



Fonden Constructive Foundation

Bartholins Allé 16
8000 Aarhus C
CVR No. 38360809

Annual report 2019

The Annual Meeting adopted the annual report
on 19.08.2020

Ulrik Haagerup
Chairman of the Meeting

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Entity details

Entity

Fonden Constructive Foundation

Bartholins Allé 16

8000 Aarhus C

CVR No.: 38360809

Registered office: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Per Westergaard Jensen, Chairman

Anne Karin Lagercrantz

Anne Karin Lagercrantz

Ulrik Haagerup

Kirsten Jensen

Jean Philip De Tender

Jimmy Maymann- Holler, Vice Chariman

Connie Hedegaard Koksbang

Executive Board

Ulrik Haagerup, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors have today considered and approved the annual report of Fonden Constructive Foundation for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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

Aarhus, 19.08.2020

Executive Board

Ulrik Haagerup
CEO

Board of Directors

Per Westergaard Jensen
Chairman

Anne Karin Lagercrantz

Anne Karin Lagercrantz

Ulrik Haagerup

Kirsten Jensen

Jean Philip De Tender

Jimmy Maymann- Holler
Vice Chariman

Connie Hedegaard Koksbang

Independent auditor's report

To the shareholders of Fonden Constructive Foundation

Opinion

We have audited the financial statements of Fonden Constructive Foundation for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Foundation's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Foundation in accordance with the International Ethics Standards Board of 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.

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, for disclosing, as applicable, matters related to going concern, and for 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.

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 content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Aarhus, 19.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jakob Boutrup Ditlevsen

State Authorised Public Accountant
Identification No (MNE) mne27725

Management commentary

Primary activities

Purpose

The Constructive Foundation is a commercial foundation that works on a nonprofit basis to change the global news culture and re-establish news journalism as a credible source of information in democratic societies as well as helping media organizations and journalists apply constructive journalism in their daily work, by:

- Providing a knowledge base and define a code of conduct for good journalistic behavior.
- Collaborating with universities to produce new knowledge and research.
- Collect the best journalistic practices and examples.
- Supporting activities that work to disseminate and legitimize constructive journalism.
- Educating ambassadors for constructive journalism and better journalists through an international fellowship program

Main Activities

The main activity of the Constructive Foundation is the operation of the Constructive Institute (CI), located at Aarhus University (independent of the university) working to promote constructive journalism and helping media organizations using constructive journalism. The Constructive Foundation works closely together with other foundations, companies and organizations that share the view that we need to rethink news journalism.

Financial Standings 2019

In 2019, the Constructive Foundation received a number of donations to enable the operation of Constructive Institute (CI) and the fellowship program. Main donations in 2019:

- Novo Nordisk Fonden: Donation to support two fellows (DKK 2,000,000)
- Salling Fondene: Donation to establish Constructive News Lab (DKK 1,500,000)
- Nordea-Fonden: Donation for a project on training journalists of the future in collaboration with selected Folk High School (Folkehøjskoler) and journalism programs in Denmark (DKK 1,400,000)

Description of material changes in activities and finances

The Constructive Foundation has increased the amount of activities and projects in order to implement the mission of the Foundation, to change the global news culture and promote constructive journalism. The Foundation has registered an increase in demand for knowledge, lectures and other services on constructive journalism. This is supported by a number of media outlets which are themselves actively implementing constructive journalism as part of their strategies and in their news casts. These increased activities are made possible by specific financial support from Nordea-Fonden, Salling Fondene, Politiken-Fonden and Local Government Denmark (KL) and continued support from the Bestseller and Aarhus Stiftstidende Fond.

The Foundation operates three main activities through Constructive Institute

1. **Generating new knowledge:** Facilitating research and development projects, data collection and best practices. CI has launched surveys and is working to optimize search functions that can help identify constructive journalism. In addition, CI is working to develop teaching concepts and materials, in collaborations with education and research institutions.
2. **Inspiration:** Conferences, seminars, keynotes and workshops. In addition, sharing best practice examples and developing concepts and tools for implementing and using constructive journalism. The fund itself organizes an annual global conference which attracts participants from all over the world.

3. Role Models: International Fellowship Program. In 2019, the fellowship program grew from 8 - 12 fellows. 9 Danish fellowships with support from three benefactors (TrygFonden; 5 fellows, Realdania; 2 fellows and Novo Nordisk Fonden; 2 fellows) and 1 Finnish fellow with support from Helsingin Sanomat, 1 Australian fellow with support from the Australian Associated Press and 1 fellow with support from TV2 Funen.

The management of the Foundation finds the developments satisfactory and the goal of increasing the level of activity and expanding the fellowship program has been fulfilled.

The Foundation's turnover per 31.12.2019 is DKK 12,574,110 against DKK 9,175,646 last year. The income statement shows a profit of DKK 11,696,105 against a loss of DKK 1,205,111 last year, which followed a year before with a profit of DKK 1,320,242. The foundation's equity is DKK 1,159,839 per 31.12.2019. Of the profit for the year 2019 the Foundation has distributed DKK 11,151,397 for purposes that are in accordance with the Foundation's articles of association.

The management considers the result to be satisfactory and the fund has built up a robust project portfolio and expanded the fellowship program, which provides a basis for continued expansion and consolidation of the Foundation's activities. The equity is positive and at a satisfactory level, taking into account the liquidity of the Foundation.

Statutory report on foundation governance

The Foundation's report on foundation management can be found at the following URL link:

https://www.dropbox.com/s/j8ak3wvivr6d5ow/Godfondsledelse_ConstructiveFoundation.pdf?dl=0

The foundation follows all recommendations for foundation management except no 2, which is justified by the fund's explanation:

2.5.2: It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation explains: *The foundation assesses each board member's qualifications individually and does not consider age for neither qualifying nor disqualifying for membership of the board.*

3.1.1: It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of a possible executive board be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The foundation explains: *The fund has decided that only the chairman is paid with a remuneration.*

The Board

Per Westergaard Jensen

- Male, born July 5, 1952
- Member of the Board since March 1, 2017 (Chairman during the period)
- Independent member
- Former editor and CEO of a number of national, regional and local media companies
- Membership of other boards: Chairman of the board of Funen Media, Deputy Chairman of Jysk Fynske Medier, member of the Board of Ritzaus Bureau and Dansk Handelsblad
- Special competencies: Strategy, top management experience, media insight

Connie Hedegaard Koksang

- Female, born September 15, 1960
- Member of the Board since March 1, 2017
- Independent member
- Chairman of the Board of Aarhus University and Berlingske Media
- Former EU Commissioner and Minister in Denmark
- Membership of other boards: Danfoss, Concito, KR Foundation, Nordex, European Climate Foundation, Institute of Technology, CCPA
- Special competencies: Politics, international senior level management experience, insights in the university sector, background as journalist

Note: On August 4, 2019, Board Member Anders Correll tragically lost his life. Anders Correll was appointed by Aarhus University and had been a member of the Board since its establishment in March 2017. Instead, Aarhus University has appointed Kirsten Jensen.

Kirsten Jensen

- Woman, born June 17, 1960
- Member of the Board since August 21, 2019
- Designated by Aarhus University
- Head of AU's office of Business Collaboration
- Member of other boards: Member of the board of the Moesgaard Museum, Member of the Board of Representatives
- TV2 East Jutland, Member of the board of the Student House Fund
- Special competencies: Head with Insight into the research and education sector, insight into media and the journalism sector, as a member of the TV2 East Jutland Representative and formerly Head of administration at the Danish School of Journalism

Jean Philip De Tender

- Male, born February 6, 1965
- Member of the Board of Directors since March 1, 2017
- Designated by the European Broadcasting Union (EBU)
- Director Media at the EBU, the European Broadcasting Union, in Geneva, Switzerland
- Special competencies: International top management experience in the media sector in several countries, digital media, storytelling, radio and television.

Ulrik Haagerup

- Male, born March 18, 1963
- Member of the Board since March 1, 2017
- Director Constructive Institute, former news director DR and editor-in-chief.
- Independent member
- Membership of other boards: Bolius, Folkeuniversitetet Aarhus, Best News in the World.
- Special competencies: Broad knowledge of journalism and editorial management and strategy.

Jimmy Maymann-Holler

- Male, born October 19, 1971
- Member of the Board since March 1, 2017
- Independent member
- Chairman TV2, former CEO at The Huffington Post
- Membership of other boards: Telia AB, TV2, Foss a / s, AirHelp Inc, UNLive Museum

- Special competences: International top management experience in the media sector, business development, media innovation

Anne Karin Lagercrantz

- Female, born December 5, 1973
- Member of the Board since May 15, 2020
- Independent member – appointed by Aarhus Stiftstidendes Foundation
- Head (Divisionchef) of SVT News & Sport
- Special competencies: Politics, journalism and editorial management, strategy

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		12,574,107	9,175,646
Other external expenses		(627,693)	(2,490,558)
Gross profit/loss		11,946,414	6,685,088
Staff costs	1	(111,814)	(8,143,671)
Depreciation, amortisation and impairment losses		(92,398)	(72,293)
Operating profit/loss		11,742,202	(1,530,876)
Other financial expenses		(17,903)	(12,910)
Profit/loss before tax		11,724,299	(1,543,786)
Tax on profit/loss for the year	2	(28,194)	338,675
Profit/loss for the year		11,696,105	(1,205,111)
Proposed distribution of profit and loss:			
Provision for distributions		11,151,397	0
Retained earnings		544,708	(1,205,111)
Proposed distribution of profit and loss		11,696,105	(1,205,111)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		155,431	211,605
Intangible assets	3	155,431	211,605
Other fixtures and fittings, tools and equipment		91,159	122,621
Leasehold improvements		15,946	20,710
Property, plant and equipment	4	107,105	143,331
Fixed assets		262,536	354,936
Other receivables		807,069	1,617,449
Prepayments		125,141	0
Receivables		932,210	1,617,449
Cash		5,497,743	3,206,254
Current assets		6,429,953	4,823,703
Assets		6,692,489	5,178,639

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		300,000	300,000
Retained earnings		859,839	315,131
Equity		1,159,839	615,131
Deferred tax		123,785	95,591
Provisions		123,785	95,591
Other payables		146,188	0
Non-current liabilities other than provisions	5	146,188	0
Trade payables		303,499	147,745
Other payables		424,502	720,172
Deferred income		4,534,676	3,600,000
Current liabilities other than provisions		5,262,677	4,467,917
Liabilities other than provisions		5,408,865	4,467,917
Equity and liabilities		6,692,489	5,178,639

Transactions with related parties

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Statement of changes in equity for 2019

	Contributed capital DKK	Provision for distributions DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300,000	0	315,131	615,131
Ordinary distributions	0	(11,151,397)	0	(11,151,397)
Profit/loss for the year	0	11,151,397	544,708	11,696,105
Equity end of year	300,000	0	859,839	1,159,839

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	102,903	7,439,877
Pension costs	0	644,148
Other staff costs	50,000	59,646
	152,903	8,143,671
Average number of full-time employees	14	10

2 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	0	(338,675)
Change in deferred tax	28,194	0
	28,194	(338,675)

3 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	280,861
Cost end of year	280,861
Amortisation and impairment losses beginning of year	(69,258)
Amortisation for the year	(56,172)
Amortisation and impairment losses end of year	(125,430)
Carrying amount end of year	155,431

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	151,169	29,909
Cost end of year	151,169	29,909
Depreciation and impairment losses beginning of year	(29,771)	(7,976)
Depreciation for the year	(30,239)	(5,987)
Depreciation and impairment losses end of year	(60,010)	(13,963)
Carrying amount end of year	91,159	15,946

5 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	146,188
	146,188

6 Transactions with related parties

	Management DKK
Salary	1,875,220

The Foundation's related parties consists of the Board of Directors and the CEO.
Transactions with related parties only consists of salary.

The Foundation Constructive Foundation's management consists of Board of Directors with seven members, including a Chairman of the Board, Vice Chairman of the Board and the CEO. According to the Danish Financial Statements act § 98b section 3 number 1 the Foundation has disclosed fee for the Board of Directors together with fee to the CEO.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Foundation has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Foundation, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue comprises donations/grants and is recognised in the income statement when the income can be reliably calculated. Revenue also consists of income for lectures and courses.

Other external expenses

Other external expenses include expenses relating to the Foundations ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. Other external expenses also comprises write-downs of receivables recognised as current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets being: 5 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.