

**Grant Thornton**  
Statsautoriseret  
Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø  
CVR-nr. 34209936  
T (+45) 33 110 220  
[www.grantthornton.dk](http://www.grantthornton.dk)

## **The Why Foundation**

Gothersgade 55, 1., 1123 Copenhagen K.

Company register number 33 31 83 91

**Annual report for 1 January - 31 December 2017**

## Contents

### *Statement*

Statement by management on the annual financial statements.....	1
Independent auditor's report.....	2

### *Report of the board*

Foundation details.....	5
Management review.....	6

### *Financial statements*

Income statement for 1 January - 31 December .....	12
Balance sheet 31 December .....	13
Notes.....	14
Accounting policies.....	17

## 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 2017.

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 2017 and of the results of its operations for the financial year 1 January to 31 December 2017.

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

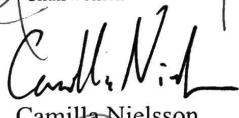
Copenhagen, 9 April 2018

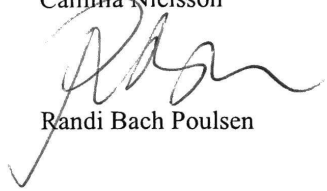
**CEO**

  
Anne-Mette Hoffmann Meyer

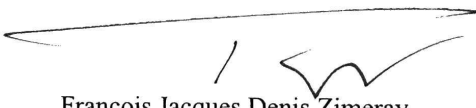
**Board**


  
Klara Sofia Ok Bong Grunning  
Chairwomen

  
Camilla Nielsson

  
Randi Bach Poulsen

  
Nick Fraser  
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 2017, 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 2017, and of the results of the company operations for the financial year 1 January - 31 December 2017 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.

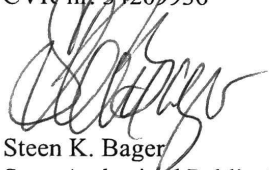
In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to 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, 9 April 2018

Grant Thornton Statsautoriseret Revisionspartnerselskab  
CVR-nr. 34209936



Steen K. Bager  
State Authorised Public Accountant  
MNE-nr. 28679

## 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, 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

## Management 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 free public information is key to securing just, peaceful and democratic societies. Yet, we also acknowledge that we live in a world where many people simply don't have access to information about human rights, justice, political process and equality. According to UNESCO, an estimated one billion people remain unable to read and write and the Bill and Melinda Gates Public Library Foundation published a report revealing only 35% of the global population has access to the internet. These findings indicate that significant barriers to accessing information are prevalent and contribute to gross information 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 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 local communities and at the political level. Supporting public media and a free press across the world is a social investment in global sustainability.

### 2017 in Review

#### **Economic statement**

The work of THE WHY in 2017 focused on two key activities: **World Stories** and **Why Slavery?**, as well as a smaller school outreach programme **Film Club Ask Why**.

The 2017 results reflect the impact of the work carried out. World Stories' main source of financial support comes from BBC WORLD NEWS license payments and a few supporting grants. This consistent source of funding, has allowed us to make 13 donations to recipients across the world. The WHY SLAVERY? project went into production in 2017 after sufficient funding of the films were secured through co-production partners. Values of the works-in-progress and related income and donations will be realized by 2018, when the final delivery will take place in the month of October. In 2017, there was no delivery of any major WHY PROJECT, meaning THE WHY's 2017 turnover was lower than in 2016. THE WHY has received smaller grants for Film Club Ask Why educational activities and World Stories outreach initiatives.

## *Primary Activities*

### *World Stories*

Our cornerstone programme World Stories, which selects 20 documentary films every year and donates them, mostly for free, to broadcasters around the world, has successfully completed its third 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 that have previously been subject to censorship laws or had limited to no access to free media. We have had consistently received positive feedback from our broadcasters and viewers. Broadcasters from underserved regions have commented that we are filling an important need for factual information. At the same time, reports from our filmmakers indicate that World 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 3 years, World Stories grew its reach by commencing broadcast in India, Argentina, South Korea and Jordan. Season 3 of World Stories was able to attract newer films, as the reputation of the series has spread. World Stories is strengthened by the work of the Editorial Board and input from donation recipients. 46% of World Stories films are directed by women. The donation of these films depends on BBC WORLD NEWS continued support.

### *Why Slavery?*

THE WHY commenced production of 6 major films about modern slavery in 2017, where funding has been 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. Many additional broadcasters have expressed an interest in showing the films, including many of our World Stories 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 pre-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. WHY SLAVERY? will launch worldwide in October 2018.

### *Other Projects*

In addition to the projects above, THE WHY continued the Pilot Project Film Club Ask Why, supported by Open School of Copenhagen Municipality. 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. This Programme is also being trialled in Bogota, Colombia where the Mayor funded DVD versions of the films to go out to schools there. We also have regular themed screenings on women rights, children and education at the UN, organized by the Danish Mission to the UN. In addition, we organize regular screenings of our films at Charlottenborg Museum which are organized by our interns and supervised by staff.

### **Governance and leadership update**

From January 1<sup>st</sup> 2017, Board member and Founding member Mette Hoffmann Meyer was appointed CEO.

In 2017 the organization has focused on review and evaluation of existing strategies and plans, and focused resources and time in order 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 3 new members: legal advisor and partner of Bech-Bruun: Randi Bach Poulsen; Award-winning Director: Camilla Nielsson; and the Human Rights lawyer and French Ambassador to Denmark; Francois Zimeray.

In terms of 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 of the interns' workflow, giving them clearer guidelines and tasks. 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.

Staff: Maria Colomer produced THE WHY's WORLD STORIES series and in 2017. Charlotte Meyer worked as organizational producer for WHY SLAVERY? as well as supporting the management in key areas, related to strategic funding, partnerships, support to the board and organisational workflow. Christina Roed worked as an assistant producer for WHY SLAVERY? developed new projects and supported management.

The Board wants to take note, as a matter of good governance and transparency, that Charlotte Meyer is the daughter of CEO Mette Hoffmann Meyer. Charlotte Meyer reports directly to, and gets her salary approved by the chairwoman, Klara Grunning.

During the first quarter of 2017 THE WHY secured funding for the third season of World Stories, by 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.

Why Slavery? is being co-produced with more than 20 broadcasters around the world and has established an educational partnership with The Open University – a British online University which educates 5.4 million students. As a result of these commitments, our team at THE WHY, has focused on producing two high-quality, independent and fact-based series and securing funding and sponsorships for outreach.

Our ongoing goal of finding long-term financial supporters of the organisation in 2017, was not realized. This will continue to be a strong focus of the organization in 2018.

In addition, THE WHY has commenced development of WHY PLASTIC? Which is a new initiative in early planning phases.

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

### **Donations 2017**

*Donation and distribution policy according to Årsregnskabsloven §77b*

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.

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

According to the donation and distributions policy each recipient has been donated content of an assessed value corresponding to DKK 174.154.

**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.

**NDTV - India:** New Delhi Television is a privately-owned cable service, which has been a pioneer for broadcasting India's news. Their WORLD STORIES broadcasts have reached over 245 000 people per episode. Women Soldiers reached 152 000 people over 2 airings.

**BHRT - Bosnia- Herzegovina:** Is the state-level national broadcasters of Bosnia-Herzegovia, considered to be one of the three most influential broadcasters in the country.

**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.

**National Television Company of Ukraine - Ukraine:** NTCU is the organizational body behind the state-owned television channel Pershyi Natsionalnyi, the only Ukrainian TV channel that reaches over 97% of Ukraine's territory. Each World Stories film reached an average of 355,000 people through NTCU.

**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.

**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.

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



**Futura - Brazil:** Canal Futura reaches the entire Brazilian population. On average 1.9 million people watched each film in Brazil.

**TAL TV - Argentina / Chile:** a communication network created from the exchange of content and collaboration between TV channels, cultural institutions and independent producers from Latin America. It has more than 70 associated channels across the region.

**Preciosa Media - Colombia: educational outreach**

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

**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.

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

<http://thewhy.dk/wp-content/uploads/2018/04/Skema-for-%E2%80%9DLovpligtig-redeg%C3%B8relse-om-god-fondsledelse-jf.-a%CC%80Arsregnskabslovens-%C2%A7-77-a%E2%80%9D.-2017.pdf>

## Income statement for 1 January - 31 December

	Note	2017 <u>DKK</u>	2016 <u>DKK</u>
Grant income - Foundations and Institutional Partners	1	452.651	5.385.971
Broadcasters - Licence fees	1	3.511.330	4.623.169
<b>Income Total</b>		<b>3.963.980</b>	<b>10.009.140</b>
Production costs	1	1.941.955	7.397.331
Editorial and producers cost	1, 7	719.731	1.790.086
Administration cost	1	370.176	410.661
<b>Costs total</b>		<b>-3.031.862</b>	<b>-9.598.078</b>
Costs for grant distributions		2.264.009	0
<b>Net (Deficit) Surplus before financial</b>		<b>3.196.127</b>	<b>411.063</b>
Financial income	2	141.493	125.767
Financial expenses	3	-282.034	-156.894
<b>Net (Deficit) Surplus for the year</b>		<b>3.055.586</b>	<b>379.936</b>
<b>Disposal of the Net (Deficit) Surplus</b>			
Donations/grant distribution for the year		2.264.009	0
Regulation of allocation for donations/grant distributions		2.400.000	0
Transfer to reserves		-1.608.423	379.963
<b>Total</b>		<b>3.055.586</b>	<b>379.963</b>
Projects including income and costs	1		
Related party transactions	8		

## Balance sheet 31 December

	Note	2017 <u>DKK</u>	2016 <u>DKK</u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Equipment		<u>1.333</u>	<u>6.666</u>
<b>Current Assets</b>			
Trade accounts receivable		863.704	740.419
Deposits		29.500	29.500
Other receivables		0	532.282
Accrued project costs	4	4.520.935	0
Prepayments		<u>8.240</u>	<u>8.222</u>
		<u>5.422.379</u>	<u>1.310.423</u>
Cash funds		<u>5.247.237</u>	<u>1.576.480</u>
<b>Total Assets</b>		<b><u>10.670.951</u></b>	<b><u>2.893.570</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Foundation capital		300.000	300.000
Reserves		87.554	1.695.977
Allocation for donations/grant distributions		<u>2.400.000</u>	<u>0</u>
	5	<b><u>2.787.554</u></b>	<b><u>1.995.977</u></b>
<b>Current Liabilities</b>			
Deferred project income	6	6.240.330	523.248
Trade creditors		286.385	261.460
Loan Copper Lake Holdings Ltd.		1.241.540	0
Other liabilities		<u>115.142</u>	<u>112.883</u>
		<u>7.883.397</u>	<u>897.592</u>
<b>Total Equity and Liabilities</b>		<b><u>10.670.951</u></b>	<b><u>2.893.570</u></b>

Notes to the financial statements

1 Projects

	2017				2016							
	World Stories	Why Slavery?	Why Women?	Previous project	Other Activities	DKK Total	World Stories	Why Slavery?	Why Women?	Previous project	Other Activities	DKK Total
Grant income	86.084	0	14.457	267.290	84.820	452.651	246.501	0	4.926.619	80.540	132.311	5.385.971
Broadcasters - Licence fees	2.505.435	0	1.858	112.317	891.720	3.511.330	2.238.296	1.411.568	4.966	45.218	923.121	4.623.169
Total income	2.591.519	0	16.315	379.607	976.540	3.963.980	2.484.797	1.411.568	4.931.585	125.758	1.055.432	10.009.140
Production cost	-1.812.560	0	-268	0	-129.128	-1.941.955	-1.998.951	-1.090.580	-4.238.358	-10.767	-58.675	-7.397.331
Editorial and producers cost	-756.198	0	0	0	36.467	-719.731	-692.463	-359.240	-502.663	0	-235.720	-1.790.086
Administration costs	-42.457	0	-975	0	-326.744	-370.176	-39.965	-15.190	-16.559	-8.036	-330.911	-410.661
Total costs	-2.611.215	0	-1.243	0	-419.405	-3.031.862	-2.731.379	-1.465.010	-4.757.580	-18.803	-625.306	-9.598.078
<b>Net (Deficit) Surplus before financial</b>	<b>-19.696</b>	<b>0</b>	<b>15.073</b>	<b>379.607</b>	<b>557.135</b>	<b>932.118</b>	<b>-246.582</b>	<b>-53.442</b>	<b>174.005</b>	<b>106.955</b>	<b>430.126</b>	<b>411.062</b>

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. Why Poverty and Why Democracy has been placed under Previous project from 2017.

<sup>\*)</sup> The grant distributions consists of produced films etc. The costs for these can not be measured directly. Therefore they are assessed as the total costs reduced with grant income and 10% related licence fees.

## Notes to the financial statements (continued)

	<b>2017</b>	<b>2016</b>
	<b><u>DKK</u></b>	<b><u>DKK</u></b>
<b>2 Financial income</b>		
Exchange rate differences, debtors gain	58.871	92.287
Exchange rate differences, creditors gain	82.621	33.480
	<b><u>141.493</u></b>	<b><u>125.767</u></b>
<b>3 Financial expenses</b>		
Bank charges	8.532	1.153
Interest expenses, SKAT	8.690	0
Exchange rate differences, debtors loss	203.426	79.712
Exchange rate differences, creditors loss	61.385	76.029
	<b><u>282.034</u></b>	<b><u>156.894</u></b>
<b>4 Accred project cost</b>		
Why Slavery, production cost	4.190.655	0
Why Slavery, Editorial and producer cost	219.865	0
Why Slavery, Administration cost	110.416	0
	<b><u>4.520.936</u></b>	<b><u>0</u></b>
<b>5 Equity</b>		
Foundation capital	300.000	300.000
Reserves 1 January	1.695.977	1.316.041
(Deficit) Surplus for the year	-1.608.423	379.936
<b>Reserves 31 December</b>	<b><u>87.554</u></b>	<b><u>1.695.977</u></b>
Allocation for donations/grant distributions 1 January	0	0
Regulation for the year	2.400.000	0
<b>Allocation for donations/grant distributions 31 December</b>	<b><u>2.400.000</u></b>	<b><u>0</u></b>
<b>6 Deferred project income</b>		
Why Slavery	4.944.830	0
IMS 1. installment	75.000	0
Nordisk Ministerråd	212.500	0
World Stories, BBC	1.008.000	523.248
	<b><u>6.240.330</u></b>	<b><u>523.248</u></b>

Notes to the financial statements (continued)

	<b>2017</b>	<b>2016</b>
	<b><u>DKK</u></b>	<b><u>DKK</u></b>
<b>7 Staff costs and Board and management remuneration</b>		
Wages and salaries	982.043	1.694.462
Pensions	15.352	36.312
Social security	12.458	19.433
Wage reimbursement	-39.842	0
Regulation of holiday pay	-57.620	0
Other costs	27.205	39.880
	<b><u>939.596</u></b>	<b><u>1.790.087</u></b>
Average number of employees	<b>1</b>	<b>3</b>
Average number of volunteers	<b>3</b>	<b>3</b>

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 2017.

**8 Related party transactions**

Charlotte Meyer, Meyer Independent (UK), is the daughter of the CEO and 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 2017 is DKK 300.000 and £ 36.000.

## **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.



**Donations/grant distributions***Donations/grant distributions for the year*

The donations/grant distributions consists of produced films etc. The costs for these can not be measured directly. Therefore they are assessed as the total costs reduced with grant income and 10% related licence fees.

These donations/grant distributions are adopted and distribution as per balance date.

*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.