

The Why Foundation

Gothersgade 55, 1., 1123 Copenhagen K.

Company register number 33 31 83 91

Annual report for 1 January - 31 December 2015

(6. account year)

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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 2015.

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 2015 and of the results of its operations for the financial year 1 January to 31 December 2015.

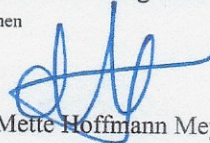
We believe that the management's review contains a fair view of the affairs and conditions referred to therein.

Copenhagen, 30 May 2016

Board



Klara Sofia Ok Bong Grunning Harris
chairwomen



Anne-Mette Hoffmann Meyer



Nicholas Henry Fraser



Dan Cogan

Independent Auditor's Report

To the management of The Why Foundation

Report on the annual financial statements

We have audited the annual financial statements of The Why Foundation for the financial year 1 January to 31 December 2015, which comprises income statement, balance sheet, notes and accounting policies. The annual financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the annual financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the annual financial statements based on our audit. We performed the audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation and generally accepted public auditing standards. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation of annual financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not for the purpose of express an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual financial statements give a true and fair view of the Foundation's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

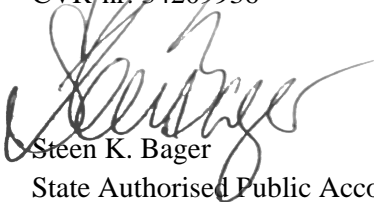
Statement on the board's review

Pursuant to the Danish Financial Statements Act, we have read the board's review. We have not performed any further procedures in addition to the audit of the annual financial statements.

On this basis, it is our opinion that the information provided in the board's review is consistent with the annual financial statements.

Copenhagen, 30 May 2016

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 Institute

Nicholas Henry Fraser

– Editor of the BBC factual series Storyville

Anne-Mette Hoffmann Meyer

– Head of documentaries and co-productions at Denmark's public service broadcasting corporation, DR

Dan Cogan

– Executive Director and Co-Founder of Impact Partners

Foundation auditors

Grant Thornton Statsautoriseret Revisionspartnerselskab

Report of the board

Nature of business

The Why Foundation (hereinafter ‘THE WHY’) is a non-profit organization that was originally registered in 2004, under Danish law, as an association. On April 1st, 2010 the organization changed legal status to STEPS International Foundation. On July 10th, 2015 the organization changed its name to The Why Foundation.

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’s Purpose

We live in a world that suffers from information inequality. Civic education and public media is in a state of crisis. Both are under increasing commercial and political pressures. In addition, many people do not have access to information. An estimated one billion people are still unable to read and write. While many people now have mobile phones, these are often not smart phones that can be used to access a free and informative internet. Information online, in print, and broadcast can be contradicting and difficult to navigate. THE WHY works to combat information inequality. THE WHY works with fact based stories to create large scale public media projects that inform people all around the world about the key global issues that affect our world today.

2015 in Review

Economic statement

The 2015 results reflects the work carried out. The remaining outreach was carried out for the acclaimed public media series Why Poverty? The work was executed by the South Africa-based NGO Steps South Africa on terms pre-agreed with THE WHY. Our cornerstone programme World Stories successfully completed its first season. In addition, development continued on Why Slavery? and a new project Why Women? – with focus on increasing awareness about women’s rights in Denmark – was commissioned for delivery in May 2016.

A small loss was incurred in line with expectations. The loss is attributed to administrative costs. Administrative costs were expected to exceed income because the organisation has taken the first strategic steps to bring the management of its public media initiatives in-house, re-developing its strategic partnerships, re-developing its online platform, and at the same time launching three new programmes. The work on all these fronts are on-going.

Business developments since the end of period

THE WHY successfully launched its cornerstone programme World Stories in 2015. The Programme consists of 20 documentary films, which are re-edited and distributed on a scaled-fee system to broadcasters who do not currently have a tradition of showing factual films. World Stories was distributed to 9 broadcasters around the world, including in Ukraine, Vietnam, and Bhutan. The Programme was also shown on BBC World News, BBC Arabic and BBC Persia. It is estimated that each film reached between 30-35 million people. Feedback from our broadcast partners have been overwhelmingly positive. THE WHY continues to look for long-term partners to support the World Stories programme.

THE WHY continued development on the series Why Slavery? Through the year THE WHY called for proposals and continued to develop eight of the ideas. Several ideas have been developed with Alex Cooke and Alan Hayling of Renegade Pictures. Cooke and Hayling both have immense experience producing critically acclaimed and popular documentary films. Last, THE WHY started circulating the project to potential partners.

Finally, 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 Familie Fond 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. Mette Bjerregaard was hired to produce this series.

THE WHY now manages all its public media initiatives in-house, and continues to commission films from independent documentary filmmakers. THE WHY believes in supporting independent filmmakers globally to ensure a rich global independent and free media landscape.

Governance and leadership update

On October 30th 2015 CEO, Christoffer Guldbrandsen, ceased employment with the organisation to become Head of DR2, a Danish Television station. Throughout 2015 Guldbrandsen contributed to the development of the new World Stories programme and the two independent projects Why Slavery? and Why Women?

As a result of the strong production team it was decided not to hire a new CEO for the time being. The Chairwoman Klara Grunning has taken on certain Executive duties, and has engaged independent consultant Charlotte Meyer to support the organisation on certain elements related to fundraising, strategic partnerships, and growth. 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.

Board Member Carne Ross withdrew from his board position owing to a conflict of interest. The Board is making a point of recruiting additional independent board members in 2016. A new Charity Law entered into force in Denmark in 2015. THE WHY has spent time both in 2015 and 2016 developing new Terms of Reference, Standard Operating Procedures and a Communications Policy. These together will ensure that THE WHY continues to adhere to best practices for charity governance.

Last, THE WHY has been fortunate enough to secure a new home at The Danish Film House, in Copenhagen, Denmark. The Danish Filmhouse is owned by The Danish Film Institute. THE WHY moved to its new offices in October 2015. The new office ensures that THE WHY's employees are based in a creative space, surrounded by people who live and breathe public media.

Future development

As THE WHY looks to 2016 the organisation continues its fundraising and partnership efforts to strengthen the administrative support for the organisation, as well as for its individual programmes World Stories and Why Slavery?

In addition, The Why is considering additional new projects including Why Plastic? and a new Why Democracy?

Last, THE WHY is redeveloping its online platform and outreach efforts. The re-designed web-presence will launch in mid-2016.

THE WHY is in a process of change. In 2014 THE WHY's board decided to start managing its programmes internally. In 2015 the organisation took important steps to become a self-sustained, non-for-profit, public media charity. 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	2015	2014
		<u>DKK</u>	<u>DKK</u>
Grant income - Foundations and Institutional Partners	1	2.288.099	2.904.361
Broadcasters - Licence fees	1	<u>2.116.124</u>	<u>551.804</u>
Income Total		4.404.222	3.456.165
Production costs	1, 5	2.096.244	1.501.891
Editorial and producers cost	1, 5	1.607.395	461.333
Outreach Why Poverty?		0	2.024.642
Administration cost	1, 5	<u>931.974</u>	<u>656.120</u>
Costs total		4.635.613	4.643.986
Net (Deficit) Surplus before financial		-231.390	-1.187.821
Financial income		136.326	207.333
Financial expenses		<u>-21.598</u>	<u>-9.143</u>
Net (Deficit) Surplus for the year		<u>-116.662</u>	<u>-989.632</u>
Disposal of the Net (Deficit) Surplus			
Transfer to reserves		<u>-116.662</u>	<u>-989.632</u>
Projects including income and costs	1		
Related party transactions	6		

Balance sheet 31 December

	Note	2015 <u>DKK</u>	2014 <u>DKK</u>
ASSETS			
Non Current Assets			
Equipment		<u>11.999</u>	<u>0</u>
Current Assets			
Trade accounts receivable		505.393	375.000
Accrued project income	2	0	517.000
Deposits		56.500	27.000
Other receivables		160.651	18.453
Prepayments		2.833	10.500
Accrued project costs		<u>231.116</u>	<u>178.824</u>
		<u>956.493</u>	<u>1.126.777</u>
Cash funds		<u>5.992.905</u>	<u>2.596.246</u>
Total Assets		<u>6.961.398</u>	<u>3.723.023</u>
EQUITY AND LIABILITIES			
Equity			
Foundation capital		300.000	300.000
Reserves		<u>1.316.041</u>	<u>1.432.703</u>
	3	<u>1.616.041</u>	<u>1.732.703</u>
Current Liabilities			
Deferred project income	4	4.890.258	950.130
Trade creditors		317.704	923.631
Other liabilities		<u>137.394</u>	<u>116.559</u>
		<u>5.345.357</u>	<u>1.990.320</u>
Total Equity and Liabilities		<u>6.961.398</u>	<u>3.723.023</u>

Notes to the financial statements

1 Projects

							2015
							<u>DKK</u>
	<i>Why Poverty?</i>	<i>India Film</i>	<i>Why Women?</i>	<i>Why Slavery?</i>	<i>World Stories</i>	<i>Administration/o verhead</i>	<i>Total</i>
Grant income	111.548		858.281	452.920	865.350	0	2.288.099
Broadcasters - Licence fees	0		0	0	2.116.124	0	2.116.124
Total income	111.548	0	858.281	452.920	2.981.474	0	4.404.222
Production cost	0	0	-92.171	-247.102	-1.756.970	0	-2.096.244
Editorial and producers cost	0	0	-646.402	-123.354	-837.639	0	-1.607.395
Administration costs	-20	0	-40.682	-76.183	-114.860	-700.229	-931.974
Total costs	-20	0	-779.255	-446.639	-2.709.469	-700.229	-4.635.613
Net (Deficit) Surplus before financial	111.528	0	79.026	6.281	272.005	-700.229	-231.390

							2014
							<u>DKK</u>
	<i>Why Poverty?</i>	<i>India Film</i>	<i>Women deliver</i>	<i>Why Slavery?</i>	<i>World Stories</i>	<i>Administration/o verhead</i>	<i>Total</i>
Grant income	2.276.430	0	0	0	627.932	0	2.904.361
Broadcasters - Licence fees	0	0	0	34.804	517.000	0	551.804
Total income	2.276.430	34.804	0	34.804	1.144.932	0	3.456.165
Production cost	-260.742	-728.954	0	-12.244	-499.952	0	-1.501.891
Editorial and producers cost	0	-91.117	0	-22.560	-347.656	0	-461.333
Outreach SSA	-2.024.642	0	0	0	0	0	-2.024.642
Administration costs	-241.092	0	0	0	-115.057	-299.971	-656.120
Total costs	-2.526.476	-820.071	0	-34.804	-962.664	-299.971	-4.643.986
Net (Deficit) Surplus before financial	-250.047	-820.071	-0	-0	182.268	-299.971	-1.187.821

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 based on their own requirements and accounting principles which may differ from the accounting principles consistently applied by the Why Foundation.

Notes to the financial statements (continued)

	2015	2014
	<u>DKK</u>	<u>DKK</u>
2 Accrued project income		
BBC	0	517.000
	0	517.000
3 Equity		
Foundation capital	300.000	300.000
Reserves 1 January	1.432.703	2.421.123
Exchange rates difference	0	1.212
(Deficit) Surplus for the year	-116.662	-989.632
Reserves 31 December	1.316.041	1.432.703
4 Deferred project income		
DR, Why Slavery?	0	265.196
Embrey Family Foundation, World Stories	0	684.934
Danida, Why Women?	2.234.052	0
Obelsk Familie Fond, Why Women?	2.028.667	0
Compton, World Stories	153.223	0
WGBH. World Stories	474.316	0
	4.890.258	950.130
5 Staff costs and Board and management remuneration		
Wages and salaries	1.798.139	610.791
Pensions	22.140	0
Social security	14.882	1.250
Other costs	40.537	105
	1.875.698	612.146
Executive director, Christoffer Guldbrandsen (former)	714.285	225.867
Board		
- Jacob Høgel, former chairman	0	89.460
- Klara Grunning, chairman	0	55.829
6 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 2015 is DKK 90.000.

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.