



**PayPal Giving Fund UK**

**Annual Report and Financial  
Statements**

31 December 2015

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

Charity Registration Number  
1110538

## Contents

### Reports

Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2
Independent auditor's report	20

### Financial statements

Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Principal accounting policies	25
Notes to the financial statements	28

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

<b>Trustees</b>	Matthew Metcalfe (Chair) Alison Sagar (appointed 27 February 2015) Angela Cummings (appointed 27 February 2015) Cameron McLean Douglas Gledhill (resigned 21 September 2015) Julia Hutton-Potts (appointed 27 February 2015) Llewellyn Thomas Ruth Holdaway (resigned 11 March 2016) Sean Milliken
<b>Company secretary</b>	Nick Aldridge
<b>Staff</b>	
CEO	Nick Aldridge
Head of UK Operations	James Hurst
Operations Executive	Millie Chander-Abraham (maternity cover)
Accountant	Anya Milligan
<b>Registered office</b>	Whittaker House, Whittaker Avenue Richmond, Surrey TW9 1EH
<b>Websites</b>	<a href="http://www.paypalgivingfund.org.uk">www.paypalgivingfund.org.uk</a>
<b>Company registration number</b>	5507404 (England and Wales)
<b>Charity registration number</b>	1110538
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank Plc Onslow Hall, Little Green, Richmond, Surrey, TW9 1QS
<b>Solicitors</b>	Bates Wells & Braithwaite 2 – 6 Cannon Street London EC4M 6YH

## **Trustees' report Year to 31 December 2015**

The trustees present their statutory report together with the financial statements of PayPal Giving Fund UK for the year to 31 December 2015.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the United Kingdom and Republic of Ireland (FRS 102) effective from accounting periods commencing 1 January 2015 or later.

### **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 the development of partnerships with PayPal Inc and its subsidiaries, and with leading internet businesses such as eBay and Humble Bundle. The partnerships enable the full range of UK charities to generate unrestricted funds from innovative customer giving programmes.

### **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 restrictions on our grants beyond those necessitated by charity law to ensure our funds are spent appropriately.

Through our partnership with PayPal, we undertake checks to ensure that charities on the system are correctly registered, in good standing with relevant regulators, and that they have verified PayPal accounts so donations can be promptly regranted. We suspend from our system any charities for which this is not the case.

During 2016 we will undertake additional "spot 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 tested the survey in 2015 and received a satisfactory level of information from the charities surveyed.

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 resulted in improvements to the proposed Gift Aid declaration ultimately published by HMRC in October 2015. We participate actively in many conferences and events attended by UK charities, as well as providing material to the UK charity press.



**Public benefit** (continued)

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 PayPal's, eBay's and Humble Bundle's online shopping audiences.

**Achievements and performance**

***Strategic objectives***

During the period we reviewed and renewed our over-arching strategy to better align with our new context and ambitions. Through our partnership with PayPal, our vision is to empower consumers, merchants and charities to take control of fundraising and drive up charitable giving. To achieve this vision, we work to create inclusive networks of donors, merchants & charities so all can participate in raising new, unrestricted funds. Our partnerships with leading internet businesses such as eBay and Humble Bundle enable their customers to do good as part of their daily lives.

During the period, we more closely defined our value proposition to each of our three key audiences:

Charities	<ul style="list-style-type: none"><li>• We connect you to a large, growing, inclusive network of consumers and merchants through our relationship with PayPal</li><li>• We help you raise new, additional, unrestricted funds through the fundraising opportunities we create</li></ul>
Merchants	<ul style="list-style-type: none"><li>• We empower you to deliver powerful, scalable, giving programmes that enable consumer choice to drive customer participation and boost your brand</li></ul>
Donors	<ul style="list-style-type: none"><li>• We make it easy to support the causes you care about as part of your daily life online, by embedding giving in your favourite ecommerce sites</li><li>• We deliver 100% of the funds we receive to the right charity at the right time.</li></ul>

**Our partnership with PayPal**

We enjoy a close and highly supportive relationship with PayPal, which collaborates with us to generate fundraising opportunities that engage its customers, and provides the majority of funding for our operating costs.

Together with PayPal, we provide:

- A single, integrated process for charities to confirm their charitable status, pass compliance and security checks and enrol with PayPal Giving Fund
- A system for charities to receive monthly payments from PayPal Giving Fund direct into their PayPal accounts

### Our partnership with PayPal (continued)

- An API so that partners can access the entire directory of charities enrolled with us in real time and raise funds for the charities of their choice.

We also work with PayPal to provide giving opportunities for PayPal customers, for example through our charitable giving campaign in December 2015.

### Our partnership with eBay

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.

We continue to pass on 100% of each donation we collect, thanks to PayPal's generosity in covering our operating costs, and eBay's support for the transaction costs incurred by eBay for Charity donors.

#### eBay sellers can support their favourite charities



The screenshot shows a user interface for donating to a charity through eBay. At the top, it says "Raise money for your favourite charity through eBay". Below this, a message states: "Donate between 10% and 100% of your sale to charity and eBay will give you a credit on basic selling fees for sold items." There are two radio buttons: the first is selected and labeled "I don't want to donate this time"; the second is labeled "Katie Piper Foundation". Below this, there are two more radio buttons: one labeled "Empty Homes" and another labeled "Comic Relief - Red Nose Day". Below the radio buttons, there is a link that says "Or, select another charity". Below the link, there is a label "Choose your donation percentage" and a dropdown menu showing "50%".

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.

#### eBay buyers can add a donation at checkout

##### Donate to charity (optional)

National Gulf Veterans & Families Association ⓘ  
25 years on, please donate and help a forgotten Gulf War 1 hero

☒ None

☐ £1.00

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 companies that donate items. In these cases, we provide the charities and companies with support and advice to make sure their fundraising is as successful as possible.

### **Our new partnership with Humble Bundle**

Humble Bundle is a leading retailer of downloadable games and books. The marketplace was founded in 2010 as an experiment in packaging and pricing of digital content. Digital content is a highly competitive industry, driven by flash sales, exclusive content and other premiums to attract and retain buyers. Humble Bundle's "pay what you want" pricing model allows their customers to choose how much of their purchase price goes to the game's publisher, how much is "tipped" to the Humble Bundle platform, and how much goes to charity. Although each bundle purchase has default settings, the buyer has complete control over this mix, and can choose to give 100% of their purchase price to charity.

"Pay What You Want... To Charity" has been part of Humble Bundle listings since the company's start. Over time, Humble Bundle developed partnerships with 46 charities, of which the majority are based in the US. During the period, we launched a partnership with Humble Bundle to bring increased efficiency, scale and reach to their program. In September 2015, they re-designed their interface to enable customers to choose the charities they want to support from their purchases. Now, a buyer can select any favourite charity from the PayPal Giving Fund directory of more than 37,000 US and UK organizations, and the specific amount of their Humble Bundle purchase their favourite charity will receive.

As a result of our partnership, 7,000 charities have benefited from donations from Humble Bundle. In the UK alone, Humble Bundle has donated more than £1m, and over 2,000 charities received funds during the period. The charities benefiting from this newfound source of funding are impressed and delighted by the results:

"This has made my day! Our ongoing partnership is simply fantastic - I can't thank you enough. Obviously the monies you have raised will be put to work straight away, for example we are busy in the refugee camps in Lebanon providing vital water and sanitation as people flee from war and terror in search for safety. Very best of luck with the next Humble Bundles."

Nicola Pawsey, Head of Engagement, Oxfam GB

"This year Humble Bundle has raised over £41k for Willow, which is an exceptional amount. Thank you for all of your support."

Hannah Carey, Major Partnerships Officer, Willow



### Our new partnership with Humble Bundle (continued)

Customers can choose their own charity to support through flagship promotions, dividing their purchase between the developers, charities, and Humble Bundle:

Purchase Humble Weekly Bundle: Full Motion Video

Pay What You Want! \$4 \$5 \$25 Custom Amount

Choose where your money goes

Developers \$16.25

Charity \$3.75

The Wikimedia Foundation \$1.87

SpecialEffect \$1.87

[Choose Your Own Charity](#)

[Reset](#)

**Charity Search**

Search names or keywords

CATEGORY: All COUNTRY: All

[Search](#)

**Suggested charities**

Charity	Location	Action
American Red Cross	Washington, DC	<a href="#">SELECT</a>
Child's Play	Redmond, WA	<a href="#">SELECT</a>
GamesAid	United Kingdom	<a href="#">SELECT</a>
Wikimedia Foundation	San Francisco, CA, USA	<a href="#">SELECT</a>
charity: water	New York, NY	<a href="#">SELECT</a>

Customers can also choose a favourite charity to benefit from a set proportion of their purchases from the Humble Store.

**Humble Store**

10% of proceeds go to charity \* | \$4,041,000 contributed to charity

10% of your purchase will support \* **GamesAid**

If you would like to support a different charity, select a new one from a database of thousands.

Featured Charities

Select one of our featured charities, or choose a new one from a database of thousands. Have any questions? Visit our [support page](#).

Charity	Action
American Red Cross	<a href="#">SELECTED</a>
Child's Play	<a href="#">SELECT</a>
GamesAid	<a href="#">SELECT</a>
Wikimedia Foundation	<a href="#">SELECT</a>
charity: water	<a href="#">SELECT</a>

**Charity Search**

Search names or keywords

CATEGORY: All COUNTRY: All

[Search](#)



### Strategic objectives in 2015

Our main strategic objectives for the period are listed below, along with a brief description of our key undertakings and level of success in meeting them.

<p>1) PayPal unlocks new opportunities for charities</p> <ul style="list-style-type: none"> <li>a) Launch and promote a new PayPal-based platform for the charities we support.</li> <li>b) Scope and champion new fundraising products through PayPal, reflecting PayPal's emerging social innovation strategy</li> <li>c) Harness PayPal's relationships with key merchants to encourage charitable giving that engages shared customers.</li> </ul>	<p>After a period of development and testing, in August 2015 we made our new platform available to UK charities for the first time, and completed our first registrations in the following month. By the end of January 2016, more than 750 charities had successfully enrolled.</p> <p>We worked with PayPal to design and launch a new Donate Now hub page to facilitate donations from PayPal customers, providing an improved user experience. The page was used in PayPal's World Record-breaking holiday giving campaign.</p> <p>During the period we built on PayPal's relationships with Humble Bundle and British Airways to engage their customers in raising funds for charity. The Humble Bundle partnership has grown into a large-scale and effective fundraising programme.</p>
<p>2) PayPal Giving Fund established in PayPal group.</p> <ul style="list-style-type: none"> <li>a) Ensure we have a strong board with the right skills and a solid financial basis for our operations.</li> <li>b) Grow PayPal Giving Fund into a full role within the PayPal group and charity sector</li> <li>c) Support eBay's efforts to launch eBay for Charity in two additional markets.</li> </ul>	<p>We strengthened our board by making new appointments to fill identified skills gaps and reinforce our relationship with key partners.</p> <p>We restructured the staff team, appointing a global CEO and chief finance officer from within the existing staff team, and recruiting to a head of operations post in the UK. We also undertook corporate separation from eBay, regained access to key systems.</p> <p>We completed our integration into the PayPal group, gaining access to key PayPal systems to support our work and building stronger relationships with the UK team.</p> <p>We deprioritised international expansion due to a stronger focus on rebuilding our core technology, and regulatory hurdles that have prevented us moving into Germany, a key market for eBay.</p>

**Strategic objectives in 2015** (continued)

<p>3) Grow eBay for Charity into "UK's biggest foundation"</p> <ul style="list-style-type: none"> <li>a) Grow charities' sales through the eBay platform.</li> <li>b) Drive up favourite charity votes to increase eBay for Charity's impact.</li> <li>c) Shape and market charity inventory to buyers.</li> <li>d) Continue to improve our systems to protect our reputation as a responsible funder</li> </ul>	<p>We accelerated growth in charities' eBay sales from 7% to 17%, improving our materials and providing a new professional review service to leading charity shops.</p> <p>We also deepened and strengthened our marketing partnership with eBay to provide more opportunities to promote inventory. However, we postponed work on the Favourites campaigns to focus instead on promoting eBay for Charity selling in late 2015.</p> <p>We worked with PayPal to ensure their vetting and compliance meets our needs as a charity, and strengthened it through additional checks on charities' use of our funds.</p>
<p>4) Reshape products for new eBay</p> <ul style="list-style-type: none"> <li>a) Encourage sellers to create charity listings from mobile phones.</li> <li>b) Drive up use of Android Give at Checkout.</li> <li>c) Explore ways to enable "frictionless giving" through account level settings</li> <li>d) Help users charity selection through better categories</li> </ul>	<p>We supported eBay in providing more prominent and intuitive charity donation options for its customers on mobile interfaces, encouraging more people to give.</p> <p>Our plans to overhaul the user experience, including account-level settings and charity selection were delayed due to the work required by company separation, though they remain aspirations for the future.</p>

**Plans for the future**

We have set global priorities for 2016 with UK-specific focuses in some key areas. During the following year we will focus on:

Priority	UK specific goals
<p><b>Integrate with PayPal's social innovation strategy:</b></p> <ul style="list-style-type: none"> <li>• Redefine and articulate our charitable purpose in relation to PayPal's</li> <li>• Complete the successful migration of charities to PayPal platform and tools, maximising retention of funds raised and new enrolments</li> <li>• Develop and grow more scalable partnerships with PayPal in US and UK to increase direct PP impact: "Cause Everywhere"</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure successful migration of UK charities and drive charity recruitment (using incentives)</li> <li>- Promote and position PPGF to charities within the PP UK site to boost organic recruitment</li> <li>- Support efforts to transform and promote PayPal offerings that benefit charities</li> <li>- Enable employee giving through a new site and registration</li> <li>- Work with PP UK marketing team to deliver 3 major collaborations (e.g. BA, Ocado, Give Cheer )</li> </ul>
<p><b>Grow the impact, scale and reach of ecommerce partnerships</b></p> <ul style="list-style-type: none"> <li>• Establish solid customer service relationships with our key partners</li> <li>• Develop and implement a clear contact strategy and process to engage charities with our programs</li> <li>• Define target market, offering, and pricing for new partners, then seek to add relevant and impactful partners to grow our reach and impact</li> </ul>	<ul style="list-style-type: none"> <li>• Work closely with eBay to promote eBay for Charity to charities and customers, according to our respective expertise</li> <li>• Strengthen relationships across eBay so we can remain a strong, informed partner</li> <li>• Formalise and fund the additional work we do for eBay in the UK to manage eBay for Charity</li> <li>• Support eBay in developing global platform for eBay for Charity</li> </ul>



*Plans for the future (continued)*

<p><b>Build our operations and capacity to deliver excellence</b></p> <ul style="list-style-type: none"> <li>• Use our partnership with PayPal to expand and improve our customer service for donors and charities</li> <li>• Test and launch automated transaction integrations for all key donation flows to streamline our process</li> <li>• Undertake an HR audit in US and initiate improvements</li> <li>• Develop board engagement, leadership capacity &amp; team culture</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure customer service continues to meet needs of UK charities and donors</li> <li>• Revisit and improve key operational procedures, including pay-outs, escalations and reassigns</li> <li>• Support further development of the UK team and board, building on the US review and new people</li> <li>• Research charities' use of funds to meet regulatory requirements and generate case studies</li> </ul>
---	---

**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. The separation went ahead in July 2015. We renegotiated contracts with eBay and PayPal to continue providing our programmes.

We worked 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 that we could be confident eBay for Charity will continue and thrive. To that end we recruited additional board members during the period to increase our insight into, and alignment with, the two companies' business priorities.

The separation process involves splitting the underlying technologies powering eBay for Charity; this consumed significant technical resources in 2015 and will continue to do so through the first half of 2016. As anticipated, the corporate membership of our parent charity, PayPal Charitable Giving Fund (US), transferred to the newly floated PayPal Inc during the separation.

As PayPal develops and rolls out its own social innovation strategy, we will continue to work closely with PayPal to identify opportunities in which PayPal Giving Fund's capabilities can generate significant charitable impact.

**Total funds raised during the period**

During the period donations received through PayPal Giving Fund's programmes grew by 32% year on year, reflecting the additional funds raised through Humble Bundle, and growth in donations generated by our former partner, Givey, in the first half of the year. Humble Bundle, in particular, made over £1m in donations to benefit UK charities during the first year of our partnership, and we anticipate more success in the future.



**Total funds raised during the period (continued)**

Donations from eBay sellers grew during the period, with eBay's mobile interfaces offering the charity option more prominently during the second half of the year. We expect further growth in 2016 as desktop experiences follow suit. However, donations made by eBay buyers declined significantly due to new checkout flows and technology on eBay, which resulted in many fewer opportunities to give. While some of the technical obstacles have been addressed, we do not anticipate that give at checkout donations, which were particularly low towards the end of the year, will recover to their former level in the foreseeable future.

Growth in sales by charities on eBay accelerated to 17% (7% in 2015), with 51 charities generating more than £50,000 of sales (43 in 2014) and a further 135 raising more than £10,000 (119 in 2014). We also continued to engage eBay users in selecting favourite charities, though without running dedicated campaigns. During the period 18,387 eBay users cast 41,000 votes for favourite charities (21,423 users cast 69,000 votes in 2014).

	2015	2014	Growth (previous year's growth)
Sales by charities on eBay	£15,790,004	£13,531,123	17% (7%)
Donations from eBay sellers	£1,537,739	£1,471,959	4% (-3%)
Donations from eBay buyers	£1,366,245	£1,536,741	-11% (-9%)
Donations made by Humble Bundle	£1,042,001	—	n/a
Other donations through PayPal appeals	£901,622	£656,607	37% (197%)
Gift Aid	£316,013	£254,392	24% (5%)
Other donations notably StubHub	£53,817	£35,270	53%
<b>Total</b>	<b>£21,003,620</b>	<b>£17,486,092</b>	<b>20% (7%)</b>

Over 10,500 charities (including a small number of subsidiary funds) have now registered with PayPal Giving Fund UK. Of these, 1,250 registered during the period, compared with 1,068 in the previous year. A sample of recently enrolled charities is included below by way of illustration:

- Big Difference Company Ltd
- CP Cumbria
- Ethiopian Schools for the Poor - English Alive
- Garden House Hospice Trading Ltd
- Living Without Abuse
- The Freedom Fund
- The Jewish Council for Racial Equality (2008)
- The Red Balloon Family Foundation
- Ulster Historical Foundation

**Total funds raised during the period** (continued)

We continue to promote our programmes widely across the sector to encourage more charities to register. During the period, we invested in new video content for our events schedule and marketing channels. We developed our first set of brand guidelines to help provide consistency and stand out in our marketing. We continued and enhanced involvement at events such as the Institute of Fundraising Convention and continued to be a key sponsor of the Charity Retail Association Conference and of CHASE. We also attended a new event - the Digital Technology Conference for charities.

Other activity in 2015 included a special offer on mobile card readers that benefited 100 redemptions charities, a campaign to encourage charities' supporters to sell on eBay. We ran two new campaigns with PayPal, benefiting Comic Relief in partnership with British Airways, and in support of a wide range of charities for a Giving Tuesday campaign.

**The range of charities benefiting**

In total, 5,821 charities received donations during the period (4,849 in 2014). The significant increase (+20%) resulted mainly from our new partnership with Humble Bundle, which has enabled its customers to support charities that had not previously received funds from PayPal Giving Fund.

The 20 charities receiving the largest value of donations are listed below (in alphabetical order). While some of the largest fundraising charities are present in the list, smaller charities are also having significant success in raising funds through PayPal Giving Fund.

- BBC Children In Need
- Boon Lott's Elephant Sanctuary
- Cancer Research UK
- Comic Relief
- DEC Nepal Earthquake Appeal
- Dogs Trust
- GamesAid
- Great Ormond Street Hospital Children's Charity
- Help for Heroes
- Macmillan Cancer Support
- Marie Curie Cancer Care
- Oizer Dalim Trust
- Oxfam GB
- RSPCA
- SpecialEffect
- The Royal British Legion
- Walking With The Wounded
- War Child
- Whale and Dolphin Conservation Society
- Willow Foundation



***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 eight. All Trustees are appointed by PPCGF, having been proposed by the board.

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 absolute limit on the number of times a Trustee may be reappointed.

The names of the trustees who served during the year are set out as part of the reference and administrative details on page 1 of this annual report and accounts. During the period, three trustees were appointed, bringing additional expertise from PayPal in marketing, from the charity sector in fundraising, and from eBay in communications.

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 reviews board effectiveness each year to encourage 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.

***Employees (continued)***

The charity supports and encourages diversity. 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, with regular one-to-one meetings. Development programmes are discussed with employees to meet any on-going needs, with the aim of developing employees for both their current and future roles.

PayPal Giving Fund believes in rewarding staff fairly for their jobs, and fostering a positive work environment. We are also responsible for ensuring that the charity's funds are used cost-effectively, and aim to achieve a sensible and proportionate balance in setting pay levels. Salaries are set and reviewed by line managers, in consultation with the CEO, and include a small element of performance-related pay. The CEO salary is agreed by the UK board as employer, and the US board as funder.

- Salaries are reviewed whenever job requirements change significantly, and when the charity undertakes recruitment. In setting salaries, we consider:
- The need to secure and retain a suitably skilled and experienced professional staff team to deliver the charity's objectives.
- Local marketplace knowledge and external benchmarks in each country, with reference to the recommendations of relevant recruitment organisations.
- In the case of some senior roles, the need to manage operations in multiple countries, with associated time pressures and travel commitments.
- That high-level skills in finance and technology, which the charity needs in many roles, are particularly competitive fields for recruitment.

While we do not aim to match commercial sector salaries, we take into account the additional responsibilities and requirements on personnel that come from delivering our aims in partnership with PayPal, and other leading internet businesses, often in a global context. Our operational funding is provided by our partner businesses, rather than from donations made by the public.

**Customer service and complaints**

We resolved 3,046 user inquiries during the period (2,245 in 2014), with an average resolution time of 35 hours (16.3 hours in 2014). As our platform grows and user inquiries increase accordingly, we have found it challenging to ensure timely customer service responses. We are now investigating how our partnership with PayPal could provide more scalable and effective customer service infrastructure.

During the period we received two complaints that prompted investigations. One charity asked us to ensure that our Gift Aid wording on the PPGF donation pages accurately reflects its use for repeat donors. We are taking steps to improve both the wording, and the re-use of Gift Aid declarations on those donations, during 2016.



**Customer service and complaints** (continued)

We also received a complaint from a donor about PayPal fees on their eBay for Charity sales. While we do communicate these fees to sellers on our help pages, and are unable to waive them as a matter of course, we continue to explore ways we can provide discretionary refunds to dissatisfied sellers in a more effective and streamlined way.

**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, and were reviewed and updated during the period. 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, the CFO and individual Trustees;
- Monitoring of the charitable company's day-to-day financial transactions by the CEO, accountant and accounting team at PPCGF;
- 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.

During the period, we focused particularly on the following risks in our register.

- Loss of key staff, which is mitigated by sharing knowledge and processes across the staff team, and ensuring high quality handovers.

**Risk management, internal controls and delegated authority** (continued)

- Contract risk from competition, which is mitigated by improving customer service to our key partners and reviewing key contracts regularly.
- Procedural and systems risks from changes to our processes, which were mitigated by codifying and documenting the new processes.
- Fraud and error risk, which we manage through the regular review of financial controls and through bank reconciliations.

**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



**Statement of trustees' responsibilities** (continued)

- 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.

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 22 shows total incoming resources of £5,949,454 (2014 - £4,530,071) and total resources expended of £5,944,828 (2014 - £4,560,937) including £5,217,170 (2014 - £3,954,227) distributed to charities participating in the Platform Partner Programmes.

**Financial position and Reserves policy**

*Financial position*

The balance sheet shows total funds of £372,465 (2014 - £367,839).

At the balance sheet date, the charitable company held funds of £2,603 (2014 - £2,336) 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 10 to the financial statements together with an analysis of movements in the year.

General funds of the charity at 31 December 2015 were in surplus by £369,862 (2014 – surplus of £365,503).

*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:

**Financial review** (continued)

***Financial position and Reserves policy*** (continued)

*Reserves policy* (continued)

- Meet any unbudgeted expenditure within the year,
- Bridge any cash flow issues arising from delayed payments from our parent charity,
- Wind down the charity in the event of an unexpected funding termination (e.g. due to a breach of terms).

The charity therefore maintains a minimum target level of at least 6 months' cash running costs, which currently total £167,000.

- If reserves drop below this level, the charity will 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. During the period we spent £17,020 from our surplus reserves, though this was offset by an operating surplus against budget, and trustees have allocated up to £90,020 for future expenditure on our charitable programmes, including:

- Encouraging charities to remain enrolled with PPGF during our migration to a new platform
- Providing matched donations for campaigns in partnership with PayPal
- Providing expertise and training for charities in maximising their online income.

We invest retained reserves 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.



## Trustees' report Year to 31 December 2015

### Gifts in kind

The charitable company is grateful to both PayPal UK, which has provided office space and legal advice valued at £44,200 (2014 - £29,400) in the financial period, and to PayPal Charitable Giving Fund, which provided technical and operational support valued at £333,650 (2014 - £206,479) in the financial period.

Approved by the Trustees and signed on their behalf by:



Trustee

Approved by the Trustees on 11 May 2016

## **Independent auditor's report 31 December 2015**

### **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 2015 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), including FRS 102, the Financial Reporting Standards Applicable in the United Kingdom and Republic of Ireland.

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 2015**

### **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 2015 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

## Statement of financial activities Year to 31 December 2015

	Notes	Un-restricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations and legacies	1	731,315	5,217,437	5,948,752	4,527,334
Other		702	—	702	2,737
<b>Total income</b>		<b>732,017</b>	<b>5,217,437</b>	<b>5,949,454</b>	<b>4,530,071</b>
<b>Expenditure on:</b>					
Raising funds	2	139,091	—	139,091	161,540
Charitable activities					
. PayPal Giving Fund UK– eBay for Charity scheme	3	588,567	5,217,170	5,805,737	4,399,397
<b>Total expenditure</b>		<b>727,658</b>	<b>5,217,170</b>	<b>5,944,828</b>	<b>4,560,937</b>
<b>Net income (expenditure) and net movement in funds</b>	4	<b>4,359</b>	<b>267</b>	<b>4,626</b>	<b>(30,866)</b>
<b>Fund balance brought forward</b>		<b>365,503</b>	<b>2,336</b>	<b>367,839</b>	<b>398,705</b>
<b>Fund balance carried forward</b>		<b>369,862</b>	<b>2,603</b>	<b>372,465</b>	<b>367,839</b>

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 2015

	Notes	31 December 2015 £	31 December 2015 £	31 December 2014 £	31 December 2014 £
<b>Current assets</b>					
Debtors	8	76,845		54,467	
Cash at bank and in hand		687,237		800,656	
		<u>764,082</u>		<u>855,123</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(391,617)</u>		<u>(487,284)</u>	
<b>Net current assets</b>			372,465		367,839
<b>Total net assets</b>			<u>372,465</u>		<u>367,839</u>
<b>The funds of the charity</b>					
Restricted funds	10		2,603		2,336
Unrestricted funds					
. General funds (reserves)			369,862		365,503
			<u>372,465</u>		<u>367,839</u>

Approved by the Trustees  
and signed on their behalf by:



Trustee

Approved on: 11 May 2016

## Cash flow statement 31 December 2015

	Notes	2015 £	2014 £
Cash (outflow)/inflow from operating activities	A	(113,419)	28,282
(Decrease)/increase in cash and cash equivalents	B	(113,419)	28,282

### Notes to the cash flow statement for the year to 31 December 2015.

#### A Adjustment of net income (expenditure) before transfers to net cash (outflow) inflow from operating activities

	2015 £	2014 £
Net income (expenditure) before transfers	4,626	(30,866)
(Increase) in debtors	(22,378)	(7,075)
(Decrease) increase in creditors	(95,667)	66,223
<b>Net cash (outflow) inflow from operating activities</b>	<b>(113,419)</b>	<b>28,282</b>

#### B Analysis of changes in cash and cash equivalents

	At 1 January 2015 £	Cash flows £	At 31 December 2015 £
Cash at bank and in hand	800,656	(113,419)	687,237
<b>Total</b>	<b>800,656</b>	<b>(113,419)</b>	<b>687,237</b>

## Principal accounting policies 31 December 2015

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities FRS 102 SORP 2015'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with estimating prepayment and accruals. With respect to the next reporting period, there are no significant areas of uncertainty that affect the carrying value of assets held by the charity.

### **Going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. This is because there are sufficient reserves at the balance sheet date to continue operating the charity in the medium term.

### **Income**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income is deferred only when the charity has to fulfil performance related 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.

Donations are recognised when receivable and the amount can be measured reliably by the charity.



## Principal accounting policies 31 December 2015

### **Income (continued)**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income is deferred only when the charity has to fulfil performance related 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.

### **Expenditure 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises the following:

- a. Expenditure on raising funds includes the salaries and direct costs associated with raising funds, which relate to the costs of publicising the eBay for Charity programme.
- b. Expenditure on 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

### **Debtors**

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

## **Principal accounting policies 31 December 2015**

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Gifts in kind**

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

### **Fund accounting**

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

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

### **Transition to FRS 102**

In preparing the financial statements the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charity SORP FRS 102 a restatement of comparative was required. No restatements were required.

## Notes to the financial statements 31 December 2015

### 1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Donations – amounts received from Platform Partner Programmes	—	5,217,437	<b>5,217,437</b>	3,954,969
Grant received	353,465	—	<b>353,465</b>	336,486
Gifts in kind (see below)				
. Technical and managerial support	333,650	—	<b>333,650</b>	206,479
. Accommodation/Legal	44,200	—	<b>44,200</b>	29,400
<b>2015 Total funds</b>	<b>731,315</b>	<b>5,217,437</b>	<b>5,948,752</b>	<b>4,527,334</b>
2014 Total funds	572,365	3,954,969	4,527,334	

The charitable company is grateful to both PayPal (UK) Ltd which has provided office space and legal support valued at £44,200 (2014 - £29,400) in the financial period, and PayPal Charitable Giving Fund and PayPal Inc., which has provided technical and managerial support valued at £333,650 (2014 - £206,479) in the financial period.

Corresponding amounts are included within costs of charitable activities (note 3).

### 2 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Fundraising costs				
. Staff costs (note 5)	71,873	—	<b>71,873</b>	69,809
. Other publicity costs	67,218	—	<b>67,218</b>	91,731
<b>2015 Total funds</b>	<b>139,091</b>	<b>—</b>	<b>139,091</b>	<b>161,540</b>
2014 Total funds	161,540	—	161,540	

### 3 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Charitable donations	—	5,217,170	<b>5,217,170</b>	3,954,227
Staff Costs (note 5)	174,445	—	<b>174,445</b>	136,036
Premises costs – in-kind donation from Platform Partner Programmes	44,200	—	<b>44,200</b>	29,400
Technical and managerial support – in-kind donation from PayPal Charitable Giving Fund	333,650	—	<b>333,650</b>	206,479
Auditor's remuneration	10,000	—	<b>10,000</b>	9,211
Other governance costs	—	—	—	3,272
Other costs	26,272	—	<b>26,467</b>	60,772
<b>2015 Total funds</b>	<b>588,567</b>	<b>5,217,170</b>	<b>5,805,737</b>	<b>4,399,397</b>
2014 Total funds	445,170	3,954,227	4,399,397	



## Notes to the financial statements 31 December 2015

### 4 Net income before transfers

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Auditors' remuneration				
. Statutory audit services	10,000	—	10,000	9,211

### 5 Employee and key management remuneration

Staff costs during the period were as follows:

	2015 £	2014 £
Wages and salaries	202,751	171,910
Social security costs	20,909	16,597
Pension costs	22,658	17,338
	<b>246,318</b>	<b>205,845</b>

Staff costs per function were as follows:

	2015 £	2014 £
Costs of generating funds	71,873	69,809
Charitable activities		
. PayPal Giving Fund UK – Platform Partner Programmes	174,445	136,036
	<b>246,318</b>	<b>205,845</b>

The average number of employees during the period, analysed by function, was as follows:

	Average headcount		Full time equivalent	
	2015	2014	2015	2014
Costs of generating funds	2	2	1.22	1.07
Charitable activities				
. PayPal Giving Fund UK – Platform Partner Programmes	4	4	3.18	2.43
	<b>6</b>	<b>6</b>	<b>4.40</b>	<b>3.50</b>

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

	2015 number	2014 number
£70,000 - £80,000	—	1
£80,000 - £90,000	1	—

The pension contributions made to the higher paid employee amounted to £7,687.

**5 Employees and key management remuneration** (continued)

Key management personnel comprise CEO, Accountant and Head of Operations. The total employee benefits of the key management personnel of the charity were £164,331 (2014 - £159,933).

**6 Expenses and Trustees' remuneration**

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

No out of pocket expenses were reimbursed to any Trustee for the year (2014 - £91 to one Trustee).

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 £nil (2014 - £3,031) to Bates Wells & Braithwaite during the year, for legal services provided on an arms-length basis.

**7 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.

**8 Debtors**

	2015 £	2014 £
<b>Due within one year</b>		
Taxation recoverable	74,845	53,559
Other debtors	2,000	908
	<b>76,845</b>	<b>54,467</b>

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

	2015 £	2014 £
Taxation and social security	13,736	10,634
Donations to charities	345,509	428,746
Accruals	9,460	9,000
Other creditors	22,912	38,904
	<b>391,617</b>	<b>487,284</b>

## 10 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 2015 £	Incoming resources £	Expenditure and transfers £	At 31 December 2015 £
PayPal Giving Fund UK Platform Partner Programmes	2,336	5,217,437	5,217,170	2,603

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

- PayPal Giving Fund UK Platform Partner Programmes

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

## 11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>Fund balances at 31 December 2015 are represented by:</b>				
Current assets	415,970	348,112	764,082	855,123
Creditors: amounts falling due within one year	(46,108)	(345,509)	(391,617)	(487,284)
<b>Total net assets</b>	<b>369,862</b>	<b>2,603</b>	<b>372,465</b>	<b>367,839</b>

## 12 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 £333,658 (2014 - £206,479) and granted the charity £342,865 (2014 - £336,486). During the period the charity provided leadership services to PayPal Charitable Giving Fund. £22,326 (2014 - £nil) was received by the charity in relation to these services. 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).



**13 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.

**14 Ultimate controlling party**

The sole member of the charitable company is the PayPal Charitable Giving Fund (PPCGF), a United States 501(c)(3) non-profit organisation. The primary purpose of PPCGF is to raise funds for charitable purposes online, and distribute those funds to other charitable organisations.