
The Why Foundation (Fond)

Gothersgade 55, 1., DK-1123 København K

Annual Report for 1 January - 31 December 2018

CVR No 33 31 83 91

The Annual Report was
presented and adopted at
the Board of Directors
Meeting of the Foundation
on 23/4 2019

Randi Bach Poulsen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of The Why Foundation (Fond) for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

København, 23 April 2019

Executive Board

Anne-Mette Hoffmann Meyer

Board of Directors

Randi Bach Poulsen
Chairman

Francois Jacques Denis
Zimeray

Nicholas Henry Fraser

Anne-Mette Hoffmann Meyer

Klara Sofia Ok Bong Grunning
Harris

Peter Stenbæk

Camilla Nielsson

Independent Auditor's Report

To the Management of The Why Foundation (Fond)

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of The Why Foundation (Fond) for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 Financial Statements 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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 internal control that we identify during our audit.

Hellerup, 23 April 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Christiansen
statsautoriseret revisor
mne23371

Henrik Jensen
statsautoriseret revisor
mne33751

Foundation Information

Foundation

The Why Foundation (Fond)
Gothersgade 55, 1.
DK-1123 København K

CVR No: 33 31 83 91
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Randi Bach Poulsen, Chairman
Francois Jacques Denis Zimeray
Nicholas Henry Fraser
Anne-Mette Hoffmann Meyer
Klara Sofia Ok Bong Grunning Harris
Peter Stenbæk
Camilla Nielsson

Executive Board

Anne-Mette Hoffmann Meyer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Nature of business

The Why Foundation (hereinafter THE WHY) is a charitable organization that supports sustainable development by securing free access to reliable information for all citizens. THE WHY initiates, produces, distributes and donates public media initiatives globally through broadcast, cross-media platforms and outreach activities.

THE WHY is a non-profit organization that was originally registered in 2004, under Danish law, as an association, but was registered as a foundation in 2014.

THE WHY's Purpose

We believe that reliable free public information is key to securing just, peaceful and democratic societies. We however acknowledge that many people in the world simply don't have access to information about human rights, justice, political processes and equality. According to UNESCO, an estimated one billion people remain unable to read and write and it is estimated that only 50% of the global population has access to the internet. These findings indicate that significant barriers to accessing information are prevalent and contribute to gross inequality and knowledge gaps across the world. This problem has also been further exacerbated in recent years by the increasing funding, commercial and political pressure that independent public media has been subject to.

THE WHY works to combat violations to public service providers freedom to inform, as well as citizens' right to know, by ensuring that people have access to high-quality, independent fact-based media. Through our work, we hope to ensure citizens are informed and better equipped to engage meaningfully with their communities and at the political level. Supporting public media and a free press across the world is a social investment in global sustainability.

2018 in Review

Economic statement

The work of THE WHY in 2018 focused on two key activities: WHY Stories and WHY SLAVERY?, as well as a smaller school outreach programme Film Club Ask Why? and WHY Slavery? outreach from launch in October.

The 2018 results reflect the impact of the work carried out. Why Stories' main source of financial support comes from BBC WORLD NEWS license payments and a few supporting grants. This income together with the completion and delivery of the WHY SLAVERY? films has allowed us to make donations across the world. The WHY SLAVERY? project went into production in 2016 after sufficient funding of the films were secured through co-production partners etc.. Films were delivered to partners as planned and the donations, sales income and related costs have been reflected in this years result. The turnover in 2018 is significantly higher than 2017 due to the WHY SLAVERY? completion and delivery. THE WHY has received smaller grants for Film Club Ask Why educational activities and WHY STORIES outreach initiatives. The WHY managed to become a tax-deductible organization for donators in 2018.

Management's Review

Primary activities

WHY STORIES

Our cornerstone programme WHY STORIES, which curates 20 documentary films every year and donates them, mostly for free, to broadcasters around the world, has successfully completed its fourth season. This was made possible through our collaboration with BBC World News, who license the films and show them globally on their platforms. THE WHY donates these films to broadcasters in countries where there is no tradition for independent documentary films because of censorship laws, limited to no access to free media or lack of financial capacity. We consistently receive positive feedback from broadcasters, partners and viewers. Broadcasters from many parts of the world praise The Why for filling an important need for factual information.

At the same time, reports from our filmmakers indicate that WHY STORIES goes beyond providing balanced public service TV, to provide impetus to social justice campaigns and to connect people across nationalities, religions and cultures around common human rights issues. Over the course of its 4 years, WHY Stories grew its reach by commencing broadcasting in countries such as Mozambique, Chile, Peru, Kenya etc, Argentina. Season 3 of WHY STORIES was able to attract newer films, as the reputation of the series has spread. WHY STORIES is strengthened by the work of the Editorial Board and input from donation recipients. 46% of WHY STORIES films are directed by women. The donation of these films depends on BBC WORLD NEWS continued support.

Why Slavery?

THE WHY successfully delivered the 6 films to partners as planned in October 2018. We commenced production in 2016/17, where funding was secured for each film. WHY SLAVERY? is funded by a number of international broadcasters including NHK in Japan, CBC in Canada, and BBC in the UK, DR; SVT, NRK, Swiss TV, CNN etc. We expect more sales but also to donate Why Slavery? films to broadcast partners from underserved regions. THE WHY spent a significant amount of time developing the relationships with anti-human trafficking organisations, including The Freedom Fund, the UK Foreign and Commonwealth Office, the UN and others. WHY SLAVERY? was launched at the UN during the General Assembly in September, which was co-hosted by the Danish, British and Hungarian missions to the UN. We were also invited to present the project to Westminster by the UK foreign ministry, the Vatican, the EU and many other venues creating awareness and debates - it is estimated to reach at least 600 million people.

Other Projects

In addition to the projects above, THE WHY continued the Project: Ask Why? Film Club, supported by Open School of Copenhagen Municipality. The Cinema Club invites 7-8th graders in Copenhagen to come and watch documentary films the theme this year was FREEDOM, followed by a discussion. The project was a success and is renewed by Copenhagen Municipality. THE WHY may also extend the programme to other municipalities by way of introduction from Copenhagen Municipality. This Programme is also being trialled in Bogota, Colombia and many activities are planned for 2019. We also have regular themed screenings on women rights, children and education at the UN, organized by the Danish Mission

Management's Review

to the UN. In addition, we organize regular screenings of our films at Charlottenborg Museum.

Governance and leadership update

In 2018 we followed our existing strategies and plans. We focused to ensure the best possible launch and impact of the WHY SLAVERY? films on social media and venues. We continued to build and update our organisational strategy around partner relationships, general sustainability and growth. The development and maintenance of such partnerships are considered vital to ensuring THE WHY can deliver what it set out to, in line with its mission.

We have strengthened The Board with the addition of Peter Stenbæk, creative director at EGMONT. The organization's day-to-day management, we have established a clearer structure, within the 3 key activities by utilizing workflow descriptions. This supports the efficiency with the many interns, whom much of our work depends on. The CEO has built a strategy around getting awareness of the organisation, to potential stakeholders, foundations, private sector representatives, politicians and representatives within the political landscape, through meetings and presentations.

Our ongoing goal of finding long-term financial supporters of the organisation in 2018, was not realized. This will continue to be a strong focus of the organization in 2019. In addition, THE WHY is developing WHY PLASTIC?.

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

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

Statutory presentation about good governance according to § 77a in the Statements Act

The boards statement on "God fondsledelse" cf. Årsregnskabsloven § 77a is published on The Why's webpage:

https://uploads-ssl.webflow.com/5b7d98b91edba42a53d75c3f/5cc022bdbb0d9c83ce67b7fo_Good%20Governance%202018%20THE%20WHY.pdf

Donations 2018

Donation and distribution policy according to §77b in the Statements Act

The WHY donates documentary films to countries where free media is rare or non-existent. We combat access to information inequality, strengthen knowledge and awareness about human rights as well as provoke dialogue about how to reach the Sustainable Development Goals ("Global Goals").

To evaluate the value of information or the complexity of a film's true value is next to impossible. We have therefore used the total cost to estimate the value of each donation by equally dividing it into the number of donation recipients we have within a year.

Management's Review

The Board regularly assess whether donations are distributed to the value of the day of the donation. All donations till now are by nature intellectual property rights and assets for the benefit of the recipients in countries where such rights and assets have no market value. Accordingly a true value assessment is impossible and unreliable and for that reason a value of zero is considered to be a true value. On this basis donations are not included in the Income Statement or the Distribution of Profit.

List of donation recipients(legatarfortegnelse) - Lov om erhvervsdrivende fonde § 80

Broadcasters (32):

Vietnam Multimedia Corporation - Vietnam: the national television station in Vietnam, reaching over 80% of all urban households and most rural areas either through privately owned TVs or through TVs in village cafes. VTV had never shown independent documentary film before it screened WORLD STORIES, meaning the WORLD STORIES series provides revolutionary programming for this channel.

Address: 23 Lac Trung Str, Hai Ba Trung District, Ha Noi, Vietnam (9 th floor) Att: TRAN NGOC TU – Director of VTC Ad.

TV Rain - Russia: Russia's last remaining independent TV station, a rare, critical voice in Russia's media landscape broadcasting to viewers both within and outside the country. Unfortunately, they were unable to provide more detailed information about their viewership.

Address: Bolshaya Novodmitrovskaya 36, Bld. 2, Moscow, 127015

Wattan TV - Palestine: Al Wattan is an independent Palestinian TV channel, reaching an estimated 4 million Palestinian viewers both in Palestine and externally via online distribution.

Address: PARC building, Al Ma'ahid Street, Ramallah, Palestine

Aljadeed TV - Lebanon: Al-Jadeed is the most watched 24-hour Pan-Arabic television station broadcasting from Lebanon, with the number of viewers in Arab countries continuing to rise.

Address: Watta Al Mousaitbeh Jabal Al Arab Street Beirut Lebanon

Roya TV - Jordan: Ro'ya TV is an independent, privately owned satellite television station based in Jordan. It broadcasts local news and another local programming.

Address: Watan Broadcast Company, Jordan Media City Co. Bld. No.41

Preciosa Media - Colombia: educational outreach

Address: Bogotá, DC, Bogotá, D.C.

Freedom Film - Malaysia: A non-profit organization which annually hosts the Freedom Film Festival, dedicated to screening films which raise awareness of social issues.

Address: Unit A-2-10, 8 Avenue Jalan Sungai Jernih 8/1, 46050 Petaling Jaya, Selangor, Malaysia

EIDF / EBS-TV - South Korea: The representative public educational channel in South Korea. Annually they host the week-long documentary film festival EIDF, broadcasting our films through their network.

Address: 463 Dogok Dong, Gangnam Gu, Seoul, 135-854 Korea

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Azam TV - Kenya, Malawi, Tanzania, Uganda: Azam TV's mission is to "educate, entertain and delight" as many families in sub-Saharan Africa as possible.

Address: Plot 46/4 Nyerere Road, PO Box 2517 Dar Es Salaam, Tanzania

RTSH - Albanian Radio Television: the public broadcaster of Albania, founded in 1938. Since the fall of Communism in the region the Broadcaster has been an important voice in the region.

Address: Rruga Papa Gjon Pali II, Tirana 1000, Albania

FUNDACÃO SOICO- Mozambique: the public broadcaster of Mozambique, founded in 1938. Since the fall of Communism in the region the Broadcaster has been an important voice in the region.

Address: Av Kwame Nkrumah 417, Maputo, Mozambique

CONSTRUIR TV - ARGENTINA: is a thematic channel that proposes an innovative and positive view of the labor world and of the workers, by presenting high quality international and multi-platform contents in Argentina.

Address: Virrey Cevallos 520 – C1067AAL – Buenos Aires – Argentina

CANAL ENCUESTRO - ARGENTINA: is an Argentine television channel belonging to the Argentine Ministry of Education.

Address: Av. Comodoro Martín Rivadavia 1151 (1429)

COLSECOR - ARGENTINA : is an Internet-based broadcast Television Network providing viewers with a FREE Over-The-Air broadcast television experience on their TV and web-connected TV devices.?

Address: Rodríguez del Busto 2724, Córdoba, Argentina

CINEAR - ARGENTINA : is a free TV Channel that shows national content.

Address: Lima 319; Código Postal: C1073AAG, CABA; República Argentina.

ABRA TV - ARGENTINA: is a platform with audiovisual content in the University Nacional del Centro.

Address: Hipólito Yrigoyen 662, B7000 Tandil, Buenos Aires, Argentina

La Nación – Argentina: an Argentinean open television channel which launched in 2017. They are focused on news programming and are owned by the well-read newspaper La Nación.

Address: Calle 45 883, La Plata, Buenos Aires, Argentina

TV ESCOLA - BRAZIL: is a Brazilian public broadcasting television network created by Ministry of Education of Brazil in 1995. First broadcast in 1996 in a nationwide transmission, it airs exclusively educational programs.

Address: Hipólito Yrigoyen 662, B7000 Tandil, Buenos Aires, Argentina

Canal Futura - Brazil: is a Brazilian paid educational television channel. It belongs to the Globosat group of channels, a subsidiary of Organizações Globo, and was founded on December 11, 1999.

Address: Rua Santa Alexandrina, 336 Rio Comprido -RJ, CEP: 20261-232, Brazil

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ARCATEL - CHILE: Is the most important channel association of Chile, created in 2007.
Address: Fidel Oteiza N° 1916. Oficina N° 501, Providencia. Santiago.

SEÑAL COLOMBIA - COLOMBIA: is a Colombian national television channel established and funded by the government.

Address: Av. El Dorado Cr.45 # 26 - 33 Bogotá D.C. Colombia. Postal Code: 111321

TELEPACIFICO - COLOMBIA: is a Colombian regional public television network, created in 1986 as the city of Cali celebrated its 450th anniversary. It started broadcasting in 1988, with 24 weekly programming hours. It was the third regional network in the country, after Teleantioquia, created in 1985, and Telecaribe, created in 1986.

Address: Calle 5A # 38A-14, Piso 3 Cali, Colombia, Código Postal: 760042

CANAL 13 - COSTA RICA: is a public Costa Rican television channel, owned and operated by Sistema Nacional de Radio y Television S.A.

Address: San José Province, San José, Costa Rica

CANAL 22 - MEXICO: is an international TV Channel.

Address: Atletas número 2, edificio Pedro Infante, colonia Country Club, Delegación Coyoacán, Ciudad de México, CP- 04220

CANAL 26 - MEXICO: is a television station in Aguascalientes City, Mexico. It was established in 1976 with the support of the Instituto Cultural de Aguascalientes.

Address: Calle Independencia de México, 20259 Aguascalientes City

TVUNAM - MEXICO: is an educational television network owned and operated by the National Autonomous University of Mexico (UNAM) in Mexico City.

Address: Mario de La Cueva 14, C.U., 04510 Ciudad de México, CDMX

MEJIQUENSE TV - MEXICO: This is the public network of Mexico. Their news media content is produced in house and it shows three times every day.

The channel also shows a daily sports show. But MEJIQUENSE TV also shows films, cartoons ext. Besides the tv station, they also own six radio stations.

Address: Av. Estado de México Oriente No.1701 Colonia Llano Grande Metepec, Estado de México C.P. 52148

Chanal Conoce México Zacatecas - MEXICO: Transmits via satellite to Zacatecas for the entire Mexican country and the United States.

TV CIUDAD DE MONTEVIDEO - URUGUAY: Since 1996, the station has been dedicated to the production of television content that expresses quality, inclusion, diversity and contributes to the construction of citizenship. It is a generalist channel. Its programming includes culture, information, entertainment, and sports.

It has been a pioneering channel in the establishment of human rights agendas and has put on screen the

Management's Review

main actors of the social, cultural, political and artistic life of the country; in a contributory role for the development of Montevideo and national culture. Since 2013, its audiovisual archive was declared a National Historic Monument by the Ministry of Education and Culture.

Address: Dr Javier Barrios Amorín 1460, 11200 Montevideo, Uruguay

SUPER CANAL/FUNGLODE - REPUBLICA DOMINICANA: The channel started in 1999 and it shows Entertainment, news, fashion, music.

Address: Av Luperón 46, Santo Domingo.

SER TV - PANAMA: SER TV is the public broadcaster of Panama. It has existed since 1967 where it started as a television station on the university campus.

SERs main focus is news, interviews and TV shows all produced locally.

Address: Sistema Estatal de Radio y Televisión, Avenida Dulcideo González, Panamá

TV PERU - PERU: Public National Institute of Radio and Television of Peru. The Channel works to aims and promotes the national identity and well-being of all Peruvians through all its platforms.

Address: Av. José Gálvez # 1040, Urb. Santa Beatriz Lima - Perú

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Income total	1	11.922.523	3.963.978
Production costs	1	-9.361.993	-1.941.953
Administration cost	1	-498.816	-313.068
Gross profit/loss		2.061.714	1.708.957
Editorial and outreach cost	1,2	-1.569.077	-771.506
Earnings Before Interest, Tax, Depreciation and Amortisation(EBITDA)		492.637	937.451
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.333	-5.333
Value for grant distributions		0	2.264.009
Profit/loss before financial income and expenses		491.304	3.196.127
Financial income	3	107.422	141.492
Financial expenses	4	-159.534	-282.033
Profit/loss before tax		439.192	3.055.586
Tax on profit/loss for the year		0	0
Net profit/loss for the year		439.192	3.055.586

Distribution of profit

Proposed distribution of profit

Donations/grant distribution for the year	0	2.264.009
Regulation of allocation for donations/grant distributions	0	2.400.000
Retained earnings	439.192	-1.608.423
	439.192	3.055.586

Balance Sheet 31 December

	Note	2018 DKK	2017 DKK
Assets			
Other fixtures and fittings, tools and equipment		0	1.333
Property, plant and equipment		0	1.333
Fixed assets		0	1.333
Receivables		1.179.485	863.705
Other receivables		29.500	29.500
Prepayments		6.079	4.529.175
Receivables total		1.215.064	5.422.380
Cash at bank and in hand		4.239.392	5.247.238
Currents assets		5.454.456	10.669.618
Assets		5.454.456	10.670.951
Liabilities and equity			
Foundation capital		300.592	300.592
Allocation for donations/grant distributions		0	2.400.000
Retained earnings		2.926.153	86.962
Equity	5	3.226.745	2.787.554
Trade payables		353.066	286.385
Other payables		73.967	1.356.682
Deferred income		1.800.678	6.240.330
Short-term debt		2.227.711	7.883.397
Debt		2.227.711	7.883.397
Liabilities and equity		5.454.456	10.670.951
Accounting Policies	6		

Notes to the Financial Statements

1 Projects

	<u>Why Stories</u>	<u>Why Slavery?</u>	<u>Previous project</u>	<u>Other Activities</u>	<u>Total</u>
Grant income	345.413	1.000.000	1.060	154.217	1.500.690
Broadcasters	<u>646.401</u>	<u>9.619.642</u>	<u>93.822</u>	<u>61.968</u>	10.421.832
Total income	991.813	10.619.642	94.882	216.185	11.922.523
Production cost	-269.242	-8.860.827	0	-231.924	-9.361.993
Adiminstration cost	0	-109.073	-154	-389.587	-498.816
Editorial and outreach cost	<u>-341.588</u>	<u>-1.074.838</u>	<u>0</u>	<u>-152.651</u>	-1.569.077
Total costs	-583.830	-10.044.739	-154	-774.163	-11.429.886
EBITDA	<u>380.983</u>	<u>574.903</u>	<u>94.728</u>	<u>-557.978</u>	<u>492.637</u>

Income and the related costs have been assigned to the individual projects in order to give the reader and the donators/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 donators require financial reporting from the foundation basen on their own requirements and accounting principles which may differ from the accounting principles consistently applied by the Why foundation. Why Poverty and Why Women, has been placed under "Previous project" from 2018.

	<u>2018</u> DKK	<u>2017</u> DKK
2 Staff costs		
Wages and salaries	1.023.770	884.581
Pensions	11.491	15.352
Other social security expenses	13.479	12.458
Other staff expenses	<u>520.337</u>	<u>-140.885</u>
	<u>1.569.077</u>	<u>771.506</u>
Average number of employees	<u>3</u>	<u>1</u>

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.

CEO Anne-Mette Hoffmann Meyer has not received remuneration in 2018.

Notes to the Financial Statements

	2018 <u>DKK</u>	2017 <u>DKK</u>		
3 Financial income				
Exchange gains	107.422	141.492		
	107.422	141.492		
4 Financial expenses				
Other financial expenses	17.887	17.222		
Exchange loss	141.647	264.811		
	159.534	282.033		
5 Equity				
	<u>Foundation capital</u> DKK	<u>Allocation for donations/grant distributions</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	300.592	2.400.000	86.961	2.787.553
Transfers, reserves	0	-2.400.000	2.400.000	0
Net profit/loss for the year	0	0	439.192	439.192
Equity at 31 December	300.592	0	2.926.153	3.226.745

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of The Why Foundation (Fond) for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of

Notes to the Financial Statements

6 Accounting Policies (continued)

payment are recognised in financial income and expenses in the income statement.

Income Statement

Income total

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 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 costs

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 Editorial and producers costs.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

6 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 1-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

6 Accounting Policies (continued)

Deferred income

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

Distributions

Donations/grant distributions for the year

Donations/grant distributions are recognised at fair value. To the extent that the individual distribution cannot be calculated at fair value, it is measured at DKK 0 and is thus not recognised in the Income Statement or in the Distribution of profit.

Allocation for donations/grant distributions

On the date for approving of the Annual Report the board adopt an amount for allocation for donations/grant distributions which is expected to be distributed until next approval of Annual Report. This amount is transferred from the reserves to the Allocation for donations/grant distributions. When distributed these amounts will be transferred to Donations/grant distributions for the year.