

PayPal Giving Fund UK

**Annual Report and Financial
Statements**

31 December 2014

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

Trustees Matthew Metcalfe (Chair)
Alison Sagar (appointed 27 February 2015)
Angela Cummings (appointed 27 February 2015)
Abbie Rumbold (resigned 26 November 2014)
Cameron McLean
Douglas Gledhill
Emma Sambrook (resigned 26 November 2014)
Julia Hutton-Potts (appointed 27 February 2015)
Llewellyn Thomas
Ruth Holdaway
Sean Milliken

Company secretary Nick Aldridge

Staff

CEO	Nick Aldridge
Head of Marketing and Operations	Ria Broad
Business Development Manager	Alex Hill
Marketing and Customer Services Coordinator	Megan Knox
Accountant	Anya Milligan

Registered office Whittaker House,
Whittaker Avenue
Richmond,
Surrey TW9 1EH

Websites www.paypalgivingfund.org.uk

Company registration number 5507404 (England and Wales)

Charity registration number 1110538

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

Bankers Co-operative Bank Plc
4th Floor
9 Prescott Street
London
E1 8AZ

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

Trustees' report Year to 31 December 2014

The trustees present their statutory report together with the financial statements of PayPal Giving Fund UK for the year to 31 December 2014.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes the directors' report for the purposes of the Companies Act 2006.

The financial statements 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

PayPal Giving Fund UK

The charity's declared objects are to advance all purposes that are charitable under the law of England and Wales. Our principal activity to achieve these objects is a partnership with eBay Inc and its subsidiaries. The partnership delivers the eBay for Charity programme, which enables the full range of UK charities to raise unrestricted funds through the eBay marketplace and cash donations through some PayPal platforms.

Vision, Mission and Values

Our vision is to support all kinds of charities' work by raising new funds through technology. We aim to achieve this vision by harnessing the unique assets of eBay and PayPal to make giving an integral part of everyday commerce.

We help:

- charities use our platforms and tools to find supporters and raise funds, and
- people and businesses support their favourite charities.

In all our work, we aim to demonstrate:

- **Credibility:** we deliver charitable impact through robust operations.
- **Expertise:** we bring a deep understanding of donors and charities, as well as commerce from our unique partnership with eBay Inc.
- **Ambition:** we innovate and overcome obstacles to improve our results.
- **Openness:** we respond to our customers, stakeholders, the sector, and new technology.

Public benefit

As PayPal Giving Fund UK is a grant-making charity, our public benefit occurs through the activities of those charities that receive funds from us. We believe that, given the large number of small donations we enable, we maximise our public benefit by providing relatively unrestricted funding for those charities. We do not seek to impose any conditions on our grants beyond those already specified by charity law.

Public benefit (continued)

We undertake 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 charities for which this is not the case, and run regular spot checks on the quality of information we hold.

We intend in the next period to undertake additional checks on charities that received significant funds from PayPal Giving Fund. Without creating a disproportionate burden, we will survey them on their use of our funds to gather evidence showing they are indeed being used in support of charitable purposes. We plan to test the survey in 2015 before rolling it out more widely in 2016.

We also actively seek out opportunities to benefit the charity sector and the public in other ways, for instance by sharing our expertise in online fundraising with charities across the sector, and helping to inform government policy development on charitable giving. During the period we participated actively in HM Treasury's "Gift Aid Working Group", which was established to increase the take-up of Gift Aid on eligible donations. As part of that work, we helped secure a commitment to simplify the prescribed text for Gift Aid declarations. We also work to promote charities and charitable giving to online audiences who may have little previous involvement in the sector, for example by promoting charitable causes to eBay's online shopping audience.

Achievements and performance


Strategic objectives

Our major strategic aim is to deliver a reliable, efficient and sustainable eBay for Charity programme. Together with our parent non-profit in the US, the PayPal Charitable Giving Fund (PPCGF), we provide much of the financial and legal infrastructure that makes eBay for Charity and related charitable giving programmes possible. We also vet the charities that wish to participate, collect and process donations, and advise charities on how best to raise funds in the eBay marketplace.


Through eBay for Charity, eBay sellers may specify a charity (registered with the eBay for Charity programme) they wish to benefit from a percentage of the proceeds of any individual sale. We treat these donations as restricted funds, holding them in a separate bank account, and regrant them to the charity specified by the eBay seller. During the period we reviewed the legal basis for our relationships with donors and charities, and made explicit in the terms and conditions contained within the user agreements with the donors, that we hold these funds in trust for the benefit of charities chosen by the donor. We continue to pass on 100% of each donation we collect, thanks to PayPal's support for our operating costs.


Achievements and performance (continued)


Strategic objectives (continued)

 Raise money for your favourite charity through eBay
Donate between 10% and 100% of your sale to charity and eBay will give you a credit on basic selling fees for sold items.

I don't want to donate this time

 Katie Piper Foundation

 Empty Homes

 Comic Relief - Red Nose Day


Or, select another charity

Choose your donation percentage

eBay sellers can support their favourite charities

Charities are also able to trade in their own right through eBay for Charity, either by running a charity shop online, or by holding online fundraising auctions, often in collaboration with commercial companies who donate items to them. 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 that 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.

 **I want to support a person recently diagnosed with cancer:
Leukaemia Care**

Add a donation to my order for this charity: £1 [PayPal required]

eBay buyers can add a donation at checkout

Achievements and performance (continued)

Strategic objectives (continued)

Our main strategic objectives for 2014 are listed below, along with a brief comment on our level of success in meeting them.

<p>1. Completing the roll-out of our PayPal-powered platform for PayPal Giving Fund in 2014; enabling:</p> <ul style="list-style-type: none"> a. A more coherent and integrated registration process for new charities; b. dramatic improvements to charities' ability to track funds raised; c. the development of new fundraising offers in 2015; and d. the launch of eBay for Charity in 2 more major markets for eBay in 2015. 	<p>We successfully developed and rolled out the code for our new platform in Q4 2014, enabling Beta testing in Q1 2015.</p> <p>A number of charities are testing the new registration process, and we are working to improve our messaging to charities about the new opportunities it brings.</p> <p>We are confident that the new platform will deliver significant new fundraising opportunities as well as administrative benefits for us and for participating charities.</p> <p>After we roll out the platform to all UK charities, scheduled for Q2 2015, we plan to launch it in Australia and, subject to regulatory clearance, in Germany.</p>
<p>2. Leverage our new product platform to deepen engagement with new charities, and those that have become inactive.</p>	<p>We have developed an extensive communications plan in preparation for our new platform launch, and set targets for retaining existing charities. PayPal will also promote our offering to charities signing up for payment processing services, providing a new source of charities for PayPal Giving Fund to support.</p>
<p>3. Assist the development and lead the marketing of mobile integrations for eBay for Charity, driving up participation rates among eBay users.</p>	<p>We championed, advised on, and promoted mobile integrations for eBay for Charity, which launched in September 2014. This led to a 45% increase in charity listings created via mobile interfaces from September to October. We also enabled checkout donations on Android. Impact remains limited since the option is only visible to users with favourite charities, an issue we hope to address in 2015.</p>

Achievements and performance (continued)

Strategic objectives (continued)

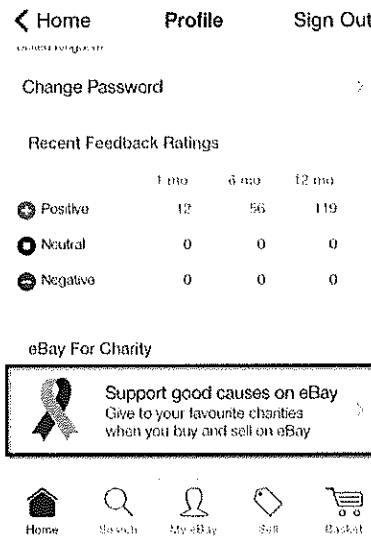
<p>4. Optimise our onsite marketing and business development to reach £30m in funds raised through eBay for Charity by the end of 2015 – currently equivalent to funds granted by the UK's biggest corporate foundation.</p>	<p>Growth in overall funds raised decelerated during 2014, largely due to reduced growth among trading charities. On our current trajectory, the 2015 target seems unachievable.</p> <p>We are now working more closely with leading charity retailers, through the Charity Retail Association, to identify and address the issues they face. Trailblazers such as British Heart Foundation suggest that rapid growth can be achieved with sufficient commitment from the charities.</p>
<p>5. Drive up use of My Favourite Charity to 100,000 users in 2014 through donor-facing campaigns, in partnership with charities.</p>	<p>We ran two large campaigns that generated an additional 69,000 favourite votes in 2015, far surpassing our target of 25,000 additional votes.</p> <p>Early indications suggest that the recruited users are beginning to donate through eBay for Charity, and are becoming more engaged eBay users in general, showing the broader value to eBay of encouraging charitable giving.</p>
<p>6. Ensure our board composition and engagement levels remain appropriate and strong within our changing context.</p>	<p>We reviewed our board composition during 2014 and strengthened the board in several ways. We recruited a new chair, Matthew Metcalfe, from within the board, and have recruited new trustees, who joined in 2015.</p> <p>We also made improvements to board materials and meetings to increase engagement among trustees, meeting more often but more briefly to consider only the major issues facing the charity.</p>

Achievements and performance (continued)

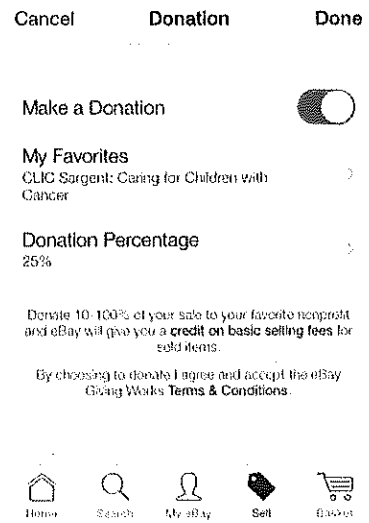
Mobile integrations

In September 2014, eBay launched the ability for sellers to promise a donation to charity when they create an eBay listing in the Android or eBay Apps. The interface continues to improve, so that now users can promise a donation with a single click. As yet, the feature is only available to users who have chosen a favourite charity, though we hope this will change in the future.

Users can choose a favourite charity in the eBay App.

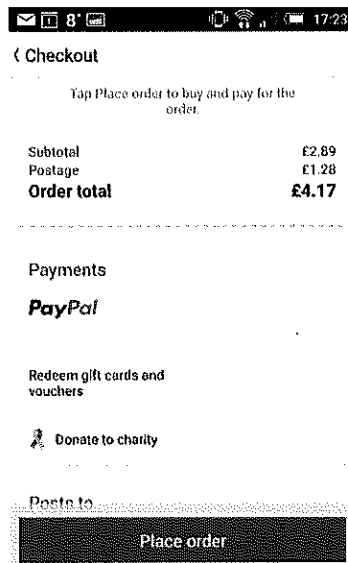


They can choose from their favourite charities and set the donation amount.

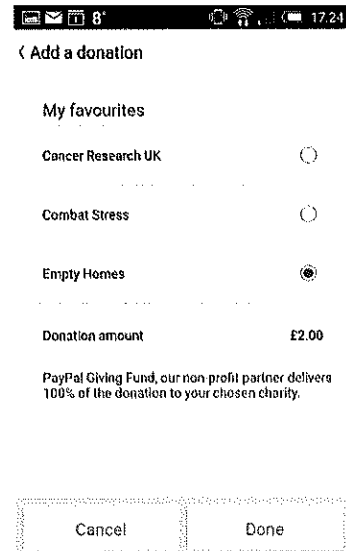


eBay also launched a version of Give at Checkout in the eBay App on Android. Users are able to choose a favourite charity, and then add a donation as part of their purchase. Due to Apple's rules on Apps, we are not permitted to launch a similar function in the eBay App on iOS.

Customers with a favourite charity click "Donate to charity" at checkout.



They can choose from their favourite charities and set the donation amount.




Achievements and performance (continued)


Mobile integrations (continued)

Our two favourite charity campaigns in June 2014 led to 69,000 new favourite charity votes from eBay users in the year. 38,000 users participated in the two campaigns, as a result of which PayPal Giving Fund awarded £32,000 of grants to benefiting charities. The campaign helped to generate widespread awareness of eBay for Charity, as many small charities took advantage of our toolkits to spread the word to their supporters.

ASK YOUR SUPPORTERS TO MAKE YOU A FAVOURITE



WIN £10,000 FOR YOUR CHARITY



MY FAVOURITE CHARITY 2014

This June ask your supporters to 'make your charity a favourite on eBay' and you could win a cash prize for your charity:


1. First place - £10,000
2. Second place - £7,000
3. Third place - £3,000
4. Top small charity (under £1.5m turnover) wins £5,000

10 randomly drawn supporters, who favourite a charity, will also be in the running to win £500 each.

[Download our quick guide for more information](#)

QUICK GUIDE

[CLICK HERE TO DOWNLOAD OUR GUIDE!](#)



CELEBRITY VIDEO

Ask a celebrity or well known supporter to make a short video - on YouTube or Social - explaining why everybody should favourite you. A signed release form will be required.

Send to us at info@paypalgivingfund.org.uk

Videos will be included on the main campaign page and will be used in social media activity.

The first 20 charities that send a video will WIN a PayPal Here device worth £99.

[Click here for more info on PayPal Here.](#)

SUPPORTER TOOLKIT

Select the advertising banner size required and right click to save the banner to your computer.

- Advertising Banner 180 x 600 Pixels
- Advertising Banner 300 x 250 Pixels
- Advertising Banner 300 x 600 Pixels
- Advertising Banner 620 x 150 Pixels
- Advertising Banner 940 x 480 Pixels
- Advertising Banner 720 x 50 Pixels
- Email Banner 600 x 210 Pixels

[Download All Banners as a ZIP File](#)

What eBay for Charity are doing to support

We will be advertising this campaign on eBay:

- Includes within eBay newsletters to millions of UK customers
- Messages in eBay UK customer newsletters
- Advertising on eBay.co.uk
- Facebook campaign

HOW TO FAVOURITE

DOWNLOAD:
How To Favourite Banner 600 x 290 Pixels

Show your supporters how to 'favourite' you on eBay by using the banner above.

Easy Steps to Follow:

1. Go to www.ebay.co.uk/charity - Click on 'Find a charity to support'
2. Type the name of your chosen charity into

FAQs

Q. When does the My Favourite Charity Campaign run from and to?

My Favourite Charity microsite for charities

Achievements and performance (continued)

Plans for the future

In 2015, we will continue to work towards the priorities in our strategic plan. We will place particular emphasis on developing our partnership with PayPal to increase our impact through channels additional to eBay for Charity, and to assist in the creation of PayPal's emerging social innovation strategy. Our priorities are as follows:

<p>1) PayPal unlocks new opportunities for charities</p>	<ul style="list-style-type: none"> a) Launch and promote a new PayPal-based platform for the charities we support. b) Scope and champion new fundraising products through PayPal, reflecting PayPal's emerging social innovation strategy c) Harness PayPal's relationships with key merchants to encourage charitable giving that engages shared customers.
<p>2) PayPal Giving Fund established in PayPal group.</p>	<ul style="list-style-type: none"> a) Ensure we have a strong board with the right skills and a solid financial basis for our operations. b) Grow PayPal Giving Fund into a full role within the PayPal group and charity sector c) Support eBay's efforts to launch eBay for Charity in two additional markets.
<p>3) Grow eBay for Charity into "UK's biggest foundation"</p>	<ul style="list-style-type: none"> a) Grow charities' sales through the eBay platform. b) Drive up favourite charity votes to increase eBay for Charity's impact. c) Shape and market charity inventory to buyers. d) Continue to improve our systems to protect our reputation as a responsible funder

Achievements and performance (continued)

Plans for the future (continued)

<p>4) Reshape products for new eBay</p>	<ul style="list-style-type: none"> a) Encourage sellers to create charity listings from mobile phones. b) Drive up use of Android Give at Checkout. c) Explore ways to enable "frictionless giving" through account level settings d) Help users charity selection through better categories
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Changes to structure and business model

At the end of September 2014, eBay Inc announced its intention to separate eBay and PayPal into independent, publicly traded companies in the second half of 2015.

eBay Inc. (Nasdaq: EBAY) today said its Board of Directors, following a strategic review of the company's growth strategies and structure, has approved a plan to separate the company's eBay and PayPal businesses into independent publicly traded companies in 2015, subject to customary conditions. Creating two standalone businesses best positions eBay and PayPal to capitalize on their respective growth opportunities in the rapidly changing global commerce and payments landscape, and is the best path for creating sustainable shareholder value, the company said.

(Source: eBay Inc blog, 30 September 2014)

We are working closely with both eBay and PayPal to ensure that we remain well-placed to support and encourage charitable giving in partnership with each company and the charity is confident that eBay for Charity will continue to thrive. To that end we recruited additional board members in 2015 to increase our insight into, and alignment with, the two companies' business priorities.

The new structure will require careful separation of the underlying technologies powering eBay for Charity, a process that is likely to consume significant technical resources in 2015. We do not anticipate major structural changes for PayPal Giving Fund UK. Since eBay Inc is currently the sole member of our parent charity, PayPal Charitable Giving Fund (US), this membership is likely to transfer to PayPal during the separation.

We anticipate that PayPal, as an independent company, will move quickly to develop a social innovation and corporate responsibility strategy of its own. Our board has committed to work closely with PayPal to identify opportunities in which PayPal Giving Fund's capabilities can generate significant charitable impact.

Trustees' report Year to 31 December 2014

Total funds raised during the period

During the period funds raised through PayPal Giving Fund's programmes grew by 7% year on year, reflecting growth in sales made by charities. Donations made by eBay buyers and sellers declined slightly during the period, as eBay shoppers continued their migration to mobile interfaces, and in the absence of a 2014 campaign on the scale of Comic Relief and the DEC Philippines Appeal the previous year.

	2014	2013	Growth
Sales by charities	£13,531,123	£12,681,583	7%
Donations from sellers	£1,471,959	£1,512,505	-3%
Donations from buyers	£1,536,741	£1,690,361	-9%
Other donations through eBay and PayPal appeals	£656,607	£221,503	197%
Gift Aid	£254,392	£243,415	5%
Other donations from eBay Inc companies, notably StubHub.	£35,270	—	—
Total	£17,486,092	£16,349,367	7%

Over 9,500 charities (including a small number of subsidiary funds) have now registered with PayPal Giving Fund UK to participate in eBay for Charity. Of these, 1,267 registered during the period, compared with 1,098 in the previous year. We continue to promote eBay for Charity widely across the sector to encourage more charities to register. During the period, we participated in a wide variety of promotional events, organised by (amongst others), Third Sector Magazine, the Charity Retail Association, Help the Hospices, the Institute of Fundraising and the Foundation for Social Improvement, with a combined total of 4,700 delegates. We also advertised in Third Sector and Fundraising magazines, with a combined readership of around 25,000.

The range of charities benefiting

In total, 4,849 charities received donations during the period (4,875 in 2013). The 20 charities receiving the largest value of donations are listed below (in alphabetical order). While many of the largest fundraising charities are present in the list, some smaller charities are also having significant success in raising funds through eBay for Charity:

- BBC Children in Need
- Beating Bowel Cancer
- British Red Cross Society
- Cancer Research UK
- DEC Ebola Crisis Appeal
- DEC Gaza Crisis Appeal
- DEC Philippines Typhoon Appeal
- Dogs Trust

Trustees' report Year to 31 December 2014

The range of charities benefiting (continued)

- Great Ormond Street Children's Hospital Charity
- Help for Heroes
- Leukaemia Care
- Macmillan Cancer Support
- Marie Curie Cancer Care
- Medecins San Frontieres
- Rainbow Trust Children's Charity
- Royal British Legion
- Save the Children UK
- MND Scotland
- Soi Dog UK
- Teenage Cancer Trust

Governance, structure and management

Structure and governing documents

PayPal Giving Fund UK is governed by its memorandum and articles of association (last updated 15 April 2013). 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 the PayPal Charitable Giving Fund (PPCGF), a United States 501(c)(3) non-profit organisation. 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, and currently there are nine. All Trustees are appointed by PPCGF.

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 PPCGF. There is no limit on the number of times a Trustee may be reappointed.

Governance, structure and management (continued)

The Board of Trustees (continued)

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. During the period, two trustees completed their terms of office and resigned. Matthew Metcalfe was elected as chair, replacing Abbie Rumbold. Since then, three new trustees have been appointed to the board: Alison Sagar, Angela Cummings, and Julia Hutton-Potts.

Trustees meet quarterly for formal meetings, during which time they oversee current business, and review strategy, operational and financial performance against annual plans and budgets. Additional meetings are scheduled on an ad hoc basis, in which a subset of trustees meets to consider particular issues. On appointment, trustees receive an induction pack containing a detailed background on the charitable company and its work, and meet with the chair and chief executive, helping them to make informed decisions from the outset.

Compliance with the Code of Governance

The charitable company recognises 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.

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 on-going needs, with the aim of developing employees for both their current and future roles.

Fundraising Standards Board and customer feedback

The charity has been a member of the Fundraising Standards Board (FRSB) self-regulatory scheme since July 2008. We display the FRSB logo on every page of our website, and link via this back to the FRSB website.

Governance, structure and management (continued)

Fundraising Standards Board and customer feedback (continued)

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 resolved 2,245 user inquiries during the period (2,162 in 2013), with an average resolution time of 16.3 hours (24.8 hours in 2013). The apparent increase is due to a new tracking process we employed in April 2014; we are now recording cases originating from phone calls and emails, whereas previously we recorded only those originating from the Contact Us section of our website (2,065 cases originated from the website in 2014).

During the period we received 3 complaints. Two arose from confusion about our donations collection system, which we were able to explain to the complainants' satisfaction. A third complaint from a charity concerned delays in updating information in charities' PayPal Giving Fund accounts. While we were not able to reduce the delay by much, we have ensured that our process is as efficient as possible. We also plan to make improvements to the quality of information provided when we update our platform.

Risk management, internal controls and delegated authority

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.

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 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 PPCGF;

Governance, structure and management (continued)

Risk management, internal controls and delegated authority (continued)

- Clear expenses policies with trustee approval required for any significant expenditure; and
- Identification and management of major risks through a risk register, reviewed at most meetings of the trustees.

Statement of trustees' responsibilities

The trustees (who are also directors of PayPal Giving Fund UK for the purposes of company law) are responsible for preparing the trustees' report and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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 charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Trustees' report Year to 31 December 2014

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

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

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

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.

Financial review

Results for the year

The statement of financial activities on page 21 shows total incoming resources of £4,530,071 (2013 - £4,222,716) and total resources expended of £4,560,937 (2013 - £4,214,011) including £3,954,227 (2013 - £3,663,540) distributed to charities participating in the eBay for Charity programme.

Financial position and Reserves policy

Financial position

General funds of the charity at 31 December 2014 were in surplus by £365,503 (2013 – surplus of £397,111).

At the balance sheet date, the charitable company held funds of £2,336 (2013 - £1,594) which were restricted. These monies had either been raised for, and their use restricted to specific purposes, or they comprised donations subject to donor imposed conditions. Full details of restricted funds can be found in note 12 to the financial statements together with an analysis of movements in the year.

Reserves policy

The Trustees are satisfied that the current position provides sufficient financial certainty to continue the charitable company's operations in the medium term.

The trustees have formulated a reserves policy for the charitable company. Given the charity's degree of financial security, the charity has a limited need to maintain financial reserves. However, reserves may still be required to:

- Meet any unbudgeted expenditure within the year,
- Bridge any cash flow issues arising from delayed payments from our parent charity,

Trustees' report Year to 31 December 2014

Financial review

Financial position and Reserves policy (continued)

Reserves policy (continued)

- Wind down the charity in the event of an unexpected funding termination (e.g. due to a breach of terms).

The charity will therefore maintain a target level of at least 6 months' running costs, which currently total £180,000.

- If reserves drop below this level, we should include a contribution to them in each year's budget.
- If reserves are significantly above this level, the charity will consider how they might best be applied to further the charity's purposes.

The charity invests its surplus reserves on a temporary basis, with a view to applying them actively to its charitable purposes. Having invested a proportion of our reserves in the "My Favourite Charity" charitable giving campaigns during 2014, trustees are actively considering how to apply remaining surplus reserves to generate additional charitable impact during 2015.

We invest in institutions with a view to:

- Minimising risks by favouring institutions with relatively strong credit ratings, and government backing.
- Minimising administrative burdens by limiting the number of institutions we must engage with.

We aim to have a regular flow of available funds by

- Keeping at least 45% of our reserves target available on an "instant access" basis.
- Choosing accounts with a term no greater than 12 months, and staggering such investments on a quarterly basis.

Gifts in kind

The charitable company is grateful to both eBay UK, which has provided office space valued at £29,400 (2013 - £29,400) in the financial period, and to PayPal Charitable Giving Fund, which provided technical and managerial support valued at £206,479 (2013 - £230,076) in the financial period.

Approved by the Trustees and signed on their behalf by:

 (A CUMMINGS)

Trustee

Approved by the Trustees on 11/4/15

Independent auditor's report 31 December 2014

Independent auditor's report to the members of PayPal Giving Fund UK

We have audited the financial statements of PayPal Giving Fund UK for the year ended 31 December 2014 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Report, the trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 December 2014

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

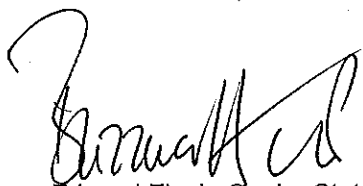
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the Small Companies exemption from the requirement to prepare a strategic report.



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14/4/15

Statement of financial activities Year to 31 December 2014

	Notes	Un- restricted funds £	Restricted funds £	December 2014 Total funds £	December 2013 Total funds £
Income and expenditure					
Incoming resources					
Unrestricted incoming resources from generated funds					
. Voluntary income	1	572,365	3,954,969	4,527,334	4,211,461
Incoming resources from charitable activities	2	—	—	—	6,706
Other incoming resources		2,737	—	2,737	4,549
Total incoming resources		575,102	3,954,969	4,530,071	4,222,716
Resources expended					
Costs of generating funds					
. Costs of generating voluntary income	3	154,526	—	154,526	125,513
Charitable activities					
. PayPal Giving Fund UK– eBay for Charity scheme	4	416,759	3,954,227	4,370,986	4,051,100
Governance costs	5	35,425	—	35,425	37,398
Total resources expended		606,710	3,954,227	4,560,937	4,214,011
Net (outgoing) incoming resources and net movement in funds	6	(31,608)	742	(30,866)	8,705
Fund balance brought forward		397,111	1,594	398,705	390,000
Fund balance carried forward		365,503	2,336	367,839	398,705

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.

Balance sheet 31 December 2014

	Notes	31 December 2014 £	31 December 2014 £	31 December 2013 £	31 December 2013 £
Current assets					
Debtors	10	54,467		47,392	
Cash at bank and in hand		800,656		772,374	
		<u>855,123</u>		<u>819,766</u>	
Creditors: amounts falling due within one year					
	11	<u>(487,284)</u>		<u>(421,061)</u>	
Net current assets			367,839		398,705
Total net assets			<u>367,839</u>		<u>398,705</u>
Represented by:					
Funds and reserves					
<i>Income funds:</i>					
Restricted funds	12		2,336		1,594
Unrestricted funds					
. General funds (reserves)			<u>365,503</u>		<u>397,111</u>
			<u>367,839</u>		<u>398,705</u>

Approved by the Trustees
and signed on their behalf by:

A Cummins
(A CUMMINGS)

Trustee

Approved on: 11/4/15

Principal accounting policies 31 December 2014

Basis of accounting

The financial statements 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 financial statements.

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. Accounting for donations is recorded on a receipts basis as the charity does not become fully entitled to the income until receipt.

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 and direct costs 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
 - Grants payable
Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds, or been informed of the decision to make a grant and has satisfied all related conditions. Grants approved but not paid for at the end of the financial period are accrued for.
 - 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.

Principal accounting policies 31 December 2014

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 financial statements 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".

Notes to the financial statements 31 December 2014

1 Voluntary income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Donations – amounts received from eBay users	—	3,954,969	3,954,969	3,662,278
Grant received	336,486	—	336,486	289,707
Gifts in kind (see below)	—	—	—	—
. Technical and managerial support	206,479	—	206,479	230,076
. Accommodation	29,400	—	29,400	29,400
	<u>572,365</u>	<u>—</u>	<u>572,365</u>	<u>549,183</u>
Total	<u>572,365</u>	<u>3,954,969</u>	<u>4,527,334</u>	<u>4,211,461</u>

The charitable company is grateful to both eBay UK, which has provided office space valued at £29,400 in the financial period, and PayPal Charitable Giving Fund and Ebay Inc., which has provided technical and managerial support valued at £206,479 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 £	2014 Total funds £	2013 Total funds £
Administrative fees	—	—	—	6,706

3 Cost of generating funds

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Cost of generating voluntary income				
. Staff costs (note 7)	62,795	—	62,795	53,564
. Other publicity costs	91,731	—	91,731	71,949
	<u>154,526</u>	<u>—</u>	<u>154,526</u>	<u>125,513</u>

Notes to the financial statements 31 December 2014

4 Cost of charitable activities

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Charitable donations	—	3,954,227	3,954,227	3,663,540
Staff Costs (note 7)	120,108	—	120,108	109,839
Premises costs – in-kind donation from eBay UK	29,400	—	29,400	29,400
Technical and managerial support – in-kind donation from PayPal Charitable Giving Fund	206,479	—	206,479	230,076
Other costs	60,772	—	60,772	18,245
	<u>416,759</u>	<u>3,954,227</u>	<u>4,370,986</u>	<u>4,051,100</u>

5 Governance

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Staff costs (note 7)	22,942	—	22,942	22,472
Auditors' remuneration	9,211	—	9,211	8,993
Other governance costs	3,272	—	3,272	5,933
	<u>35,425</u>	<u>—</u>	<u>35,425</u>	<u>37,398</u>

6 Net incoming resources before transfers

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Auditors' remuneration				
Statutory audit services	9,211	—	9,211	8,993

7 Employees and staff costs

Staff costs during the period were as follows:

	2014 £	2013 £
Wages and salaries	171,910	152,562
Social security costs	16,597	16,331
Pension costs	17,338	16,982
	<u>205,845</u>	<u>185,875</u>

Notes to the financial statements 31 December 2014

7 Employees and staff costs (continued)

Staff costs per function were as follows:

	2014 £	2013 £
Costs of generating funds	62,795	53,564
Charitable activities		
PayPal Giving Fund UK – eBay for Charity scheme	120,108	109,839
Governance of the charity	22,942	22,472
	205,845	185,875

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

	2014 number	2013 number
Costs of generating funds	1.07	1.00
Charitable activities		
PayPal Giving Fund UK – eBay for Charity scheme	2.04	2.10
Governance of the charity	0.39	.40
	3.50	3.50

The emoluments of one higher paid employee fell between the following range:

	2014 number	2013 number
£70,000 - £80,000	1	1

The pension contributions made to the higher paid employee amounted to £11,497.

8 Expenses and Trustees' remuneration

None of the trustees received any remuneration in respect of their services during the period.

Out of pocket expenses reimbursed to one Trustee for the period amounted to £91 (2013 £nil).

Ms A Rumbold, a trustee during the year (resigned 26 November 2014), is a partner at Bates Wells & Braithwaite, the charitable company's legal advisers. The charity paid £3,031 (2013 - £5,280) to Bates Wells & Braithwaite during the year, for legal services provided on an arms-length basis.

9 Taxation

PayPal Giving Fund 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.

Notes to the financial statements 31 December 2014

10 Debtors

	2014 £	2013 £
Due within one year		
Taxation recoverable	53,559	43,991
Other debtors	908	3,401
	54,467	47,392

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Taxation and social security	10,634	6,532
Donations to charities	428,746	403,452
Accruals	9,000	9,077
Grants payable	38,904	2,000
	487,284	421,061

12 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 1 January 2014 £	Incoming resources £	Expenditure and transfers £	At 31 December 2014 £
PayPal Giving Fund UK – eBay for Charity scheme	1,594	3,954,969	(3,954,227)	2,336

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

- PayPal Giving Fund UK – eBay for Charity scheme

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

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Fund balances at 31 December 2014 are represented by:				
Current assets	424,040	431,083	855,123	819,766
Creditors: amounts falling due within one year	(58,537)	(428,747)	(487,284)	(421,061)
Total net assets	365,503	2,336	367,839	398,705

Notes to the financial statements 31 December 2014

14 Related parties

PayPal Charitable Giving Fund, a United States 501(c)(3) non-profit organisation ('PayPal Charitable Giving Fund') is the sole member of PayPal Giving Fund UK. During the period, PayPal Charitable Giving fund provided in-kind support totalling £206,479 (2013 - £230,076). Other than those transactions stated above there were no other related party transactions during the year.

Several trustees of the charity hold remunerated positions in related organisations: eBay, PayPal, and PayPal Charitable Giving Fund. The charity has actively sought out trustees from those organisations in order to maximise our charitable impact by identifying shared opportunities. The current trustees include Cameron McLean (Managing Director, PayPal UK), Doug Gledhill (President/Exec Director, PayPal Charitable Giving Fund), Sean Milliken (Board member, PayPal Charitable Giving Trust and Employee of eBay Inc.), Julia Hutton-Potts (Director of Communications, eBay UK) and Alison Sagar (Marketing Director UK and Ireland, PayPal).

15 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.