

# FONDATION CHANEL

**Annual Report and Financial Statements for the shortened period  
1 January 2024 to 9 July 2024**

## LEGAL AND ADMINISTRATIVE DETAILS

Company registration no. 12786875

Charity registration no. 1195353

### REGISTERED OFFICE

5 Barlow Place  
London W1J 6DG

### INDEPENDENT AUDITOR

Ernst & Young LLP  
Citygate, St James' Boulevard  
Newcastle upon Tyne NE1 4JD

### TRUSTEES (DIRECTORS)

P. Blondiaux  
C. Isnard (resigned 5 June 2024)  
M. Nitsch (resigned 5 June 2024)  
Y. Peel  
M. van Oranje<sup>1</sup>  
C. Woodcraft<sup>1</sup> (resigned 5 June 2024)  
K. Wylie  
R. Bailly (appointed 5 June 2024)  
L. Mapp<sup>1</sup> (appointed 5 June 2024)  
N. Nwuneli<sup>1</sup> (appointed 5 June 2024)  
E. Broderick<sup>1</sup> (appointed 16 December 2024)

### LEGAL ADVISORS

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London EC4R 1BE

### BANKERS

Citibank, N.A. London  
Canada Square  
London E14 5LB

<sup>1</sup>Independent Trustee

### OFFICERS

Chair: K. Wylie  
Secretary: E. Jones-Ransley (resigned 5 June 2024)  
Secretary: F. Smith (appointed 5 June 2024)

### KEY MANAGEMENT PERSONNEL

President: K. Wylie  
Global Head: K. Meddour

## STRATEGIC REPORT

### INTRODUCTION

The Board of Trustees (the “Board” or the “Trustees”) of Fondation CHANEL (the "Foundation" or the "Charity") have prepared this Report with the purpose of providing the Charity's stakeholders with information about how the Charity managed its funds and the activities it undertook to achieve its aims and objectives during the period 1 January to 9 July 2024, a shortened period of account (see Our Progress and Financial Review). Comparatives for the period are for the 12 months to 31 December 2023.

The report includes the Strategic Report (prepared in accordance with section 414C of the Companies Act 2006), the Trustees' Report, the Independent Auditor's Report and the Charity's Annual Accounts (prepared in accordance with FRS 102 and the Charities Statement of Recommended Practice (SORP)).

Fondation CHANEL adopted a shortened financial period from 1 January to 9 July 2024 to align with governance changes, enhancing transparency and compliance. This decision was part of a broader governance review conducted in early 2024 to enhance global oversight and improve grant-making efficiency. As part of this process, governance across the Foundation's sister entities was consolidated, with the multi-year grant agreements of Fondation d'Entreprise Chanel novated to Fondation CHANEL before its formal liquidation. Looking ahead, from 10 July 2024, Fondation CHANEL and Fondation Chanel, Inc. (U.S.) will prepare consolidated financial statements on a calendar year basis, with the first reporting period running from 10 July 2024 to 31 December 2025 to align with this transition, simplifying reporting and providing a clearer view of the Group's financial position.

### OUR AIMS

Fondation CHANEL is a UK registered grant-making charity working in solidarity with its not-for-profit partners to create conditions for women and adolescent girls, in all their diversities, to be free to shape their own destiny.

We take a bespoke approach to grant-making. We listen to our grantee partners' needs and tailor resources to support them in making positive impact, while building their organisational capacity and enhancing their wellbeing.

We form deep, long-term partnerships with organisations acting at the heart of their communities, trusting that it is within these communities that the best solutions are found, and resources are best transformed into meaningful change.

### OUR APPROACH

For women and girls to be free to shape their own destiny, conditions of safety, economic and social autonomy and climate resilience are essential. The following three thematic pillars are crucial foundations to our strategic approach.

#### **Safety and wellbeing**

Women and girls must be guaranteed fundamental rights and resources to live healthy lives, free from violence. These include adequate standards of living, access to safe housing, basic health services, social

and legal protection, and a sustainable environment. Their safety and wellbeing must be protected by laws, institutions, and social norms. Within this pillar, we focus on:

- eliminating gender-based violence;
- community-based health and wellbeing; and
- social protection.

### **Economic and social autonomy**

In a just society, women have an equal and clear voice in the choices and decisions that impact their lives. If these basic needs are met, women have increased opportunities to develop and hone their expertise and pursue personal, intellectual, and economic fulfilment through employment or entrepreneurship. They can take on leadership opportunities at work, in their communities, and in social movements. They can become true agents of change in society and unlock new potential to secure a better future. Within this pillar, we focus on:

- skills and leadership development;
- access to a well-resourced and supportive care economy; and
- social and environmental resilience.

### **Women-led climate resilience**

Efforts towards gender equality and climate resilience recognise the disproportionate impact that climate change has on women and girls, and the intersection between climate change and women's rights issues, including safety, violence, health, economic autonomy, the care economy, and more. Efforts also acknowledge and support the key role women and girls play in leading climate resilience within communities and solidarity movements. Within this pillar, we focus on:

- grassroots, community and women-and girl-led climate adaptation and resilience building;
- leadership, empowerment, and representation of women and girls in decision-making and advocacy on climate; and
- narrative shifts and insights on the intersection between gender inequality and climate change.

## **OUR PROGRESS**

The Foundation works to address the underlying causes that prevent gender equality at the level of systems, structures, and social norms. Through its interventions, the Charity aims to reach millions of women.

To strengthen our global governance and enhance the efficiency of our grant-making, the Foundation undertook a comprehensive governance review. As part of this process, in the first half of 2024, we refined our structure to continue to ensure the most effective use of funding received from our sole donor, Chanel Limited. A key aspect of this restructuring was the consolidation of governance across the Foundation's sister entities: Fondation Chanel, Inc. in the U.S. ("U.S. Foundation") and Fondation d'Entreprise Chanel ("French Foundation"). As previously reported in the prior year financial statements as a post-balance sheet event, the multi-year grant agreements of the French Foundation were novated to the Foundation between March and May 2024 and the French Foundation formally liquidated.

Foundation staff visited multiple partners in 2024, demonstrating our commitment to maintaining strong relationships and deepening our understanding of local contexts and challenges. Visits provided opportunities for direct engagement, including facilitating peer learning, offering tailored technical assistance, and exploring capacity-building opportunities. This strengthened collaborative relationships, enabling deeper discussions on programmatic strategies, shared challenges, and ways to enhance influence and impact. Our teams attended several conferences during the year, such as Commission on the Status of Women 2024, Human Rights Funders Network Annual Conference, Climate Week NYC, African Philanthropy Forum Conference, the AWID International Forum to maintain our engagement with live global conversations around gender and philanthropy.



We continued to advance our internal learning culture to deepen impact through dedicated education sessions across our team. Key themes we explored include disability, the intersection of gender and climate challenges, and more.

From 10 July 2024 onwards, the newly formed Group (the “Group”, comprising the Foundation and the U.S. Foundation) will prepare consolidated financial statements to 31 December each year, with the first financial period covering an extended period from 10 July 2024 to 31 December 2025. This approach simplifies reporting and provides a clearer picture of the Group’s financial position and activities. These changes also informed our decision to adopt a shortened financial reporting period for this set of financial statements, which is explained in further detail under Financial Review.

## **TOTAL GRANT-MAKING ACTIVITY**

The Foundation spent a total of US\$19.7 million (Full year 2023: US\$25.9 million) on grant-making in the period, across 61 grantees (Full year 2023: 49 grantees). As of the Balance Sheet date of 9 July 2024, a further US\$70.5 million (estimated) was committed for future periods, subject to fulfilment of conditions (Full year 2023: US\$78.4 million).

## **OUR IMPACT CONTRIBUTION**

The Foundation pursues impact at three levels: individuals and communities, systems and social norms, and grantee partners and peers.

### ***Individuals and communities***

First, we have an indirect impact via our grantee partners working to improve the lived experiences of individual women and girls and their communities by pursuing the following outcomes:

- women and girls have control over their body, health, personal safety, and wellbeing;
- women and girls access the resources, opportunities, and skills they need to ensure their social and economic autonomy; and
- women and girls increase their awareness, agency, and ability to advocate for themselves and others.

### ***Systems and social norms***

Second, we have an indirect impact via our grantee partners working to address systemic barriers that hinder the safety and autonomy of women and girls by pursuing the following outcomes:

- improved policies and laws that promote and support gender equality;
- resourcing and strengthening movements and grassroots organisations working for gender justice; and
- improved social norms and behaviours that promote and support gender equality.

### ***Partners and peers***

Third, as a grant-maker, we work towards having a direct positive impact on our grantee partners by pursuing the following outcomes:

- organisations strengthen their organisational capacity, sustainability and wellbeing;
- organisations enhance their learning and networking opportunities; and
- organisations amplify their voices in order to enhance their reach and influence.

## FINANCIAL REVIEW

During the reporting period, the Trustees decided to prepare financial statements for a shortened financial period from 1 January 2024 to 9 July 2024. This decision was part of a broader global governance review and organisational planning process, as described in Our Progress. The shortened 2024 reporting period ensures that our financial reporting remains accurate and compliant with the applicable accounting regulations and governance requirements, while also streamlining financial reporting and enhancing transparency following the global governance changes. From 10 July 2024 onwards, the Group will prepare consolidated financial statements to 31 December each year, with the first financial period covering an extended period from 10 July 2024 to 31 December 2025. This approach simplifies reporting and provides a clearer picture of the Group's financial position and activities.

As previously disclosed in the prior year's financial statements, the Foundation reviewed the French Foundation's multi-year grant commitments to ensure alignment with its charitable aims and objectives. Following this, the Board approved the novation of the French Foundation's grant agreements, transferring the associated liability of \$22.2 million to the Foundation. These transfers were executed between 6 March 2024 and 23 May 2024, with the formal liquidation of the French Foundation finalised on 12 July 2024 (see note 14 Subsequent Events).

The Trustees have assessed the financial impact of these changes and are satisfied that they do not materially affect the Charity's ability to continue its operations and meet its objectives. Additionally, this transition reflects the change in the sole member of the U.S. Foundation, as outlined in note 14 Subsequent Events. The Foundation remains committed to transparency and accountability, ensuring all governance changes align with best practices and regulatory guidance.

### ***Results and financial position***

After net losses on foreign exchange, the result for the period from 1 January to 9 July 2024 was a deficit of US\$22.0 million (the Foundation returned a surplus of US\$96.2million for the preceding 12-month period to 31 December 2023). The 2024 net deficit is in line with expectations and wholly due to the timing of the Charity's income, which is derived entirely from the support of the Chanel group. Monetary donations are formally committed annually by Chanel Limited in December each year and accordingly, cash donations and pledged donations in the short period from 1 January 2024 to 9 July 2024 were both US\$nil (Full year 2023: US\$85.0 million and US\$125.0 million respectively). In-kind contributions constituted total income for the period and comprised donated services and facilities utilised during the year of US\$3.07 million (Full year 2023: US\$3.02 million).

Total expenditure for the period was US\$24.8 million (Full year 2023: US\$31.9 million), including grant-making of US\$19.7 million (Full year 2023: US\$25.9 million) and support costs of US\$5.1 million (Full year 2023: US\$6.1 million). Grants expenditure includes grants payable in respect of 63 grants to 61 grantees (Full year 2023: 52 grants to 49 grantees). While not formally recognised as liabilities at 9 July 2024, the Trustees had also agreed in principle to future grant commitments in subsequent years totalling an estimated US\$70.5 million (31 December 2023: US\$78.4 million).

At 9 July 2024, the Foundation had funds of US\$194.6 million (31 December 2023: US\$216.6 million), after a net decrease in funds during the period of US\$21.9 million. All funds are unrestricted.

### ***Reserves***

As of the date of these financial statements, the Trustees are in the process of developing a formal reserves policy. Following the Chanel group's strengthened commitment to the Foundation in 2023, the Charity currently holds ample unrestricted funds to meet all current and anticipated future financial commitments while allowing for additional flexibility. As of the balance sheet date, the Charity held \$72.9 million in cash, an amount more than sufficient to cover all existing future commitments. While available funding significantly exceeds current and future commitments, the Foundation expects to reduce its reserve levels considerably as it continues to approve new multi-year grants.

The Charity is not reliant on fundraising or public donations and is solely funded by the Chanel group. Cash inflows and outflows are actively managed by the Foundation's finance team throughout the year to support financial stability.

As the Foundation continues to expand its activities, the Trustees will continually review this approach in light of changes in risks, financial position, and long-term strategic goals. They recognise the importance of maintaining reserves to ensure the Charity's resilience while also acknowledging that holding excessive cash reserves may not be aligned with its impact-driven mission. Future decisions on the development of a reserves policy will be taken with these considerations in mind.

### ***Going concern***

The Trustees are satisfied that the Charity has sufficient net assets to continue its operations for the foreseeable future and meet all expected future financial commitments. In making this assessment, the Trustees have reviewed the Charity's Balance Sheet, along with projected cash inflows and outflows, as of the approval date of the financial statements. They believe the Charity is well placed to manage its business risks successfully and has adequate financial resources to meet all liabilities as they fall due for at least the next 12 months. This conclusion is based on available cash of US\$107.0 million in March 2025 and expected cash inflows of US\$64.6 million by 31 December 2025. Accordingly, the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements, with no material uncertainties to disclose.

**Risk management**

The Trustees have assessed the principal risks facing the Charity with a particular focus on those that would impede its potential for impact. They ensure the implementation of mitigating actions in relation to each risk and monitor their status accordingly throughout the year.

<b>Risk</b>	<b>Mitigation</b>
<b>Impact:</b> no impact or adverse impact delivered by the Charity's grantee partners and the individuals and communities they serve	<ul style="list-style-type: none"> <li>- Consult with regional and local experts in designing programmatic strategies and new grantee partner prospection</li> <li>- Leverage philanthropic expertise of independent Trustees</li> <li>- Obtain regular feedback from existing grantee partners</li> <li>- Conduct due diligence and develop and manage grantee partner relationships</li> <li>- Obtain and review appropriate grant reporting, hold routine check-ins with grantee partners, and conduct site visits during grant term if necessary with mutual agreement</li> <li>- Impact and learning framework in development</li> </ul>
<b>Talent attraction and retention:</b> failure to recruit or retain key staff seconded by the Chanel group at forefront of our grantee partner relationships	<ul style="list-style-type: none"> <li>- Fondation CHANEL offers competitive pay, career progression and attractive benefits</li> <li>- Foster a strong and inclusive organisational culture, focussed on team engagement</li> <li>- Enable staff learning and professional development</li> </ul>
<b>Financial sustainability:</b> loss of funding and/or in-kind support from the Chanel group	<ul style="list-style-type: none"> <li>- The Chanel group is financially sound and fully committed to maintaining funding and in-kind support</li> <li>- Foundation financial updates and the Chanel group committed funding are shared at each Trustees meeting.</li> <li>- Trustees ensure ample funding is available to cover current and future grant commitments before approving any new grant commitments</li> </ul>
<b>Legal and compliance:</b> failure to meet accounting, regulatory, and legal compliance requirements	<ul style="list-style-type: none"> <li>- Trustee on-boarding includes overview of a Trustee's legal duties</li> <li>- Conflicts of interest disclosures declared at each meeting of the Board of Trustees</li> <li>- Annual Conflicts of interest disclosures by staff</li> <li>- Robust due diligence process and ongoing grant management conducted by staff</li> <li>- Grant documentation issued and signed by all grantee partners and regular monitoring and reporting follow up</li> <li>- Experienced legal support from the Chanel group Legal department and external advisors, as necessary</li> <li>- Whistleblowing procedure shared with all grant partners</li> <li>- All staff and Trustees trained on the Serious Incident procedure</li> </ul>
<b>Data protection:</b> failure to process and protect data of our staff and grantee partners as well as the organisation	<ul style="list-style-type: none"> <li>- Information security assessments are carried out on external third-party suppliers who process confidential or personal data on the Charity's behalf</li> <li>- Mandatory data privacy and cyber-security training for all staff</li> <li>- Experienced legal support from the Chanel group Legal department and external advisors, as necessary</li> </ul>
<b>Other financial:</b> internal fraud or failure of internal controls; foreign exchange rate fluctuations	<ul style="list-style-type: none"> <li>- Internal delegations of authority in place</li> <li>- Shared authorisation procedures, including segregation of duties and dual/multi-level authorisation</li> <li>- Ability to leverage the Chanel group Finance and Treasury departments for support as necessary</li> <li>- Regular review of appropriateness of currency hedging</li> </ul>

## **SECTION 172(1) STATEMENT**

The Trustees of the Foundation, in line with their duties under section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Foundation to achieve its charitable purposes.

The Trustees make decisions with a long-term view in mind, and in accordance with the highest ethical standards.

The Foundation's grant-making activities are focused on long-term engagements with grantee partners, which aim to provide the certainty of funding necessary for grantee partners to take decisive actions that can effect real change. These engagements begin at the point of originating grant-making opportunities, where extensive due diligence is performed on potential grantee partners. The Foundation continues this level of rigour and engagement throughout the grant life cycle, including through grantee partner surveys, day-to-day partner engagement, and the reporting obligations attached to grants. All grants are made in accordance with the grant-making policy set out on page 10. The Trustees have oversight of all grants awarded by the Charity to its grantee partners, ensuring the Board's visibility over all grant awards on both an individual basis and in the aggregate. This commitment to long-term thinking is designed to ensure that the Foundation's funding is effective, sustainable and aligned with its charitable objects set out on page 10, strategy, and impact aims.

The Trustees receive comprehensive pre-reading materials in advance of each meeting of the Board of Trustees, which enable informed, consistent and appropriate decision-making by the Foundation. The Board is supported by the Audit, Finance and Risk Committee and the Programmes Committee made up of Trustees including independent Trustees. The Trustees are regularly updated at each meeting of the Board of Trustees on any compliance matters identified through the ongoing monitoring with grant partners. The Foundation considers the likely consequences on all relevant stakeholders of the decisions and actions it takes, and decisions are carefully discussed with affected stakeholders wherever possible.

Any material risks identified through the due diligence process or through the ongoing monitoring with grant partners are escalated to the Audit, Finance and Risk Committee for review. One of the independent Trustees sits on the Audit, Finance and Risk Committee.

### ***Partners***

In particular, the Foundation recognises the potentially transformative effect that an award can have for grantee partners and the key stakeholders they serve. A commitment to working together is imperative to ensure the success of our partnerships, the effectiveness of our charitable outcomes, and the continuing reputation of the Charity.

### ***Society and communities***

Working closely with grantee partners in this way benefits the organisations themselves, but more critically, women and adolescent girls of all backgrounds. The Foundation's grant-making supports and, by extension, enriches and improves their lives, and the lives of their wider communities. The support of women and young girls also frequently contributes in parallel, or indirectly, to positive environmental outcomes.

### ***Environment***

Environmental resilience is a key component of the economic and social autonomy thematic pillar of the Foundation's strategy, and the Charity supports appropriate opportunities to co-address environmental challenges through its grantee partner support.



### ***Sole member***

The Foundation is a charitable company limited by guarantee and therefore has no shares. The Foundation's sole member is Chanel Limited a company registered in England and Wales under company registration number 00203669 with its registered office at 5 Barlow Place, London, W1J 6DG and the parent company of the Chanel group, which provides the funding of the Charity.

The Foundation provides regular reporting to its sole member, through annual and ad-hoc reporting, to ensure that it has clear visibility of the outcomes of the Foundation's work. The sole member also has visibility of the Charity's work through the presence of a number of Trustees who also hold senior leadership roles at Chanel Limited.

### ***People***

The Foundation has no employees. Instead, grant and charity administration are undertaken by employees of the Chanel group who are seconded to the Charity and donated in-kind to the Charity. These staff are fully supported by the employee infrastructure of their Chanel group employer.

The Foundation provides regular learning and development training sessions on critical focus areas for the Foundation to those staff seconded by the Chanel group. The Foundation also holds two in-person team seminars each year to discuss strategy, operations as well as critical focus areas such as intersectionality.

The Trustees recognise the importance of compliance with legal and regulatory requirements.

The Trustees believe that this approach supports the long-term success of the Foundation to achieve its charitable purposes, by ensuring high standards, compliance, transparency and maintaining the reputation which the Foundation holds amongst its grantee partners, staff, suppliers, regulators, its sole corporate donor, and other stakeholders.

## **TRUSTEES' REPORT**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure**

The Foundation was incorporated on 2 August 2020 as a company limited by guarantee, registered in England and Wales under company registration number 12786875, and registered as a charity with the Charity Commission for England and Wales on 30 July 2021 under charity registration number 1195353. It is governed by its Articles of Association dated 26 January 2021.

As set out in the Section 172(1) statement, the sole member of the Charity is Chanel Limited.

The Foundation worked in close collaboration with its sister foundations, the U.S. Foundation and the French Foundation (prior to its liquidation, see Financial Review)). All have similar charitable purposes, mission and strategy, but with their own geographical focus. Further details on this connection are provided in note 13 to the financial statements, Related party transactions, and an update in note 14 Subsequent Events.

#### **Objects and purpose**

As outlined in its Articles of Association, the Foundation's charitable objects are, for the public benefit, (i) the relief of need amongst women and girls caused by discrimination on the basis of sex, financial disadvantage or other forms of disadvantage and (ii) such other purposes as are regarded as exclusively charitable under the law of England and Wales.

To further its objects, the Foundation is a grant-making charity and supports purposes aligned with those listed in the Charities Act of 2011. In accordance with its grant-making policy set out below, it makes grants to support a wide range of charitable projects, initiatives, and organisations for the benefit of individuals and communities, its ecosystem of grantee partners and peers, and society as a whole.

All grants awarded since the Charity's incorporation have furthered these charitable purposes. The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in awarding these grants.

#### **Grant-making policy**

The Foundation team engages in in-depth prospection to identify potential grantee partners. Programmatic staff consult with regional and local gender and philanthropic experts and other funders, gather data, conduct landscape analyses and research, and perform other fieldwork to devise locally relevant strategies that inform the Charity's grant-making approach. The Charity aims to build long-term, trust-based relationships with its grantee partners. New grant proposals are developed in collaboration with the potential partner organisations.

Before presenting a grant proposal to the Trustees for consideration, programmatic staff conduct robust due diligence with regard, among other things, to establishing that grant purposes are charitable; ensuring the legality of making grants to the prospective partners; and understanding the governance, operating structure, and intended impact of the organisation and/or project. The Charity does not award grants to individuals.

The following are important considerations to the staff and Trustees when assessing grant proposals:

- the anticipated social and environmental impact of the grant;
- the potential for learning afforded by the grant; and
- the history of the organisation and/or project to be funded.

Once a grant is approved, the Charity drafts a grant agreement in discussion with the grantee partner. As most grants are multi-year commitments (average is 3 years), annual reporting milestones are agreed to provide an update on grant progress and ongoing learning and ensure that funds have been used for the agreed charitable purpose. The Foundation retains the right to pause or cancel any partnership, and cease payment of further grants, should the partner not act in accordance with the terms of the grant agreement including bringing the Foundation into potential disrepute.

## **Trustees**

In June 2024, three Trustees retired and two new independent Trustees were appointed. A further independent Trustee was appointed in December 2024. These appointments were part of the global governance evolution and had the aim of consolidating robust oversight of the Foundation's funds and activities. New board subcommittees were also established during this exercise, including an Audit, Finance and Risk Committee and a Programmes Committee.

The names of the Trustees who served during the reporting period and up to the date of this report are outlined in the legal and administrative details on page 1 of this report. As at the date of this report, the Board of Trustees is comprised of eight Trustees. Four of these are senior leadership employees of the sole member, Chanel Limited and include Kate Wylie, President of Fondation CHANEL and the Chair of the Board of Trustees and four are independent trustees.

## **Recruitment and appointment**

The appointment of Trustees is governed by the Charity's Articles of Association. As at the date of this report the four independent Trustees were recruited by the existing Trustees and appointed based on their extensive, diverse expertise and range of skills in the fields of philanthropy and gender equality, as well as their experience on charity boards as chair or trustee. Trustees are appointed to office for three-year terms and may serve a maximum of three consecutive terms. None of the Trustees receive remuneration with respect to their services as a Trustee.

In accordance with the Articles of Association, new Trustees may be appointed by ordinary resolution of the member or by decision of the existing Trustees.

## **Induction and training**

All current and new Trustees undergo a thorough induction process. They receive an induction pack comprised of the Charity's main governing documents, duties of a trustee, an overview of programmatic priorities and strategies, financial position and legal considerations, including copies of relevant Charity Commission guidance. Additionally, any newly appointed Trustees engage in a series of introductory training sessions with existing Trustees and Foundation staff.

The Charity manages conflicts of interest by requiring all Trustees to declare their board positions at other organisations and interest in any potential recipient of a grant and step out of any subsequent discussions prior to any decision being made in respect of which they have a conflict.

## **Management**

The Trustees meet at least three times per year to agree on the strategic direction of the Charity, review grant proposals, award grants in line with the Charity's grant-making policy, set out above and assess and monitor the Charity's financial position and key risks and opportunities.

The Trustees delegate responsibility for day-to-day management of the Charity to the Global Head of Fondation CHANEL, and other highly qualified staff. The President of Fondation CHANEL and Global Head of Fondation CHANEL share a management update at each meeting of the Board of Trustees.

All staff are employees of the Chanel group and are remunerated in accordance with the Chanel Group's compensation policies and practices. They do not receive direct compensation from the Charity outside of expense reimbursements incurred in relation to carrying out activities on behalf of the Charity. Staff and office facilities costs of the Foundation are borne by the Chanel group and are recorded as donated services and facilities offset by an equivalent expense in the financial statements as further described in notes 1, 5, and 13.



## **Related parties**

Related party relationships are described earlier in this report and disclosed in note 13 Related party transactions.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its income and expenditure during that period.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

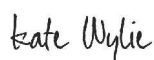
In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

## **AUDITORS**

The auditor, Ernst & Young LLP, is appointed in accordance with section 485 of Companies Act 2006.

This Annual Report (including both the Strategic Report and Trustees' Report) was approved by the Board of Trustees on 7 April 2025 and signed on their behalf by:



Kate Wylie

**Chair of the Board of Trustees and President, Fondation CHANEL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL**

### **Opinion**

We have audited the financial statements of Fondation CHANEL for the period ended 9 July 2024 which comprise Statement of financial activities, balance sheet, statement of cash flows and the related notes 1 to 14, including a summary of significant accounting policies. 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 standard applicable in the UK and Republic of Ireland". In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 9 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL (Continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the trustees' report.

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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FONDATION CHANEL (Continued)**

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are Charities SORP (FRS 102), Accounting and Reporting by Charities, Companies Act 2006, Charities Act 2011 and His Majesty's Revenue and Customs (HMRC).
- We understood how Fondation CHANEL is complying with those frameworks by making enquiries of management and those responsible for the legal and compliance procedures. We corroborated our enquiries through our inspection of the board minutes as well as consideration of the results of our audit procedures across the entity.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by reviewing the charitable business purpose of grant and operating expenditure, as well as performed management inquiries of the procedures to identify risk of material misstatement due to fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing legal and professional correspondence and corroborating with management inquiries.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
7 April 2025

**STATEMENT OF FINANCIAL ACTIVITIES****For the period 1 January to 9 July 2024**

		<b>1 January to 9 July 2024 Unrestricted US\$</b>	<b>12 months to 31 December 2023 Unrestricted US\$</b>
	<b>Notes</b>		
<b>Income from:</b>			
Donations	2	3,069,141	128,021,003
<b>Total</b>		<b>3,069,141</b>	<b>128,021,003</b>
<b>Expenditure on:</b>			
Charitable activities			
Grants expenditure	3	19,719,904	25,910,696
Support costs	4	5,194,612	6,034,776
<b>Total</b>		<b>24,914,516</b>	<b>31,945,472</b>
<b>Net (expenditure)/ income</b>		<b>(21,845,375)</b>	<b>96,075,531</b>
Other recognised gains on foreign exchange		9,632	4,505
Other unrecognised (losses)/ gains on foreign exchange		(180,140)	159,935
<b>Net movement in funds</b>		<b>(22,015,883)</b>	<b>96,239,971</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		216,634,363	120,394,392
<b>Total funds carried forward</b>		<b>194,618,480</b>	<b>216,634,363</b>

All of the Charity's income and expenditures related to unrestricted funds during the financial period.

All income and expenditure derives from continuing activities. There were no other gains or losses other than those listed above.

**BALANCE SHEET****As at 9 July 2024**

	Notes	Unrestricted 9 July 2024 US\$	Unrestricted 31 December 2023 US\$
<b>Non-current assets:</b>			
Debtors	7	30,000,000	30,000,000
<b>Total</b>		<b>30,000,000</b>	<b>30,000,000</b>
<b>Current assets:</b>			
Debtors	8	95,500,000	95,000,000
Prepayments	8	30,066	5,000
Cash at bank and in hand	9	72,940,122	92,234,308
<b>Total</b>		<b>168,470,188</b>	<b>187,239,308</b>
<b>Current liabilities:</b>			
Creditors: amounts falling due within one year	10	3,851,708	604,945
<b>Net current assets</b>		<b>164,618,480</b>	<b>186,634,363</b>
<b>Total assets less current liabilities, being net assets</b>		<b>194,618,480</b>	<b>216,634,363</b>
<b>The funds of the charity:</b>			
Restricted funds		-	-
Unrestricted funds	11	194,618,480	216,634,363
<b>Total charity funds</b>		<b>194,618,480</b>	<b>216,634,363</b>

The notes on pages 19 to 28 form part of these Financial Statements.

The Financial Statements of Fondation CHANEL (Company registration no. 12786875) were approved and authorised for issue by the Board of Trustees on 7 April 2025. They were signed on its behalf by:



Philippe Blondiaux  
**Director and Trustee, Fondation CHANEL**

**STATEMENT OF CASH FLOWS****For the period 1 January to 9 July 2024**

		<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
	<b>Notes</b>		
<b>Cash flows from operating activities:</b>			
<b>Net cash (used in)/ provided by operating activities</b>	12	<b>(19,294,186)</b>	<b>56,198,342</b>
<b>Change in cash and cash equivalents in the reporting year <sup>1</sup>:</b>		<b>(19,294,186)</b>	<b>56,198,342</b>
Cash and cash equivalents at the beginning of the reporting year		92,234,308	36,035,966
<b>Cash and cash equivalents at the end of the reporting year</b>		<b>72,940,122</b>	<b>92,234,308</b>

<sup>1</sup> Cash balance on 9 July reflects unrecognised losses on foreign exchange due to foreign exchange movements on Sterling account.



## NOTES TO THE FINANCIAL STATEMENTS

For the period 1 January to 9 July 2024

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### 1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice and other applicable standards including the Charities SORP FRS 102 (Second edition October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in USD and rounded to the nearest dollar. Any transactions undertaken in foreign currency are translated into USD, the predominant currency in which the Charity receives income and expends cash and therefore both its functional and presentation currency.

#### Reporting period

These financial statements have been prepared for the period 1 January 2024 to 9 July 2024. Comparatives for the period are for the 12 months to 31 December 2023.

#### Income recognition

All income is recognised in the statement of financial activities when the Charity is legally entitled to the income, the amount can be quantified reliably, any conditions for receipt have been met, and receipt is probable. Income is comprised of monetary donations and donated services and facilities.

Monetary donations are recognised as income upon receipt. In the event of monetary donations pledged but not yet received, the amount is accrued for as income where entitlement has been established and receipt is considered probable.

Donated services and facilities represent the value of services borne by Chanel Limited during the reporting period in providing secondees staff, office facilities, and office equipment to the Charity. They are valued at actual cost and recognised in the financial statements as income offset by an equal corresponding amount as expenditure when they are receivable and quantifiable.

#### Expenditure recognition

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure, the amount of the obligation can be quantified reliably, and settlement is probable. All expenditure is accounted for on an accruals basis in the period in which it is incurred. Expenditure is comprised of charitable grant-making activity as well as all support costs related to grant-making and the overall administration of the Charity.

Grants are recognised as payable when there is a legal or constructive obligation to pay established by the Trustees' approval of the grant, signature of a grant agreement, and the recipient's fulfilment of any related conditions, as applicable. Any awards meeting these recognition criteria but not paid at the end of the reporting period are accrued for.

Most of the Charity's grants are multi-year commitments. Release of funding in subsequent years is conditional upon satisfactory receipt of annual reporting on grant progress and confirmation that grant funds have been used only for the agreed charitable purpose. Grants subject to future conditions which are not recognised as liabilities at year-end are disclosed as future grant commitments in note 3.

#### Cash at bank and in hand

Cash at bank and cash in hand consists of all accounts that are available on demand.

#### Debtors and creditors

Debtors and other receivables are recognised as an asset when a past event results in a present obligation that will result in the Charity receiving funds from a third party and the receivable amount can be quantified reliably. Debtors are recognised at their anticipated settlement amount.

Creditors and other payables are recognised as a liability when a past event results in a present obligation that will result in transfer of funds to a third party and the amount payable can be measured or reliably estimated. Creditors are recognised at their anticipated settlement amount.



## NOTES TO THE FINANCIAL STATEMENTS

For the period 1 January to 9 July 2024

### 1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

#### Foreign currency translation

Assets and liabilities in foreign currencies are translated into USD at the closing exchange rate as of the balance sheet date. Foreign currency transactions are translated into USD at the closing exchange rate as of the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than USD at year-end exchange rates are recognised as other gains and losses and hence are considered in arriving at the net movement of funds.

#### Taxation

Fondation CHANEL is a registered charity and therefore has no liability to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

Irrecoverable VAT is reflected in expenditure amounts charged to the statement of financial activities.

#### Critical accounting estimates and judgements

In the application of the Charity's accounting policies described elsewhere in note 1, the Trustees are required to make estimates, judgements, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

#### Fund accounting

All funds are held on an unrestricted basis and can be used in accordance with Fondation CHANEL's charitable objects set out on page 26 at the discretion of the Trustees.

#### Assessment of going concern

The Trustees are satisfied that Fondation CHANEL has sufficient net assets to continue its operations for the foreseeable future and meet all expected future financial commitments. Accordingly, the financial statements have been prepared on a going concern basis.

In their assessment, the Trustees have reviewed the Charity's balance sheet and anticipated future cash inflows and outflows as of the approval date of the financial statements. The Trustees believe that the Charity is well placed to manage its business risks successfully and that it will have sufficient financial resources to meet all liabilities as they fall due for at least the next 12 months from the date of approval of these financial statements. Based on this, the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements with no material uncertainties to disclose.

### 2. DONATIONS

	1 January to 9 July 2024 US\$	12 months to 31 December 2023 US\$
Monetary donations received	-	-
Monetary donations receivable	-	125,000,000
Donated services	2,561,609	2,241,373
Donated facilities	507,532	779,630
<b>Total</b>	<b>3,069,141</b>	<b>128,021,003</b>

Monetary donations are formally committed annually by Chanel Limited in December each year therefore cash and pledged donations in the short period from 1 January 2024 to 9 July 2024 were US\$nil due to timing.

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****3A. GRANTS EXPENDITURE**

<b>Grant portfolio &amp; recipient</b>	<b>Local Currency</b>	<b>Total Grant Awarded Local</b>	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
<b>Africa &amp; MENA</b>			<b>2,144,295</b>	<b>2,197,693</b>
African Women's Development Fund	USD	3,050,000	50,000	-
Batik International - Morocco EQ Emergency Support	USD	50,000	50,000	-
Doria Feminist Fund	USD	771,000	350,000	150,000
myAgro	USD	3,000,000	-	1,300,000
Pathfinder International	USD	1,200,000	-	520,000
Speak Up Africa	USD	3,879,145	1,694,295	-
Womanity Foundation, The	USD	600,000	-	200,000
XOESE	USD	367,048	-	27,693
<b>Asia-Pacific</b>			<b>3,663,963</b>	<b>9,469,691</b>
Aga Khan Foundation (United Kingdom)	USD	5,010,000	10,000	1,000,000
Asian Venture Philanthropy Network (AVPN)- Gender Pooled Fund	USD	3,000,000	-	1,700,000
Asian Venture Philanthropy Network (AVPN) Core Support	USD	1,010,000	10,000	500,000
Asian-Pacific Resource & Research Centre for Women (ARROW)	USD	1,010,000	343,333	-
Begum Organisation for Women	USD	332,336	40,000	30,000
Breakthrough Trust	USD	3,063,946	569,245	50,000
Chaitanya	USD	810,821	10,000	300,000
CIRCLE Women Association	USD	515,000	10,000	170,000
Dasra UK	USD	760,078	10,000	280,024
Forum for Women, Law and Development (FWLD)	USD	800,000	199,452	-
Global Fund for Women (UK)	USD	10,000	10,000	-
Hamro Palo	USD	160,000	10,000	90,000
HER Fund	USD	370,000	96,500	-
JOICFP	USD	521,000	170,000	211,000
Mirai RITA Foundation	USD	2,060,000	810,000	950,000
Nature Environment and Wildlife Society (NEWS)	USD	1,355,996	307,552	425,000
Nobel	USD	610,000	210,000	-
NPO Women's Eye	USD	460,000	210,000	150,000
One Heart Worldwide	USD	2,287,185	10,000	700,000
Pacific Feminist Fund	USD	421,785	10,000	170,000
Root Impact	USD	460,000	10,000	144,000
Tewa	USD	50,000	50,000	-
The Nudge LifeSkills Foundation	USD	367,332	20,000	180,000
UK for UNHCR (2023)	USD	515,626	270,000	-
Women Acting for Transformative Change	USD	294,701	10,000	140,000
Women's Fund Fiji	USD	310,000	10,000	120,000
Women's Fund Asia	USD	4,020,000	20,000	1,159,667
Women's Fund Asia Leading from the South	USD	3,000,000	-	1,000,000
Women's Rehabilitation Centre (WOREC)	USD	826,960	227,881	-

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****3A. GRANTS EXPENDITURE CONTINUED**

Grant portfolio & recipient	Local Currency	Total Grant Awarded Local	1 January to 9 July 2024	12 months to 31 December 2023
			US\$	US\$
<b>Global/multi-region</b>			<b>6,152,568</b>	<b>10,582,307</b>
Asociación Fondo Centroamericano de Mujeres	EUR	3,000,000	1,268,526	-
Capital for Good USA (GFF)	USD	3,000,000	-	1,200,000
Climate & Sustainability	USD	550,000	-	550,000
Co-Impact Philanthropic Funds, Inc.	USD	15,000,000	3,000,000	3,000,000
Fondation Nationale des Sciences Politiques	EUR	240,000	-	88,704
Foro Internacional de Mujeres Indígenas (FIMI)	USD	3,000,000	-	1,375,000
Global Philanthropy Project	USD	510,000	10,000	250,000
L'Association du Forum de Paris sur la Paix Paris Peace Forum (2023)	EUR	50,190	-	53,687
ODI	USD	800,000	-	800,000
OECD	EUR	50,000	-	54,916
Panorama Global Equal Measures 2030- 2022	USD	1,500,000	-	500,000
Panorama Global Shake The Table	USD	50,000	50,000	-
Public Health Institute	USD	1,400,000	510,000	510,000
The Bridgespan Group	USD	200,000	-	200,000
Thousand Currents	USD	1,500,000	500,000	-
Women Deliver	USD	300,000	-	50,000
Women Engage for a Common Future (WECF) (Global)	EUR	1,797,000	814,042	-
Women Win (UK) Nebula Fund	USD	3,000,000	-	1,250,000
Women Win (UK) Numun Fund	USD	1,200,000	-	700,000
<b>Latin America</b>			<b>392,158</b>	<b>584,100</b>
CARE France	EUR	1,052,373	392,158	384,100
Pro Mujer, Inc.	USD	600,000	-	200,000
<b>United Kingdom</b>			<b>2,267,991</b>	<b>2,888,902</b>
End Violence Against Women	GBP	330,120	-	168,873
FiLiA (UK)	GBP	543,935	-	243,165
Gingerbread UK	GBP	1,800,000	-	1,049,475
Global Fund for Children, The (UK Trust)	GBP	3,539,194	1,518,029	135,063
Kalayaan	GBP	283,600	152,400	-
Rosa Fund	GBP	1,650,000	-	750,600
Women's Budget Group 2022	GBP	981,776	369,110	38,466
Women's Budget Group Early Education and Childcare Coalition	GBP	300,944	228,452	-
Working Chance	GBP	45,000	-	57,245
Women's Resource Centre	GBP	989,030	-	446,015

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****3A. GRANTS EXPENDITURE CONTINUED**

<b>Grant portfolio &amp; recipient</b>	<b>Local</b>	<b>Total Grant</b>	<b>1 January to</b>	<b>12 months to</b>
	<b>Currency</b>	<b>Awarded</b>	<b>9 July</b>	<b>31 December</b>
		<b>Local</b>	<b>2024</b>	<b>2023</b>
			<b>US\$</b>	<b>US\$</b>
<b>Europe</b>			<b>5,098,929</b>	<b>188,003</b>
Bodossaki Foundation	EUR	170,282	-	188,003
Calala Fundo de Mujeres (UK)*	EUR	1,030,000	430,184	-
CFF (UK)	EUR	10,000	11,057	-
Diotima (UK)*	EUR	768,534	198,349	-
Ecumenical Women's Initiative (UK)*	EUR	450,000	161,382	-
En Terre Indigène (UK)*	EUR	353,674	139,740	-
European Women's Lobby (UK)	EUR	1,195,191	217,464	-
Fundación Secretariado Gitano (UK)*	EUR	1,200,068	271,274	-
GAMS Belgique (UK)*	EUR	755,000	216,748	-
Ikambere (UK)*	EUR	828,360	47,523	-
IRIS – Institut de relations internationales et stratégiques (UK)	EUR	27,500	29,487	-
LESSAN (UK)	EUR	100,000	76,001	-
Network of European Foundations (UK)	EUR	4,500,000	1,632,879	-
Prolepsis (UK)*	EUR	511,775	109,368	-
ReDi School (UK)*	EUR	753,285	136,063	-
SEMIA Fondo delle Donne Ente Filantropico (UK)*	EUR	210,000	76,720	-
Sport dans la Ville (UK)*	EUR	1,239,759	211,609	-
Ukrainian Women's Fund (UWF) (UK)*	EUR	1,200,000	525,790	-
Voisin Malin*	EUR	857,163	175,257	-
Voisin Malin - Phase II*	EUR	100,729	109,357	-
Women Win (UK) Women Win - Phase II*	EUR	900,000	322,677	-
<b>Total grants expenditure</b>			<b>19,719,904</b>	<b>25,910,696</b>

\* novated to Fondation CHANEL from the French Foundation in 2024

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****3B. FUTURE GRANT COMMITMENTS**

As of 9 July 2024, Fondation CHANEL had estimated future grant commitments as follows:

	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
<b>Payable in the period/ year ending:</b>		
10 July to 31 December 2024 <sup>1</sup>	23,356,209	24,577,056
31 December 2025	34,065,014	20,476,612
31 December 2026	11,396,645	8,286,009
31 December 2027	1,637,613	1,267,465
<b>Total</b>	<b>70,455,481</b>	<b>54,607,142</b>

<sup>1</sup> 2023 comparative reflects grants payable in the year ending 31 December 2024

Future grant commitments will be deemed payable and recognised as liabilities in accordance with the recognition policy set out in note 1. All future commitments will be funded with cash in hand or pledged donations from Chanel Limited.

**4. SUPPORT COSTS**

	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
Grant management and charity administration costs	5,064,846	5,925,693
Audit fees	73,853	65,972
Legal fees	55,913	43,111
<b>Total</b>	<b>5,194,612</b>	<b>6,034,776</b>

All support costs are incurred in relation to Fondation CHANEL charitable activities since no fundraising is undertaken by the Charity.

**5. STAFF COSTS IN-KIND**

	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
Salary costs	1,686,450	1,609,655
Social security costs	276,075	295,170
Pension costs	63,176	105,566
Other benefits	506,411	230,981
<b>Total</b>	<b>2,532,112</b>	<b>2,241,372</b>

All Fondation CHANEL staff are employed and remunerated by the Chanel group in accordance with its compensation policies and practices and seconded to the Charity on either a full-time or part-time basis to support grant portfolio management, administration, and overall management of the Charity. The majority of staff are full-time and for those who are part-time, an estimate of the appropriate proportion of their time dedicated to the Charity is included within donated services. The latter is true for the Global President of Fondation CHANEL and the Trustees have reviewed and concluded that none of these costs relate to their role as a Trustee and so have not been disclosed as Trustee remuneration.

Salary costs for 2024 include a total of \$229,158 relating to Foundation staff costs incurred from October to December 2023, which were not recognised in the financial year ended 31 December 2023 because they were not identified at that stage. On the basis this omission represents an under-accrual of both in-kind income and in-kind expenditure, there is no impact on the net result for either financial period. Given the nature of the item and its quantitative assessment, it was determined that a prior period adjustment was not necessary. Instead, the amount has been recognised in the 2024 financial statements, with this disclosure provided for transparency.

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****6. GOVERNANCE COSTS**

	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
Audit fees	73,853	65,972
Legal fees	55,913	43,111
Travel & meetings	18,762	330
<b>Total</b>	<b>148,528</b>	<b>109,413</b>

Governance costs are included within support costs. No Trustee received any remuneration from Fondation CHANEL or a related party during the reporting period for their services as a Trustee. Included within travel and meetings are accommodation expenses totalling US\$365 (2023: US\$330) covered by the Charity related to Board meeting attendance by one Trustee.

**7. DEBTORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	<b>9 July 2024 US\$</b>	<b>31 December 2023 US\$</b>
Debtors	30,000,000	30,000,000
<b>Total</b>	<b>30,000,000</b>	<b>30,000,000</b>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>9 July 2024 US\$</b>	<b>31 December 2023 US\$</b>
Debtors	95,500,000	95,000,000
Prepayments	30,066	5,000
<b>Total</b>	<b>95,530,066</b>	<b>95,005,000</b>

**9. CASH AT BANK AND IN HAND**

	<b>9 July 2024 US\$</b>	<b>31 December 2023 US\$</b>
Sterling account	2,366,852	1,168,164
US Dollar account	70,573,270	91,066,144
<b>Total</b>	<b>72,940,122</b>	<b>92,234,308</b>

**NOTES TO THE FINANCIAL STATEMENTS****For the period 1 January to 9 July 2024****10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>9 July 2024 US\$</b>	<b>31 December 2023 US\$</b>
Grants payable	3,208,825	266,716
Other creditors	642,883	338,229
<b>Total</b>	<b>3,851,708</b>	<b>604,945</b>

**11. FUNDS NOTE**

	<b>General Funds US\$</b>	<b>Designated Funds US\$</b>	<b>Total Unrestricted Funds US\$</b>
<b>Balance at 1 January 2024</b>	161,917,221	54,717,142	<b>216,634,363</b>
Income	3,069,141	-	<b>3,069,141</b>
Expenditure	(24,914,516)	-	<b>(24,914,516)</b>
Gains	(170,508)	-	<b>(170,508)</b>
Transfers	(15,738,339)	15,738,339	-
<b>Balance at 9 July 2024</b>	<b>124,162,999</b>	<b>70,455,481</b>	<b>194,618,480</b>

Designated funds are comprised of grant commitments payable in future years, as shown in note 3.

**12. RECONCILIATION OF NET INCOME TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES**

	<b>1 January to 9 July 2024 US\$</b>	<b>12 months to 31 December 2023 US\$</b>
<b>Net (expenditure)/ income for the reporting period</b>	(21,845,375)	96,075,531
<b>Adjustments for:</b>		
(Increase) in debtors	(525,066)	(39,997,893)
Increase/ (decrease) in creditors	3,246,763	(43,736)
Other recognised gains on foreign exchange	9,632	4,505
Other unrecognised (losses)/ gains on foreign exchange	(180,140)	159,935
<b>Total</b>	<b>2,551,189</b>	<b>(39,877,189)</b>
<b>Net cash (used in)/ provided by operating activities</b>	<b>(19,294,186)</b>	<b>56,198,342</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period 1 January to 9 July 2024

### 13. RELATED PARTY TRANSACTIONS

#### Connected companies

While Fondation CHANEL did not receive any monetary donations from the Chanel group during the period (2023: US\$85,000,000), at 9 July 2024, pledged cash receivable by 31 December 2024 was US\$95,000,000, with a further pledge of US\$30,000,000 receivable by 31 December 2025.

The Charity operates from Chanel group office premises and donated services and facilities were also received as outlined in note 2. Grant and charity administration was undertaken by employees of the Chanel group who are seconded to the Charity. Both staff and usage of office facilities and equipment utilised during the period were donated in-kind to the Charity and valued at US\$3,069,141 (2023: US\$3,021,002) based on an apportioned estimate of cost incurred related to the Charity's operations.

As at the date of this report, four of the eight current directors and members of the Board of Trustees are employed by the Chanel group.

Travel and accommodation expense totalling US\$365 (2023: US\$330) was covered by the Charity related to Board meeting attendance by one Trustee during the reporting period.

Mabel van Oranje, a Trustee of the Charity, also serves as an advisory board member (a non-remunerated position) of Co-Impact Philanthropic Inc., a current grantee. Grant disbursements during the period were USD\$3,000,000 under a 5-year grant totalling USD\$15,000,000, awarded on 1 July 2022. The grant was awarded following the Charity's standard due diligence process and the potential conflict of interest was raised and discussed in advance. The Trustee was subsequently involved in discussions and decision-making in line with the Conflicts of Interests Policy. All potential conflicts of interests are recorded and monitored by the Company Secretary.

#### Connected foundations

Fondation CHANEL works with sister foundations, the French Foundation and the U.S. Foundation, insofar as the sister foundations' activities are compatible with the Charity's objects as set out on page 20. The French Foundation was formally liquidated on 12 July 2024 (see note 14 Subsequent Events). Each of the sister foundations existed for charitable purposes in their own jurisdictions as outlined below and is regulated as such.

#### Registered office

**Fondation CHANEL, Inc.,**  
The Corporation Trust Company  
Corporation Trust Center,  
1209 Orange St.,  
Wilmington, DE 19801  
United States

#### Purpose

The general purposes for which Fondation CHANEL, Inc. was formed are to conduct similar charitable activities to the purposes of the Charity. For the purposes of U.S. regulation, these purposes are qualified as being exclusively those that allow it to qualify as an exempt organisation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute thereto (the "Code"), including, for such purposes, the making of distributions to organisations which qualify as tax-exempt organisations under the Code.

The specific and primary purpose for which Fondation CHANEL, Inc. was formed is to advance women as agents of change throughout the world, both by supporting women's empowerment through (i) participation and leadership, (ii) health and social protection (iii) economic independence and entrepreneurship and (iv) education and training, as well as by supporting women in arts and culture.

**Fondation d'Entreprise Chanel,**  
135 Avenue Charles de Gaulle,  
Neuilly-sur-Seine 92200,  
France

The purpose of Fondation d'Entreprise Chanel is also aligned with those of the Charity and in particular, its purpose is to work in France and Europe to improve the economic and social condition of women and adolescent girls regardless of their origin.

While the different Fondation CHANEL sister entities share similar charitable purposes, mission, strategy, and values, they are legally independent in their decision taking and grant-making. Each entity operates with its own geographical focus rooted in local context. The Charity's current grant-making scope includes the UK, Africa, the Middle East and north Africa and Asia-Pacific, Latin America, and multi-region initiatives, as well as France and Europe following the transfer of activities from the French Foundation during the reporting period. The U.S. Foundation's primary scope is on the United States, Mexico, and the Caribbean.

As at the balance sheet date, there was no direct structural legal relationship between the Charity and Fondation CHANEL, Inc (see note 14 Subsequent Events). During the reporting period, one Trustee of the Charity also served on the Board of the French Foundation, prior to its liquidation, as President.



## NOTES TO THE FINANCIAL STATEMENTS

For the period 1 January to 9 July 2024

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### 14. SUBSEQUENT EVENTS

As part of the Foundation's global governance changes more fully described in Our Progress and the Financial Review, following a review of the French Foundation's multi-year action plan for grant commitments to confirm that the grant commitments align with the aims and charitable objectives of the Foundation, the Foundation Board approved the novation of these agreements to the Foundation, together with the resulting liability of \$22.2 million. This was executed between 6 March 2024 and 23 May 2024 and formal liquidation of the French Foundation took place on 12 July 2024.

At their meeting on 24 April 2024, the Trustees approved Fondation CHANEL becoming the sole member of the US Foundation, with Chanel, Inc. stepping down as the sole member. Subsequently, the US Foundation became a subsidiary of Fondation CHANEL on 10 July 2024. The US Foundation continues to have a board of directors and Fondation CHANEL Trustees Latanya Mapp, Kate Wylie, and Philippe Blondiaux were appointed as directors to the US Foundation board on 10 July 2024. From 10 July 2024, consolidated accounts will be prepared for the Charity group, with the first set of accounts being prepared for the long period of account to 31 December 2025.

On 30 December 2024, the Charity received a monetary donation of USD\$95,000,000 from Chanel group company Chanel Limited in respect of cash previously pledged. This donation was not recognised as income in the reporting period as it was received after the year end. The Trustees consider this donation to be a significant post-balance sheet event, which will materially impact the Charity's future financial position and activities.