

Registered number: 04151418

EBAY KTA (UK) LTD

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

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EBAY KTA (UK) LTD

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

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EBAY KTA (UK) LTD

Company information

Director

Alec Latimer

Company Secretary and Registered office

EY Corporate Secretaries Limited
1 More London Place
London
SE1 2AF

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

EBAY KTA (UK) LTD

Strategic report for the year ended 31 December 2019

The director presents his strategic report on eBay KTA (UK) LTD ("the Company") for the year ended 31 December 2019.

Principal activities

The Company is a subsidiary undertaking of eBay Inc., a global Internet company incorporated in the USA, which offers an Internet based personal trading community.

The Company holds 99.9% of the share capital of eBay Korea Co Ltd, a company registered in the Republic of Korea, Seoul 135-912, 9th Floor, LIG Tower, 649-11 Yeoksam-Dong, Gangnam-Gu, which operates as a retail ecommerce marketplace.

Review of the Business, future outlook and key performance indicators

The functional currency of the Company is U.S. Dollars. The financial statements are accordingly presented in U.S. Dollars.

The Company measures and monitors a number of key performance indicators, the most important of which are profit before income tax and net assets.

The Company's profit for the financial year ended 31 December 2019 amounted to \$20,850,000 (2018: profit of \$105,321,000).

The net assets of the Company decreased to a total of \$1,868,556,000 (2018: \$1,997,706,000). The financial position of the Company is set out in the Statement of financial position on page 10.

Regarding future developments, given the current uncertain economic environment caused by COVID-19, the directors have carried out a detailed and comprehensive review of the business and its future prospects taking into account all information that could reasonably be expected to be available for the following 12 months and beyond. The Company has however been largely insulated from the effects of the virus to date, and with resilient technology and business continuity measures in place have ensured continued operation. The Company expects therefore to largely continue its strategy as planned.

Principal risks, financial risks and uncertainties

Business continuity risk

The outbreak of COVID-19 has resulted in the Group deploying business continuity plans to maintain stability across the business, ensuring continued delivery of service with no issues noted in the period up to signing these financial statements.

Brexit

The UK formally left the European Union on 31 January 2020 and is currently in a transition period until 31 December 2020. During that transition period, current EU trading rules continue to apply. However, future trading arrangements between the UK and EU beyond the transition period are still the subject of ongoing negotiations. The Company is monitoring the progress of these negotiations and how these might impact its operations.

As eBay KTA (UK) Ltd is a holding company for eBay Korea Co Ltd., it does not have any customer or supplier contracts which could be impacted by changes in laws and regulations. As a result, whilst the full impact is not known, as at the date of signing there is no significant impact on the business, given the lack of EU exposure for the Company.

EBAY KTA (UK) LTD

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

Statement by the directors of eBay KTA (UK) Ltd ("the Company") in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors have a duty to promote the success of the Company which is a key consideration when determining the Company's strategy. The directors ensure they have suitable access to information to allow them to make informed business decisions and the directors consider whether they possess sufficient information regarding the stakeholder interests which are affected by their actions.

In instances when the directors do not have all the information relevant to a decision, it is important to consider the expertise of others and care is taken to assess the source, quality and quantity of all information available. The directors need to foster the Company's business relationships with suppliers, customers, HM Revenue and Customs ("HMRC) which includes committing to partnerships that share the eBay dedication to conducting business in a legal, ethical, and socially responsible manner, to deliver the best possible value for the Company and mitigate the risk to the Company.

On behalf of the Board



Alec Latimer
Director

Date: 30.09.20

EBAY KTA (UK) LTD

Director's report for the year ended 31 December 2019

The director presents his report with the audited financial statement of eBay KTA (UK) LTD for the year ended 31 December 2019.

Principal activities

The Company is a subsidiary undertaking of eBay Inc., a global Internet company incorporated in the USA, which offers an Internet based personal trading community.

The Company holds 99.9% of the share capital of eBay Korea Co Ltd, a company registered in the Republic of Korea, Seoul 135-912, 9th Floor, LIG Tower, 649-11 Yeoksam-Dong, Gangnam-Gu, which operates as a retail ecommerce marketplace.

Fair review of the development and the performance of the business / future development
The company will continue activity as a holding company.

Financial risk management

Credit risk

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of cash at bank and debtors. The Company's cash is placed with quality financial institutions.

Foreign currency and interest rate risk

The Company is not exposed to significant foreign exchange risk.

The Company's operating income and cash flows are substantially independent of changes in market interest rates.

Due to the risk exposure, the Company does have a specific hedging policy with respect to foreign currency exchange and interest rate risk.

Political Donations

There were no political donations for the year ended 31 December 2019.

Dividends

The director does not recommend the payment of a dividend (2018: \$nil). No dividends have been declared or paid post year end up to the point of the signing of the financial statements.

Share Capital

The Director approved a capital reduction of USD 650,000,000 to the Company's shareholder eBay Korea Holding GmbH on 21 September 2020.

Post Balance Sheet Events

Please see note 14.

Employee Involvement

During the period, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Employees are encouraged to invest in the Company through participation in an employee stock purchase plan so that they may share in the success and growth of the Company.

EBAY KTA (UK) LTD

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

Suppliers Customers and others

In the Strategic Report, within the Section 172 (1) Statement on page 3, the directors have summarised how they have engaged with suppliers, customers and others in a business relationship.

Director

The director who held office during the year and up to the date of signing these financial statements was Alec Latimer.

Going Concern

These financial statements have been prepared on a going concern basis. In preparing the financial statements the director has taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The directors assessed the impact of COVID-19 on the business of the company and its subsidiaries. As a result of COVID-19 restrictions globally, there have been changes in consumer behavior that have resulted in more online retail experiences. These changes in behavior are expected to continue to evolve as the pandemic progresses. eBay's Marketplace platforms experienced improved traffic, buyer acquisition and conversion due to the ongoing impact of measures taken globally to contain the spread of COVID-19.

As a result of the review the director is confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- selects suitable accounting policies and then apply them consistently;
- states whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- makes judgements and accounting estimates that are reasonable and prudent; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

EBAY KTA (UK) LTD

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

Statement of director's responsibilities in respect of the financial statements (continued)

The director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Director's confirmations

In the case of each director in office at the date the Director's report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



Alec Latimer
Director

Date: 30.09.20

EBAY KTA (UK) LTD

Independent auditors' report to the members of eBay KTA (UK) LTD

Report on the audit of the financial statements

Opinion

In our opinion, eBay KTA (UK) LTD's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Statement of comprehensive income and the Statement of changes in equity for the year ended 31 December 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

EBAY KTA (UK) LTD

Independent auditors' report to the members of eBay KTA (UK) LTD (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on pages 5 and 6, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as he determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2020

EBAY KTA (UK) LTD

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
Other income	4	-	150,655
Other operating income	5	2,269	1,235
Operating profit		2,269	151,890
Finance income	6	14,448	5,562
Finance expense	6	(2,437)	(99)
Profit before taxation		14,280	157,353
Tax credit / (charge)	8	6,570	(52,032)
Profit for the financial year		20,850	105,321
Total comprehensive income for the financial year		20,850	105,321

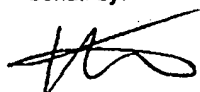
The above results were derived from continuing operations. The notes on pages 12 to 19 form an integral part of these financial statements.

EBAY KTA (UK) LTD

Statement of financial position as at 31 December 2019

	Note	2019 \$'000	2018 \$'000
Fixed assets			
Investments	9	1,241,785	1,782,680
		1,241,785	1,782,680
Current assets			
Trade and other receivables	10	2,352	401,600
Cash at bank and in hand		643,847	2,658
		646,199	404,258
Deferred income tax liability	8	(19,416)	(28,232)
Creditors: amounts falling due within one year	11	(12)	(161,000)
Net current assets		626,771	215,026
Total assets less current liabilities		1,868,556	1,997,706
Net assets		1,868,556	1,997,706
Capital and reserves			
Called up share capital	12	1,161,673	1,311,673
Capital contribution reserve		653,404	653,404
Profit and loss account		53,479	32,629
Total shareholders' funds		1,868,556	1,997,706

The financial statements on pages 12 to 19 were approved by the Board on 30.09.20 and signed on its behalf by:



Alec Latimer
Director

Registered number: 04151418

EBAY KTA (UK) LTD

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

	Called up share capital \$'000	Capital contribution reserve \$'000	Profit and loss account \$'000	Total shareholders' funds \$'000
At 1 January 2018	1,311,673	653,404	(72,692)	1,892,385
Profit for the financial year	-	-	105,321	105,321
At 31 December 2018	1,311,673	653,404	32,629	1,997,706
At 1 January 2019	1,311,673	653,404	32,629	1,997,706
Reduced ordinary shares (note 12)	(150,000)	-	-	(150,000)
Profit for the financial year	-	-	20,850	20,850
At 31 December 2019	1,161,673	653,404	53,479	1,868,556

EBAY KTA (UK) LTD

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

1. General information

The Company holds 99.9% of the share capital of eBay Korea Co Ltd, a company registered in the Republic of Korea which operates as a retail ecommerce marketplace. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is 1 More London Place, London, SE1 2AF, United Kingdom.

2. Summary of significant accounting policies

The significant accounting policies adopted by the Company and which have been applied consistently are as follows:

Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- IAS 7 'Statement of cash flows'. A cash flow statement has not been presented
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position
 - 134-136 (capital management disclosures)

For the purposes of FRS 101 reduced disclosure exemptions, equivalent disclosures are included in the publicly available consolidated financial statements of eBay Inc., the ultimate parent of the Company, which the Company is consolidated into. The consolidated financial statements of eBay Inc. can be obtained from their Company secretary at 2145 Hamilton Avenue, San Jose CA 95125, USA.

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Summary of significant accounting policies (continued)

Consolidation

The Company has elected to take advantage of the exemption to prepare consolidated financial statements granted under section 401 of the Companies Act 2006, as its ultimate parent entity prepares financial statements which are in compliance with the EU 7th Directive. Accordingly the financial statements contain information about the Company as an individual company and do not contain consolidated results as part of the group.

New standards, amendments and IFRIC Interpretations

IFRS 16: Leases

On 1 January 2019 the Company adopted IFRS 16, the new accounting standard for leases which replaces the former accounting standard IAS 17 Leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The Company has no leases and therefore the adoption of IFRS 16 under the modified retrospective approach has had no impact on the Company.

Operating charges

Operating charges include all the services and other operating costs arose from the principal activity of the company.

Interest income

Interest income is recognised using the effective interest method.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the director when there has been an indication of potential impairment.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI Criterion").

The Company has not classified any assets as being financial assets at FVOCI or FVPL.

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Summary of significant accounting policies (continued)

Financial assets are initially measured at their fair value. For the purposes of subsequent measurement, all of the Company's financial assets are classified as financial assets at amortised cost.

Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Company's trade and other receivables and cash and cash equivalents. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

The Company's financial liabilities comprise of creditors.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Foreign currency translation

The functional currency for the Company is US dollars. The resulting exchange differences in relation to monetary assets and liabilities are recorded through the profit and loss account. All other exchange differences including those arising on transactions entered into by the company are taken to the profit and loss account.

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

3. Critical accounting estimates and judgments (continued)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

The company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

4. Other income

In 2019 was no Other income (2018: \$150,655,253)

5. Operating profit

	2019 \$'000	2018 \$'000
The profit before taxation is stated after charging/ (crediting)		
Audit of the entity's financial statements	12	11
Foreign currency exchange gains	(2,277)	(1,252)

6. Finance income and finance costs

	2019 \$'000	2018 \$'000
Finance income		
Bank interest income	(4,379)	(12)
Interest receivable on loan to parent (Note 10)	(10,069)	(5,550)
Total finance income	(14,448)	(5,562)
Finance expense		
Bank interest expense	2,437	99
Total finance expense	2,437	99
Finance income net	(12,011)	(5,463)

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

7. Staff costs

The Company had no employees in the current or prior year.

The director has not received any emoluments for his services to the company in respect of the years ended 31 December 2019 and 31 December 2018.

8. Tax on profit

	2019 \$'000	2018 \$'000
Current tax:		
Receivable for group relief for current year	1,802	(3)
Adjustment in respect of prior year receivable for group relief	444	-
Foreign tax	-	22,598
<hr/>		
Deferred Tax:		
Origination and reversal of temporary differences	(5,398)	29,564
Current year deferred tax	(499)	(175)
Effect of changes in tax rates	(2,919)	48
Total Tax on profit	(6,570)	52,032

The tax assessed for the year is the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

8. Tax on profit (continued)

	2019	2018
	\$'000	\$'000
Profit before taxation	14,280	157,353
Profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2018: 19.00%)	2,713	29,897
Dividends received from subsidiary treated as exempt for tax purposes	-	(28,624)
Non-trade deficits brought forward utilised	-	(1,276)
Expenses not deductible	-	(175)
Change in tax rate	(2,284)	48
Loss utilised by group companies for group relief	-	3
Provision for consideration receivable for group relief	-	(3)
Adjustments in respect of prior years		
Withholding tax on foreign dividends from subsidiary	-	52,162
Movement in deferred tax liability on estimated withholding tax expense on dividends	(6,944)	-
Adjustments to tax charge in respect of previous periods	423	-
Adjustments to tax charge in respect of previous periods - Deferred tax	(499)	-
Exchange differences	21	-
Total tax expense	(6,570)	52,032

The corporation tax rate for the year was 19%. The main rate of UK corporation tax will remain at 19% effective from 17 March 2020. This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

	2019	2018
	\$'000	\$'000
Deferred tax (liability) / asset:		
Provided at a tax rates average 19%:		
Amounts provided:		
Opening balance	(28,231)	285
Deferred tax credit /(charge) to Income statement for the year	8,815	(28,516)
Total	(19,416)	(28,231)

The deferred tax asset on the reversal of the temporary differences arising from that investment had been recognised in the extent of withholding tax of 15% on the temporary differences arising from undistributed profits based on the assessment that such reversal will occur in the foreseeable future. The remainder of the potential deferred tax asset relating to the deficit carried forward has been left unprovided, as it is deemed too far into the future to say it is probable that there will be sufficient appropriate profits to realise the remainder of the potential asset.

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

9. Investments

	Investment in subsidiary undertakings \$'000
Cost	
At 1 January 2019 and 31 December 2019	1,241,785
<hr/>	
Net book value	
At 31 December 2019	1,241,785

The Company's only investment is a 99.9% investment in eBay Korea Co. Ltd, whose principal activity is online auction business.

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year were as follows:

	Capital and reserves \$'000	Profit for the year \$'000
eBay Korea Co Ltd 2018	963,646	32,966
eBay Korea Co Ltd 2019	433,295	37,577

The director believes that the carrying value of the investment is supported by the underlying net assets, and future cash flow.

10. Trade and other receivables

	2019 \$'000	2018 \$'000
Amounts owed by group undertakings	-	400,000
Trade debtors	2,352	1,600
Total	2,352	401,600

All intercompany balances are unsecured non-interest-bearing and are repayable with 12 months (2018: loan bears interest of 3.78% and repayable in 12 months).

EBAY KTA (UK) LTD

Notes to the financial statements for the year ended 31 December 2019 (continued)

11. Creditors: amounts falling due within one year

	2019 \$'000	2018 \$'000
Amounts owed to group undertakings	12	160,515
Other creditors	-	485
Total	12	161,000

All intercompany balances are non-interest-bearing and on demand.

12. Called up share capital

	2019 \$'000	2018 \$'000
Authorised, Allotted and fully paid 1,161,672,637 ordinary shares of \$1 each (2018: 1,311,672,637)	1,161,673	1,311,673

There was a capital reduction of USD 150,000,000 on 15 August 2019.

13. Capital and other commitments

The Company had no capital commitments at the end of the year 2019 (2018: Nil).

14. Subsequent events

For the Company, the global outbreak of COVID-19 is deemed to be a non-adjusting post balance sheet event as at 31 December 2019 and therefore no adjustments have been made in these financial statements for COVID-19.

At the date of issuing these financial statements no material impact has been noted, in particular regarding our consideration over the carrying value of investments.

The Director approved a capital reduction of USD 650,000,000 to the Company's shareholder eBay Korea Holding GmbH on 21 September 2020.

There are no other subsequent events noted.

15. Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary of eBay Korea Holding GmbH, Bern Switzerland which is the parent company. eBay Inc. is the parent company and ultimate controlling party of the largest group to consolidate these financial statements. Copies of eBay Inc. consolidated financial statements can be obtained from their company secretary at 2145 Hamilton Avenue, San Jose CA 95125, USA.