
The Why Foundation (Fond)

Gothersgade 55,1, DK-1123 København K

Annual Report for 2023

CVR No. 33 31 83 91

The Annual Report was
presented and adopted
at the Board Meeting of
the foundation
on 13/6 2024

Randi Bach Poulsen
Chairman og the
General Meeting



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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 2023.

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 2023 of the Foundation and of the results of the Foundation operations for 2023.

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

København, 13 June 2024

Executive Board

Anne-Mette Hoffmann Meyer
Manager

Board of Directors

Randi Bach Poulsen
Chairman

Camilla Nielsson

Mads Ellermann Holmbom

Mette Walsted Vestergaard

Kirstine Damkjær

Anne-Mette Hoffmann Meyer

Rikke Michala Rønholt Albertsen

Nina Möger Bengtsson

Independent Auditor's report

To the board of The Why Foundation (Fond) and the Foundation Authority

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2023 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2023 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 2023, which comprise income statement, balance sheet, statement of changes in equity 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 Foundation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financial 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 misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Foundation'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 Foundation'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 Foundation 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 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, 13 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Christiansen

State Authorised Public Accountant

mne23371

General information about the fund

The Foundation	<p>The Why Foundation (Fond) Gothersgade 55,1 1123 København K</p> <p>Website: https://www.thewhy.dk/</p> <p>CVR No: 33 31 83 91</p> <p>Financial period: 1 January - 31 December</p> <p>Municipality of reg. office: København K</p>
Board of Directors	<p>Randi Bach Poulsen, chairman Camilla Nielsson Mads Ellermann Holmbom Mette Walsted Vestergaard Kirstine Damkjær Anne-Mette Hoffmann Meyer Rikke Michala Rønholt Albertsen Nina Möger Bengtsson</p>
Executive Board	<p>Anne-Mette Hoffmann Meyer</p>
Auditors	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup</p>
Bankers	<p>Danske Bank Holmens Kanal 2 1092 København K</p>

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	5,353	3,321	12,998	2,899	3,108
Gross profit/loss	223	-564	2,941	1,605	1,559
Profit/loss of primary operations	81	-757	369	-269	34
Profit/loss of financial income and expenses	5	-15	125	170	-2
Net profit/loss for the year	86	-772	495	-439	32
Balance sheet					
Balance sheet total	4,216	3,429	4,661	5,349	5,318
Equity	2,628	2,542	3,314	2,820	3,259
Number of employees	9	6	7	7	4
Ratios					
Gross margin	4.2%	-17.0%	22.6%	55.4%	50.2%
Profit margin	1.5%	-22.8%	2.8%	-9.3%	1.1%
Return on assets	1.9%	-22.1%	7.9%	-5.0%	0.6%
Solvency ratio	62.3%	74.1%	71.1%	52.7%	61.3%
Return on equity	3.3%	-26.4%	16.1%	-14.4%	2.0%

Management's review

Nature of Business

The Why Foundation (hereinafter The Why) is a non-profit organization established in 2004 registered as an association but changed status to a foundation in 2014.

The Why exists to engage people to defend human rights through the power of storytelling.

The Why provides free access to the most powerful, high-quality documentaries on human rights, including to people with limited access to information.

The Why's Purpose

We believe free access to information and education is a human right. Significant barriers to accessing information contribute to gross inequality and knowledge gaps around the world. The Why exists to help public service providers provide access to free and reliable information, as well as to uphold citizens' right to know.

We make high-quality, independent, fact-based media available to students, communities and citizens at large via various outlets, including local and global public TV and The Why's YouTube channels. We believe that informed citizens are better equipped to engage meaningfully including politically within their communities, regionally and globally. Supporting free public media and free press across the world is an investment in global sustainability.

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Management's review

Economic Summary

The 2023 financial report reflects the year's activities.

2023 showed a funding increase of 60%, primarily for our programs ASK WHY?, the new Russian Channel and outreach activities in Georgia, Uganda, Ghana and other information deprived countries.

This year we have a small surplus, but over time in a grant-dependent organization the results are volatile. However, the year reflects a planned practical response to THE WHY's general funding allocations. Most grants are defined to specific activities, and some are general donations towards our mission. Each year end we decide on activities most urgent and vital within our mission to make sure that the support is well spent on activities to educate and inform about human rights and democratic values.

Activities are defined in four overall groups: Ask Why, Why Stories, Outreach and other activities.

In a small organization staff is working across all activities whereby the overview is an indication of primary responsibility - Ask Why, Why Stories, Outreach and other activities. At any time, THE WHY has 4-6 volunteers allowing us to fulfill our goals. In 2023 we decided to include a pilot project for special need students as part of the ASK WHY? school program and some extra effort put into the Arab Speaking channel.

We commenced the development of 5 new films under the banner: WHY FREEDOM? The costs and income related to the new productions can be found in the balance until completion in 2025/26. Every 3-4 years we complete and launch our own productions (Why Democracy 2007, Why Poverty 2012, Why Woman 2016, Why Slavery 2018, Why Plastic 2021). In the years where the films are launched and sold our turnover and costs are significantly higher than years where we primarily buy and disseminate completed films. This you can see in the Financial Highlights on page 5.

We acquired 10 completed documentary films from around the world to be broadcast on BBC. We spent the year on activities ensuring that all the films reached their full potential globally by donating the films to collaborative partners in more than 70 countries under the WHY STORIES brand.

The Why curates balanced well rounded documentaries to provide fact-based information to spark debates and knowledge sharing and to connect people across nationalities, religions and cultures around common human rights issues and democratic values.

I would like to thank our supporters, filmmakers, organizations around the world, foundations dedicated to our activities and not least a thank the many private donations from people who are supporting the idea that better informed people make better informed decisions.

High-level activities

We continue to have screenings coupled with debates in collaborations with the UN, the EU, festivals and human rights NGOs all over the world.

Environmental, social and corporate governance

In 2023 we followed our strategic plans. We continued to build and update our organizational strategy around local partner relationships and growth. The development and maintenance of such partnerships are important to ensure that The Why can deliver on its mission.

We continue to focus on a distinct representation of all - in our films, at our office and in everything we do. We value diversity in age, ethnicity and competences throughout our editorial, advisory and corporate boards.

We also continuously focus on our climate footprints at the office, when we travel, and in relation to all other activities.

The boards statement on "God fondsledelse" cf. Årsregnskabsloven § 77a is published on THE WHY'S webpage: www.thewhy.dk/about

Management's review

Grants and individual donations

Donations from individuals, public funding and grants from foundations are the primary source of income in addition to the BBC World News acquisitions of 10 films.

The funding was spent according to our mission. In relation to the public collection, we hereby confirm that the collection is in compliance with the Danish collection regulations and laws (executive order §9, stk. 1, nr. 4). Other Grants were spent in accordance with the requirements from the individual funders.

Here's a link to a list of partner organizations we have worked with in 2023.

www.thewhy.dk/info/partners-list

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue	1	5,353,161	3,321,221
Cost of goods sold		-4,320,940	-2,956,261
Other external expenses		-809,437	-928,734
Gross profit/loss		222,784	-563,774
Staff expenses	2	-142,227	-193,121
Profit/loss before financial income and expenses		80,557	-756,895
Financial income	3	30,679	53,685
Financial expenses	4	-25,486	-68,783
Profit/loss before tax		85,750	-771,993
Tax on profit/loss for the year		0	0
Net profit/loss for the year		85,750	-771,993

Distribution of profit

	Note	2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		85,750	-771,993
		85,750	-771,993

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Trade receivables		4,133	99,288
Other receivables		1,517,353	588,872
Prepayments		530,851	17,502
Receivables		2,052,337	705,662
Cash at bank and in hand		2,163,904	2,723,564
Current assets		4,216,241	3,429,226
Assets		4,216,241	3,429,226

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Capital base		300,592	300,592
Retained earnings		2,327,405	2,241,655
Equity		2,627,997	2,542,247
Trade payables		85,763	76,624
Other payables		279,005	445,689
Deferred income		1,223,476	364,666
Short-term debt		1,588,244	886,979
Debt		1,588,244	886,979
Liabilities and equity		4,216,241	3,429,226
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of changes in equity

	<u>Capital base</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	300,592	2,241,655	2,542,247
Net profit/loss for the year	0	85,750	85,750
Equity at 31 December	300,592	2,327,405	2,627,997

Notes to the Financial Statements

1. Revenue

	<u>Ask Why?</u>	<u>Why Stories</u>	<u>Outreach and advocacy</u>	<u>Other activities</u>	<u>Total</u>
Grant income	2.164.940,00	0,00	875.165,43	497.975,93	3.538.081,36
Broadcast	12.000,00	1.390.068,46	134.484,71	278.527,40	1.815.080,57
Total income	2.176.940,00	1.390.068,46	1.009.650,14	776.503,33	5.353.161,93
Production costs	-627.014,83	-680.652,51	-160.046,62	9.190,00	-1.458.523,96
Editorial, school and outreach costs	-791.600,00	-466.466,00	-1.438.313,00	-308.264,00	-3.004.643,00
Total production costs	-1.418.614,83	-1.147.118,51	-1.598.359,62	-299.074,00	-4.463.166,96
Administration, impact and funding costs	-438.221,00	-13.244,00	-85.074,00	-272.900,00	-809.439,00
Total Costs	-1.856.835,83	-1.160.362,51	-1.683.433,62	-571.974,00	-5.272.605,96
Gross profit/loss	320.104,17	229.705,95	-673.783,48	204.529,33	80.555,97

2. Staff Expenses

	<u>2023</u>	<u>2022</u>
	<u>DKK</u>	<u>DKK</u>
Wages and salaries	116,693	172,785
Pensions	7,144	0
Other social security expenses	8,281	8,784
Other staff expenses	10,109	11,552
	<u>142,227</u>	<u>193,121</u>
Average number of employees	<u>9</u>	<u>6</u>

Management has identified a reclassification that will affect financial statements 2022. The reclassification between "Production Cost" and "Editorial, school and outreach cost" is payroll expenses directly related to production of content. The reclassification results amounts to 2,095 T.DKK for 2022. The reclassification has no effect on the result for the year or equity in 2022.

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 2022 and 2023.

Average number of employees is calculated based on the paid ATP contribution, and therefore the number is seen as an average over til year. The WHY Foundation are project-based, are there for the number of project employees can vary throughout the year

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Other financial income	30,679	53,685
	<u>30,679</u>	<u>53,685</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Other financial expenses	12,245	21,745
Exchange loss	13,241	47,038
	<u>25,486</u>	<u>68,783</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rental obligation in the period of interminability amounting to approx.. DKK 60 thousand rest upon the Foundation	60	60

Notes to the Financial Statements

6. Accounting policies

The Annual Report of The Why Foundation (Fond) for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in DKK.

Changes in accounting policies

Management has identified a reclassification that will affect financial statements 2022. The reclassification between "Production Cost" and "Editorial, school and outreach cost" is payroll expenses directly related to production of content.

The reclassification results amounts to 2,095 T.DKK for 2022. The reclassification has no effect on the result for the year or equity in 2022.

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 Foundation, 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 Foundation, 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.

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

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statement

Revenue

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).

Notes to the Financial Statements

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

Cost of goods sold

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 expenses

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.

Financial income and expenses

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

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Debts

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

Deferred income

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

Notes to the Financial Statements

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

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$