworks affecting us.
- ◆ Develop and publish a guide to Direct Selling with one of the key umbrella bodies.

Work towards sustainability through earned income:

- ◆ Move MissionFish towards a position of overall financial sustainability through growth and new income-generating opportunities.
- ◆ Maintain a strong cash position to ensure MF UK is well-placed to survive any downturn in income caused by the recession.
- ◆ Ensure that board fully implements the key recommendations from the governance review, and establishes a culture of performance review.

### Financial review

Results for the year

The Statement of Financial Activities on page 20 shows total incoming resources of £2,814,836 (2008 - £1,034,039) and total resources expended of £2,632,515 (2008 - £1,004,945) including £2,108,706 (2008 - £478,523) distributed to charities participating in the eBay for Charity programme.

## Financial review (continued)

### Financial position and Reserves policy

#### *Financial position*

At the balance sheet date, the charitable company held funds of £4,484 (2008 – £669) which were restricted. These monies have either been raised for, and their use restricted to specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 14 to the accounts together with an analysis of movements in the year.

General funds of the charity at 30 September 2009 were in surplus by £65,185 (2008 – deficit of £112,652).

Supplementing its earned income, the charitable company has been financed by loans and grants from Points of Light Foundation US. Loans have financed a large part of the charitable company's start up and operating costs to date and has been made on terms which provide that they will not become repayable until Points of Light Foundation UK has sufficient resources to make such a repayment. There is no longer an operational deficit from the charity's work. The Trustees are satisfied that this arrangement provides sufficient financial certainty to continue the charitable company's operations in the medium term.

#### *Reserves policy*

The Trustees have formulated a reserves policy for the charitable company. They have determined that charitable company should hold cash reserves because the charitable company depends for its income on deductions from donations arriving through eBay, which can fluctuate, and over which the charitable company has limited control.

The charitable company's ongoing costs are currently underwritten by Points of Light Foundation US, a major non-profit. Our deed specifies that "the US Organisation shall loan to the UK Organisation a sum equal to all expenses incurred by the UK Organisation with regard to its establishment in the UK and on-going operation." Although this arrangement limits our need to hold significant reserves, it is likely to be revisited as part of ongoing structural discussions.

The Trustees and staff have calculated the likely costs of winding down the operation, should that ever become necessary, and Trustees have based the reserves policy upon that sum. The Trustees have therefore determined that a cash fund of at least £75,000 should be held in reserve by the charitable company.

Reserves have been built up and will be maintained at the desired level consistent with the charitable company's overall financial position and its need to maintain and develop its charitable activities.

In response to signs of the medium-term impact of the recent recession, the Trustees have taken a cautious approach to repaying debt, with a view to maintaining a strong cash position during the years ahead.

### **Employees**

The charity aims to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. Employees are kept fully informed about strategy and objectives, as well as day-to-day news and events. All employees are encouraged to give their suggestions and views on performance and strategy.

The charity supports equal opportunities. A policy of recruitment and promotion on the basis of aptitude and ability without discrimination is followed.

The charity is committed to the training, career development and promotion of all employees. An individual's career development is assessed through annual appraisal and supervision. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and future roles.

### **Gifts in kind**

The charitable company is grateful to both eBay UK, which has provided office space valued at £45,000 (2008 - £45,000) in the financial period, and Points of Light Foundation US, which has provided technical and managerial support valued at £305,180 (2008 - £305,183) in the financial period.

Approved by the Trustees and signed on their behalf by:

Trustee

Approved by the Trustees on:

**Independent auditor's report to the members of Points of Light Foundation UK**

We have audited the accounts on pages 20 to 27 which have been prepared under the historical cost convention and the accounting policies set out on pages 22 to 23.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditors**

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

**Basis of audit opinion** (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charity's affairs as at 30 September 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the information given in the Trustees' annual report is consistent with the financial statements.

Edward Finch, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
12 New Fetter Lane  
London  
EC4A 1AG

	Notes	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Unrestricted incoming resources from generated funds					
	1	455,180	2,112,521	<b>2,567,701</b>	947,455
. Voluntary income					
	2	245,054	—	<b>245,054</b>	80,902
Incoming resources from charitable activities					
		2,081	—	<b>2,081</b>	5,682
Other incoming resources					
		<u>702,315</u>	<u>2,112,521</u>	<b><u>2,814,836</u></b>	<u>1,034,039</u>
<b>Total incoming resources</b>					
<b>Resources expended</b>					
Costs of generating funds					
. Costs of generating voluntary income					
	3	47,226	—	<b>47,226</b>	49,910
Charitable activities					
. Individual giving					
	4	451,419	2,108,706	<b>2,560,125</b>	921,909
Governance costs					
	5	25,164	—	<b>25,164</b>	33,126
		<u>523,809</u>	<u>2,108,706</u>	<b><u>2,632,515</u></b>	<u>1,004,945</u>
<b>Total resources expended</b>					
<b>Net incoming (outgoing) resources before transfers – net income/(expenditure)</b>					
	6	178,506	3,815	<b>182,321</b>	29,094
<b>Fund balance brought forward</b>					
		<u>(113,321)</u>	<u>669</u>	<b><u>(112,652)</u></b>	<u>(141,746)</u>
<b>Fund balance carried forward at 30 September 2009</b>					
		<u>65,185</u>	<u>4,484</u>	<b><u>69,669</u></b>	<u>(112,652)</u>

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above financial period.

	Notes	2009 £	2009 £	2008 £	2008 £
<b>Current assets</b>					
Debtors	10	68,876		139,668	
Cash at bank and in hand		498,143		229,664	
		<u>567,019</u>		<u>369,332</u>	
<b>Creditors: amounts falling due within one year</b>					
	11	<u>(257,362)</u>		<u>(241,996)</u>	
<b>Net current assets</b>			<b>309,657</b>		127,336
<b>Total assets less current liabilities</b>			<b>309,657</b>		127,336
<b>Creditors: amounts falling due after one year</b>					
	12		<u>(239,988)</u>		<u>(239,988)</u>
<b>Total net assets</b>			<b>69,669</b>		<u>(112,652)</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	13		4,484		669
Unrestricted funds					
. General funds (reserves)			<u>65,185</u>		<u>(113,321)</u>
			<u>69,669</u>		<u>(112,652)</u>

Approved by the Trustees  
and signed on their behalf by:

Trustee

Approved on:

### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these accounts.

### **Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

In the past year the policy for reporting incoming resources from donations changed from an accruals basis to a cash basis.

### **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income, which relate to the costs of publicising the eBay for Charity programme.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Trustees' report. Such costs include:
  - ◆ Payment to charities of amounts received from eBay sellers;
  - ◆ Support costs

Costs are directly attributable to specific activities.

- c. Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

### **Gifts in kind**

Services and facilities donated to the charity for its own use are included in incoming resources and resources expended at their market value as at the time of the gift.

**Fund accounting**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Cash flow**

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

**1 Voluntary income**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Donations – amounts received from eBay users	—	2,112,521	<b>2,112,521</b>	477,272
Grant received	105,000	—	<b>105,000</b>	120,000
Gifts in kind (see below)				
. Technical and managerial support	305,180	—	<b>305,180</b>	305,183
. Accommodation	45,000	—	<b>45,000</b>	45,000
	<u>350,180</u>	<u>—</u>	<u><b>350,180</b></u>	<u>350,183</u>
<b>Total</b>	<u>455,180</u>	<u>2,112,521</u>	<u><b>2,567,701</b></u>	<u>947,455</u>

The charitable company is grateful to both eBay UK, which has provided office space valued at £45,000 in the financial period, and Points of Light Foundation US, which has provided technical and managerial support valued at £305,180 in the financial period.

Corresponding amounts are included within costs of charitable activities (note 4).

**2 Incoming resources from charitable activities**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Deductions from donations	245,054	—	<b>245,054</b>	80,902

**3 Cost of generating funds**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Cost of generating voluntary income				
. Staff costs (note 7)	31,965	—	<b>31,965</b>	30,051
. Other publicity costs	15,261	—	<b>15,261</b>	19,859
	<u>47,226</u>	<u>—</u>	<u><b>47,226</b></u>	<u>49,910</u>

**4 Cost of charitable activities**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
MissionFish UK - eBay for Charity scheme				
. Charitable donations	—	2,108,706	<b>2,108,706</b>	478,523
. Staff Costs (note 7)	71,041	—	<b>71,041</b>	67,685
. Premises costs – in-kind donation from eBay UK	45,000	—	<b>45,000</b>	45,000
. Technical and managerial support – in-kind donation from Points of Light Foundation US	305,180	—	<b>305,180</b>	305,183
. Other costs	30,198	—	<b>30,198</b>	25,518
	<b>451,419</b>	<b>2,108,706</b>	<b>2,560,125</b>	<b>921,909</b>

**5 Governance**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Staff costs (note 7)	14,924	—	<b>14,924</b>	14,335
Auditors' remuneration	10,240	—	<b>10,240</b>	9,353
Other governance costs	—	—	<b>—</b>	9,438
	<b>25,164</b>	<b>—</b>	<b>25,164</b>	<b>33,126</b>

**6 Net incoming resources before transfers**

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Auditors' remuneration				
. Statutory audit services	10,240	—	<b>10,240</b>	9,353
Depreciation	—	—	<b>—</b>	1,403

**7 Employees and staff costs**

Staff costs during the year were as follows:

	2009 £	2008 £
Wages and salaries	<b>100,284</b>	95,001
Social security costs	<b>10,356</b>	10,007
Pension costs	<b>7,290</b>	7,063
	<b>117,930</b>	<b>112,071</b>

**7 Employees and staff costs** (continued)

The average number of employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows:

	2009 number	2008 number
Costs of generating funds	0.75	0.75
Charitable activities		
· MissionFish UK – eBay for Charity scheme	1.50	1.50
Governance of the charity	0.25	0.25
	<b>2.50</b>	<b>2.50</b>

No employees earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year.

**8 Expenses and Trustees' remuneration**

None of the Trustees received any remuneration in respect of their services during the period. No out of pocket expenses were reimbursed to any trustee during the period.

**9 Taxation**

Points of Light Foundation UK is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**10 Debtors**

	2009 £	2008 £
<b>Due within one year</b>		
Donations from eBay sellers	—	31,622
Taxation recoverable	47,004	27,068
Prepayments	—	50,978
Other debtors	21,872	30,000
	<b>68,876</b>	<b>139,668</b>

**11 Creditors: amounts falling due within one year**

	2009 £	2008 £
Expense creditors	2,642	1,859
Donations to charities	244,624	143,146
Accruals	10,000	7,590
Deferred income	96	89,401
	<b>257,362</b>	<b>241,996</b>

**12 Creditors: amounts falling due after more than one year**

	2009 £	2008 £
Loan from Points of Light Foundation US (see note 15)	239,988	239,988

**13 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 30 September 2008 £	Incoming resources £	Expenditure £	At 30 September 2009 £
MissionFish UK – eBay for Charity scheme	669	2,112,521	(2,108,706)	<b>4,484</b>

The specific purposes for which the funds are to be applied are as follows:

- ◆ MissionFish UK – eBay for Charity scheme

This fund represents amounts held for onward distribution to UK charities.

**14 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
<b>Fund balances at 30 September 2009 are represented by:</b>				
Tangible fixed assets	—	—	—	—
Current assets	317,911	249,108	<b>567,019</b>	369,332
Creditors: amounts falling due within one year	(12,738)	(244,624)	<b>(257,362)</b>	(241,996)
Creditors: amounts falling due after one year	(239,988)	—	<b>(239,988)</b>	(239,988)
<b>Total net assets</b>	<b>65,185</b>	<b>4,484</b>	<b>69,669</b>	<b>(112,652)</b>

**15 Related party transactions**

Points of Light Foundation, a United States 501(c)(3) non-profit organisation ('Points of Light Foundation US') is the sole member of Points of Light Foundation UK. During the period, Points of Light Foundation US provided in-kind support totalling £305,180 to Points of Light Foundation UK.

Points of Light Foundation US has also provided Points of Light Foundation UK with a working capital loan, of which £239,988 (2008 - £239,988) was outstanding at 30 September 2009 (see note 13). This loan is only payable to the extent that the charitable company has sufficient funds to make any repayments due.

Other than those transactions stated above there were no other related party transactions during the year.

**16 Liability of member**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up the member is required to contribute an amount not exceeding £1.