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## **The Why Foundation**

Gothersgade 55, 1., 1123 Copenhagen K.

Company register number 33 31 83 91

**Annual report for 1 January - 31 December 2016**

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## Statement by management on the annual financial statements

We have considered and approved the annual financial statements of The Why Foundation ("The Why") for the financial year 1 January to 31 December 2016.

The annual financial statements has been presented in accordance with the Danish Financial Statements Act.

In our opinion, the annual financial statements give a true and fair view of the Foundation's financial position at 31 December 2016 and of the results of its operations for the financial year 1 January to 31 December 2016.

We believe that the management's review contains a fair view of the affairs and conditions referred to therein.

Copenhagen, 15 May 2017

**CEO**

Anne-Mette Hoffmann Meyer

**Board**



Klara Sofia Ok-Bong Grønning Harris  
- Chairwomen



Camilla Nielsson



Randi Bach Poulsen

Nicholas Henry Fraser



Francois Jacques Denis Zimeray



Anne-Mette Hoffmann Meyer

## **Independent Auditor's Report**

### **To the management of The Why Foundation**

#### **Opinion**

We have audited the annual accounts of The Why Foundation for the financial year 1 January - 31 December 2016, which comprise profit and loss account, balance sheet, and notes, including a summary of accounting policies used. The annual accounts have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the assets and liabilities, and the financial position of the company at 31 December 2016, and of the results of the company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis of opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

**Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 15 May 2017

Grant Thornton Statsautoriseret Revisionspartnerselskab  
CVR-nr. 34209936



Steen K. Bager  
State Authorised Public Accountant

## Foundation details

### Foundation

The Why Foundation  
Gothersgade 55, 1.  
1123 Copenhagen K

Central Business Registration No	33 31 83 91
Founded	1 April 2010
Registered in	Copenhagen
Financial year	1 January – 31 December

### Board

**Klara Sofia Ok Bong Grunning Harris, Chairwoman**  
- Commissioning editor for documentary features and TV-films at the Swedish Film

**Nicholas Henry Fraser**  
-Creative Director of Yaddo

**Francois Jacques Denis Zimeray**  
-French Ambassador to Denmark.

**Randi Bach Poulsen**  
-Partner of the Danish Law Firm Bech-Bruun.

**Camilla Nielsson**  
-Documentary film director

**Anne-Mette Hoffmann Meyer**  
- CEO of the WHY

### CEO

Anne-Mette Hoffmann Meyer

### Foundation auditors

Grant Thornton Statsautoriseret Revisionspartnerselskab

## **Report of the board**

### **Nature of business**

The Why Foundation (Hereinafter THE WHY) initiates, produces and distributes public media initiatives to a global audience through broadcast, cross-media platforms and outreach activities to ensure free access to independent and factual information.

THE WHY is a non-profit organization that was originally registered in 2004, under Danish law, as an association.

### THE WHY's Purpose

We believe continuous civic education is key to secure just and peaceful pluralistic and democratic societies. However, we live in a world that suffers from poor public media and exacerbating information inequality. Both public media and information have come under intense commercial and political pressure. At the same time many people lack access to critical and fact-based information about the world we live in. According to UNESCO an estimated one billion people remain unable to read and write. While mobile phones have become widely used, smartphones are still uncommon, as is access to a free and informative internet. The media landscape today is fractured and can be contradicting and difficult to navigate. THE WHY works to combat information inequality by ensuring that all people have free access to high-quality, independent and fact-based media. THE WHY works with factual stories to create large scale public media projects that inform people around the world about the key global issues of our time, in an effort to secure a better informed global public.

### 2016 in Review

#### **Economic statement**

The 2016 results reflects the work carried out. The organisation had significantly higher income than in 2015, due to the execution of an active project Why Women? as well as a commissioning agreement with the new documentary platform Yaddo. This resulted in an increase in Total Income from DKK4.4mn to DKK10mn. Expenses grew commensurate with the increase in income. As a result of prudent budgeting and increased revenue THE WHY had a small Net Surplus of DKK 379.936. The surplus is dedicated to outreach for our current Why Slavery? project.

The work of THE WHY in 2016 focused on three key programmes World Stories, Why Women, and Why Slavery, as well as some smaller programmes including the pilot-project Ask Why: Cinema Club.



### *World Stories*

Our cornerstone programme World Stories, which selects 20 documentary films every year and distributes them, mostly for free, to broadcasters around the world, successfully completed its second season. This was made possible by our close collaboration with BBC World News who license the films and show them globally on their platforms. Midway through the year we published our Impact Report from Season 1. The Report showed that World Stories is filling an important need among underserved broadcasters. Several broadcasters echoed the sentiment: “Please send more films”. At the same time reports from our filmmakers indicated that World Stories goes beyond providing balanced public service TV to provide impetus to social justice campaigns and connecting people across nationality, religion and culture around common human rights issues. Over the course of the year World Stories grew its reach by commencing broadcast in Russia, Vietnam, and Lebanon. Last, World Stories was strengthened with new members of the Editorial Board including Ruby Chen, Nagieb Khaja, Mariza Matshaya, Chris Hastings and Claire Aguilar. We welcome these forces from South Africa, China the USA and Denmark from within the documentary film community to World Stories.

### *Why Women*

In May 2015 THE WHY was approached by the Women Deliver Committee in Denmark to produce an independent public media series to increase awareness in Denmark about women’s health, right and well-being globally for launch in connection with the Women Deliver Conference to be held in Denmark in May 2016. THE WHY spent significant time in 2015 developing content for the project. THE WHY received support for three feature films from DANIDA. In September 2015 Den Obelske Familiefond committed to funding 10 independently produced short films about key Women Deliver themes. The short films have been narrated by Helen Mirren and were crowd-sourced through a competition held in Q1/Q2 of 2016. The 3 films as well as the 10 short films were launched in May 2016 in collaboration with Copenhagen Municipality, DR, Danida, Oak Foundation Denmark and Det Obelske Familiefond. Why Women were seen by 2 million people in Denmark through broadcast alone, and more people were reached online and in the public sphere. The films aided effort to secure a better informed global public. In 2017 the short film “Benefits of a Toilet” won the Danish Design Award in the category Message Delivered.

### *Why Slavery?*

THE WHY continued development on the series Why Slavery? Through the year THE WHY continued to develop the six films. In addition, more than 20 broadcast partners committed to showing the series including NHK in Japan, CBC in Canada, and BBC in the UK. Many others are expressing keen interest in showing the films, including many of our underserved Broadcast partners. In addition, THE WHY spent crucial time developing exciting relationships with anti-human trafficking organisations, including The Freedom Fund. The series is on track to launch in end April 2018.

### *Other Projects*

In addition to the key projects above, THE WHY considerably improved its communications tools and launched the Pilot Project Ask Why: Cinema Club. Throughout the Spring and Summer of 2016 THE WHY spent considerable time launching a new website and developing a unified communications strategy that was launched across all its social media platforms in September 2016. In addition, THE WHY engaged a part-time communications expert to support layout and design of THE WHY's materials. This means that THE WHY now presents a unified tone and imagery in all its doings. The improved communications is aiding brand recognition and improving the organisations conversations particularly with potential partners and supporters. In addition, the pilot-project Ask Why: Cinema Club was launched. The Cinema Club invites 7-8<sup>th</sup> graders in Copenhagen to come and watch documentary films about Women's Rights, Poverty and Democracy followed by a discussion. The project was a success and was renewed by Copenhagen Municipality. THE WHY may also extend the programme to other municipalities by way of introduction from Copenhagen Municipality.

### **Governance and leadership update**

Through 2016, THE WHY suffered from a leadership gap. Our Board Members Mette Hoffmann Meyer and Nick Fraser took on managerial functions on a voluntary basis and our Chairwoman Klara Grunning took on certain Executive duties. Last independent consultant Charlotte Meyer continued to support the organisation on certain elements related to fundraising, strategic partnerships, and growth through this transitional period. The Board wants to note, as a matter of good governance and transparency, that Charlotte Meyer is the daughter of Board Member Mette Hoffmann Meyer. After much consideration THE WHY announced in December 2016 that Founder and Board Member Mette Hoffmann Meyer would become CEO of THE WHY from January 2017.

THE WHY also took steps over the course of the year to strengthen its board by bringing in new skills and networks. THE WHY was therefore excited to announce in December 2016 that corporate legal advisor and partner of Bech-Bruun Randi Bach Poulsen, Award-winning director Camilla Nielsson, and the French Ambassador to France Francois Zimeray agreed to join the board commencing 2017.

### **Future development**

During the first quarter of 2017 THE WHY has first secured the third season of World Stories, by not only extending but also deepening its partnership with BBC. Moreover, THE WHY has extended its reach into India, Jordan and Argentina – adding more than 80 million potential viewers. Second, Why Slavery? is now being co-produced with more than 20 broadcasters around the world and has established an educational partnership with Open University. Our team at THE WHY is as a result of these commitments focused producing two high-quality, independent and fact-based series and securing funding and sponsorships for outreach.

In addition, THE WHY is continuing to reach out to potential partners and sponsors in order to commence two potential new projects Why Plastic? and a new Why Democracy?

THE WHY now manages multiple programmes that all aim to increase free access to independent, factual media and increase public awareness about the key global issues of our time.

We are excited to continue our work to combat information inequality.

## Income statement for 1 January - 31 December

	Note	2016 <u>DKK</u>	2015 <u>DKK</u>
Grant income - Foundations and Institutional Partners	1	5.385.971	2.288.099
Broadcasters - Licence fees	1	<u>4.623.169</u>	<u>2.116.124</u>
<b>Income Total</b>		<b>10.009.140</b>	<b>4.404.222</b>
Production costs	1, 6	7.397.331	2.096.244
Editorial and producers cost	1, 6	1.790.086	1.607.395
Administration cost	1, 6	<u>410.661</u>	<u>931.974</u>
<b>Costs total</b>		<b>9.598.078</b>	<b>4.635.613</b>
<b>Net (Deficit) Surplus before financial</b>		<b>411.063</b>	<b>-231.390</b>
Financial income	2	125.767	136.326
Financial expenses	3	<u>-156.894</u>	<u>-21.598</u>
<b>Net (Deficit) Surplus for the year</b>		<b><u>379.936</u></b>	<b><u>-116.662</u></b>
<b>Disposal of the Net (Deficit) Surplus</b>			
Transfer to reserves		<u>379.936</u>	<u>-116.662</u>
Projects including income and costs	1		
Related party transactions	7		

## Balance sheet 31 December

	Note	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Equipment		<u>6.666</u>	<u>11.999</u>
<b>Current Assets</b>			
Trade accounts receivable		740.419	505.393
Deposits		29.500	56.500
Other receivables		532.282	160.651
Prepayments		8.222	2.833
Accrued project costs		0	231.116
		<u>1.310.422</u>	<u>956.493</u>
Cash funds		<u>1.576.480</u>	<u>5.992.905</u>
<b>Total Assets</b>		<b><u>2.893.568</u></b>	<b><u>6.961.398</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Foundation capital		300.000	300.000
Reserves		1.695.977	1.316.041
	4	<u>1.995.977</u>	<u>1.616.041</u>
<b>Current Liabilities</b>			
Deferred project income	5	523.248	4.890.258
Trade creditors		261.460	317.704
Other liabilities		112.883	137.394
		<u>897.591</u>	<u>5.345.357</u>
<b>Total Equity and Liabilities</b>		<b><u>2.893.568</u></b>	<b><u>6.961.398</u></b>

## Notes to the financial statements

### 1 Projects

	2016					2015						
	<u>World Stories</u>	<u>Why Slavery?</u>	<u>Why Women?</u>	<u>Previous project</u>	<u>Other Activities</u>	<u>DKK Total</u>	<u>World Stories</u>	<u>Why Slavery?</u>	<u>Why Women?</u>	<u>Why Poverty?</u>	<u>Other Activities</u>	<u>DKK Total</u>
Grant income	246.501	0	4.926.619	80.540	132.311	5.385.971	865.350	452.920	858.281	111.548	0	2.288.099
Broadcasters - Licence fees	2.238.296	1.411.568	4.966	45.218	923.121	4.623.169	2.116.124	0	0	0	0	2.116.124
Total income	2.484.797	1.411.568	4.931.585	125.758	1.055.432	10.009.140	2.981.474	452.920	858.281	111.548	0	4.404.223
Production cost	-1.998.951	-1.090.580	-4.238.358	-10.767	-58.675	-7.397.331	-1.756.970	-247.102	-92.171	0	0	-2.096.243
Labor cost	-692.463	-359.240	-502.663	0	-235.720	-1.790.086	-837.639	-123.354	-646.402	0	0	-1.607.395
Administration costs	-39.965	-15.190	-16.559	-8.036	-330.911	-410.661	-114.860	-76.183	-40.682	-20	-700.229	-931.974
Total costs	-2.731.379	-1.465.010	-4.757.580	-18.803	-625.306	-9.598.078	-2.709.469	-446.639	-779.255	-20	-700.229	-4.635.612
<b>Net (Deficit) Surplus before financial</b>	<b>-246.582</b>	<b>-53.442</b>	<b>174.005</b>	<b>106.955</b>	<b>430.127</b>	<b>411.063</b>	<b>272.005</b>	<b>6.281</b>	<b>79.026</b>	<b>111.528</b>	<b>-700.229</b>	<b>-231.389</b>

Income and the related costs have been assigned to the individual projects in order to give the reader and the donors/partners information as to the individual projects etc. In the preparation direct income and costs are assigned directly to the related project whereas indirect costs are assigned to the related project based on management estimates. Certain donors require financial reporting from the foundation based on their own requirements and accounting principles which may differ from the accounting principles consistently applied by the Why Foundation. Why poverty and Why Democracy has been placed under Previous project from 2016.

Notes to the financial statements (continued)	<b>2016</b> <b><u>DKK</u></b>	<b>2015</b> <b><u>DKK</u></b>
<b>2 Financial income</b>		
Exchange rate differences, debtors gain	92.287	38.254
Exchange rate differences, creditors gain	33.480	98.072
	<b><u>125.767</u></b>	<b><u>136.326</u></b>
<b>3 Financial expenses</b>		
Bank charges	1.153	784
Interest expenses, SKAT	0	3.958
Exchange rate differences, debtors loss	79.712	6.873
Exchange rate differences, creditors loss	76.029	9.984
	<b><u>156.894</u></b>	<b><u>21.598</u></b>
<b>4 Equity</b>		
Foundation capital	300.000	300.000
Reserves 1 January	1.316.041	1.432.703
(Deficit) Surplus for the year	379.936	-116.662
<b>Reserves 31 December</b>	<b><u>1.695.977</u></b>	<b><u>1.316.041</u></b>
<b>5 Deferred project income</b>		
Danida, Why Women?	0	2.234.052
Obelsk Familie Fond, Why Women?	0	2.028.667
Compton, World Stories	0	153.223
WGBH. World Stories	0	474.316
BBC	523.248	0
	<b><u>523.248</u></b>	<b><u>4.890.258</u></b>
<b>6 Staff costs and Board and management remuneration</b>		
Wages and salaries	1.694.462	1.798.139
Pensions	36.312	22.140
Social security	19.433	14.882
Other costs	39.880	40.537
	<b><u>1.790.086</u></b>	<b><u>1.875.698</u></b>

## 7 Related party transactions

Charlotte Meyer, Meyer Independent, is the daughter of the board member Anne-Mette Hoffmann Meyer and has been engaged by and is reporting to the board represented by the chairwoman. The total cost excluding related expenses etc. for 2016 is DKK 150.000 and £ 25.000.

Board members do not receive remuneration for their work as board members. However direct costs related to their work for the Why Foundation including travel costs are being refunded at cost.

## **Accounting policies**

The Annual Financial Statements have been presented in accordance with the Danish Financial Statements Act governing reporting for class B enterprises.

The accounting policies are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognized in the balance sheet when, as a result of a prior event, future economic benefits will flow to the Foundation, and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when the Foundation has a legal or contractual obligation, as a result of a prior event, for future economic benefits to flow out of the Foundation, and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequent measurements are described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual financial statements that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized as such in the income statement when a project is either completed or when a particular stage of the project is completed. Income which has been received but designated for future project activity is allocated to deferred project income.

### **Foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

### **Income statement**

Income and expenses are recognized in the income statement with the amounts related to the financial year.

### **Grant income**

Grant income consists of the utilisation of donor grants during the year based upon a proportional percentage of the project completion (the percentage of completion method based on milestones completed).

### **Broadcasters - Licence fees**

Broadcasters comprises of invoiced licence fees to Broadcasters concerning own produced films.

### **Activity expenses**

Activity expenses are held in compliance with the Foundation's main purpose and comprises Production costs and Editorial and producers costs.



Expenses regarding activities comprise expenses for projects, production, consultants, outreach, related travel expenses, information dissemination, publications, web, evaluations and similar related expenditure.

**Administration expenses**

Administration expenses comprise expenses for the central overhead costs that are not directly related to individual project activities.

**Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Staff costs are included in Activity and Administration expenses.

**Net financials**

Net financials include interest income, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

**Tax**

Tax for the year includes only tax on the Foundation's commercial activities.

**Balance sheet****Receivables**

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions for expected losses on receivables are made to the net realisable value.

**Accrued project cost**

Accrued project cost comprises incurred costs relating subsequent financial years' income.

**Accrued project income**

Accrued project income comprises not invoiced income relating to project activities for the financial year.

**Liabilities**

Liabilities are measured at amortised cost, which usually corresponds to the nominal value.

**Deferred project income**

Income received but designated for future project activity is allocated to deferred project income.