
VELUX FONDEN
Financial Statements for 2019
(38th Financial Statements)

CVR No 61 02 39 17

The Financial Statements
were presented and
adopted at the Annual
Meeting of the Foundation
on 5 May 2020

Christian Gregersen



Contents

	Page
Management's Review	
Information about the Foundation	1
Financial Highlights	2
Review	3
Management's Statement and Auditor's Report	
Management's Statement	7
Independent Auditor's Report	8
Financial Statements 1 January – 31 December 2019	
Accounting Policies	11
Income Statement	14
Balance Sheet	15
Notes	16

Information about the Foundation

The Foundation

VELUX FONDEN
Sekretariatet
Tobaksvejen 10
DK-2860 Søborg

Website: www.veluxfonden.dk

CVR No: 61 02 39 17

Founded: 2 December 1981

Financial year: 1 January – 31 December

Board of Directors

Hans Kann Rasmussen, BSc in Engineering, Chair
Professor Minik Thorleif Rosing, Vice-chair
Professor Marie Louise Bech Nosch
Professor Jens Nørgaard Oddershede
Erik Michael Darre, Surgeon General
Astrid Kann-Rasmussen, Nurse

Management

Ane Hendriksen, Director

Legal adviser

Christian Gregersen, Attorney
Horten Advokatpartnerselskab
Philip Heymans Allé 7
DK-2900 Hellerup

Auditor

Gert Fisker Tomczyk, State Authorised Public Accountant, and
René Otto Poulsen, State Authorised Public Accountant
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

(amounts in DKK '000)	2019	2018	2017	2016	2015
KEY FIGURES					
Net profit for the year	<u>224,373</u>	<u>274,444</u>	<u>241,811</u>	<u>288,766</u>	<u>199,783</u>
Grants for the year	251,491	263,099	209,978	259,180	220,819
Cancelled grants	<u>-8,146</u>	<u>-11,143</u>	<u>-2,963</u>	<u>-3,653</u>	<u>-5,130</u>
Grants after cancellation	<u>243,345</u>	<u>251,956</u>	<u>207,015</u>	<u>255,527</u>	<u>215,689</u>
RATIOS*					
Applications/grants:					
Number of applications received	1,643	1,714	1,623	1,379	1,177
Number of grants provided	977	899	804	549	463
Amounts applied for	1,774,368	2,573,202	2,171,433	2,694,298	1,290,479
Average grant provided	257	293	261	472	477
Number of grants:					
between 0-1 million	924	843	752	490	401
between 1-10 million	52	54	52	58	62
above 10 million	1	2	-	1	-
Secretariat expenses:					
Indirect grant expenses	11,722	10,409	9,262	8,817	6,419
Administrative expenses	<u>21,356</u>	<u>19,697</u>	<u>18,266</u>	<u>15,265</u>	<u>15,683</u>
Total expenses incurred by secretariat	<u>33,078</u>	<u>30,106</u>	<u>27,528</u>	<u>24,082</u>	<u>22,102</u>
Indirect grant expenses in proportion to grants**	4.7%	4.0%	4.4%	3.4%	2.9%
Administrative expenses in proportion to grants**	<u>8.5%</u>	<u>7.4%</u>	<u>8.7%</u>	<u>5.9%</u>	<u>7.1%</u>
Administrative expenses in percentage**	<u>13.2%</u>	<u>11.4%</u>	<u>13.1%</u>	<u>9.3%</u>	<u>10.0%</u>
Secretariat expenses per grant	34	33	34	44	48

* Ratios have been calculated based on Grants for the year.

** The ratios are defined in Accounting Policies.

Review

Background

VILLUM FONDEN is a non-profit foundation established by Villum Kann Rasmussen, MSc in Engineering, in 1981. The Foundation acts within the framework set out by the Trust Deed, the rules of procedure of the Board of Directors and authorisation to Management as well as applicable law. The Foundation strives to live up to generally accepted foundation practice and has adopted the Principles of Good Practice issued by the European Foundation Centre. Furthermore, the Foundation meets the comply-or-explain principle in accordance with the Danish Recommendations on Foundation Governance prepared by the Committee on Commercial Foundation Governance. The Foundation's Statement of Governance Practices is available on its website, see:

<http://veluxfoundations.dk/da/node/573/>

Since December 2017, VELUX FONDEN has been a member of Fondenes Videnscenter (Danish knowledge centre for foundations) the purpose of which is to increase the level of information of its members with respect to current, relevant topics and to strengthen knowledge sharing and cooperation among the members, increase the knowledge of Danish foundations and philanthropic associations, their framework conditions and activities and their importance to society in order thus to contribute to promoting their activities in Denmark.

Grant areas

The priority grant areas of the Foundation, according to the Trust Deed, are Active Senior Citizens, Gerontology and Ophthalmology. Other grant areas include humanities, arts and culture, environment and sustainability as well as social projects.

The overall purpose of all the grant areas of VELUX FONDEN is 'to use the Trust Deed to promote the Danish democratic society on an informed, inclusive and sustainable basis'. Furthermore, in its work with the applications, the Foundation is to observe the values of integrity, expert knowledge, transparency, arm's length and respect for the applicant.

The Active Senior Citizens grant area comprises a large number of small, and a few large, grant amounts for activities that motivate and support named senior individuals and groups of active senior citizens.

The one topic related to gerontology is rehabilitation related to the neurodegenerative diseases. Furthermore, in the area of gerontology, the Foundation supports projects related to 'Senior citizens and medicine' and 'Senior citizens and cancer'. Finally, the Foundation supports major projects related to gerontology.

The area of ophthalmology embraces grants for scholar students and major national projects seeking to address significant ophthalmology challenges.

The humanities grant area has several programmes: The core-group programme, the museum programme and HUMpraxis which is briefly described below.

In the core-group programme, the Foundation supports freedom of research in close dialogue with the humanities research environments and the most closely related social science subjects (anthropology, political science, sociology and parts of social medicine).

The purpose of the Foundation's museum programme is to enhance integration between the research and outreach/communication activities of museums, and to strengthen cooperation, bridge-building and the interaction between museum researchers and communicators and university researchers. The Foundation thus aims at contributing towards disseminating knowledge from the scientific research world to the general public in an engaging manner and on the terms of today's audience.

Review

Under the humanities programme HUMpraxis, the Foundation supports interdisciplinary bridge-building from humanities research institutions and disciplines to practical environments within social, gerontology and environmental areas. The programme deals with 'the human factor' based on the wish to raise new awareness in the interface between basic humanities and their results in practice.

The environment and sustainability grant area focuses on major projects relating to Danish sea areas in the light of climate change and increased use of ocean resources. The purpose in this area is to contribute towards positive change and to ensure robust seas. There are initiatives in NGOs to build capacity, raise awareness and provide information, arrange demonstration projects, collect knowledge and perform analyses.

Within the social projects grant area, the Foundation supports methodology development projects in three life phases, focusing on the following three specific themes: 'Helhedsorienterede indsatser i socialt udsatte børnefamilier' (holistic initiatives for socially vulnerable families), 'Socialt udsatte unge og voksne i konstruktive fællesskaber' (socially disadvantaged youth and adults in constructive communities) and 'Ældre som samfundsressource' (senior citizens as a community resource).

Focus in 2019

In 2019, VELUX FONDEN worked with experiments and cooperation across the wide range of the disciplinary grant areas and between foundations. Between them, VELUX FONDEN and VILLUM FONDEN have developed an idea for an initiative regarding 'Algorithms, Data and Democracy'. In cooperation with the areas active senior citizens, gerontology, ophthalmology and social projects, VELUX FONDEN has initiated development of an initiative concerning 'Senior citizens and vision loss'.

Within the individual areas, current efforts are made to find the most appropriate approach to the grants provided. In some cases, the project is focused around a specific very committed person and the capacity of the project; in other cases the focus relates to the wish to support strong communities. In the research area, focus is on the wish to promote the freedom of research at the highest level through close dialogue with the research environments at Danish universities and cultural institutions.

VELUX FONDEN's environmental programme focuses on the Danish marine environment, and as the challenges of creating a sea in balance involve a considerable number of different players, the natural and constructive approach to the area is active cooperation across and the formation of partnerships. In 2019, the Foundation also focused on the restoration initiative regarding Vejle fiord and a display and mediation project relating to Naturpark Lillebælt. Both initiatives rely on cooperation between partners and disciplines.

Under the Foundation's Museums Programme, a series of seminars was arranged in 2019 in cooperation with the Association of Danish Museums and the Foundation regarding insight gained from the collaborative project work of the museums' researchers and mediators and the universities' humanities researchers. Experience has been converted into a publication with the title 'Museerne, universiteterne og forskningen – erfaringer, muligheder og udfordringer' (The museums, universities and research – experience, possibilities and challenges).

The Social Programme focuses on constructive communities for socially vulnerable people, and one of the annual thematic meetings for grant recipients focused on retaining volunteers and various volunteering resources.

In 2019, VELUX FONDEN along with VILLUM FONDEN granted the Building Component Award – an award granted for a noteworthy contribution in respect of industrially manufactured building components. In even-numbered years, VELUX FONDEN and VILLUM FONDEN along with the Swiss foundation VELUX STIFTUNG granted the international award, The Daylight Award, the purpose of which is to focus attention on the interface between architecture and research with emphasis on the interaction between theory and practice as regards the understanding and use of daylight.

Review

Communication

Every year, in cooperation with VILLUM FONDEN, the Foundation prepares an annual report providing an insight into the many grants of the two foundations. The annual report is available in print and is also available at the shared website www.veluxfoundations.dk. The website also includes a database which allows users to search for and gain an overview of the grants.

Board of Directors

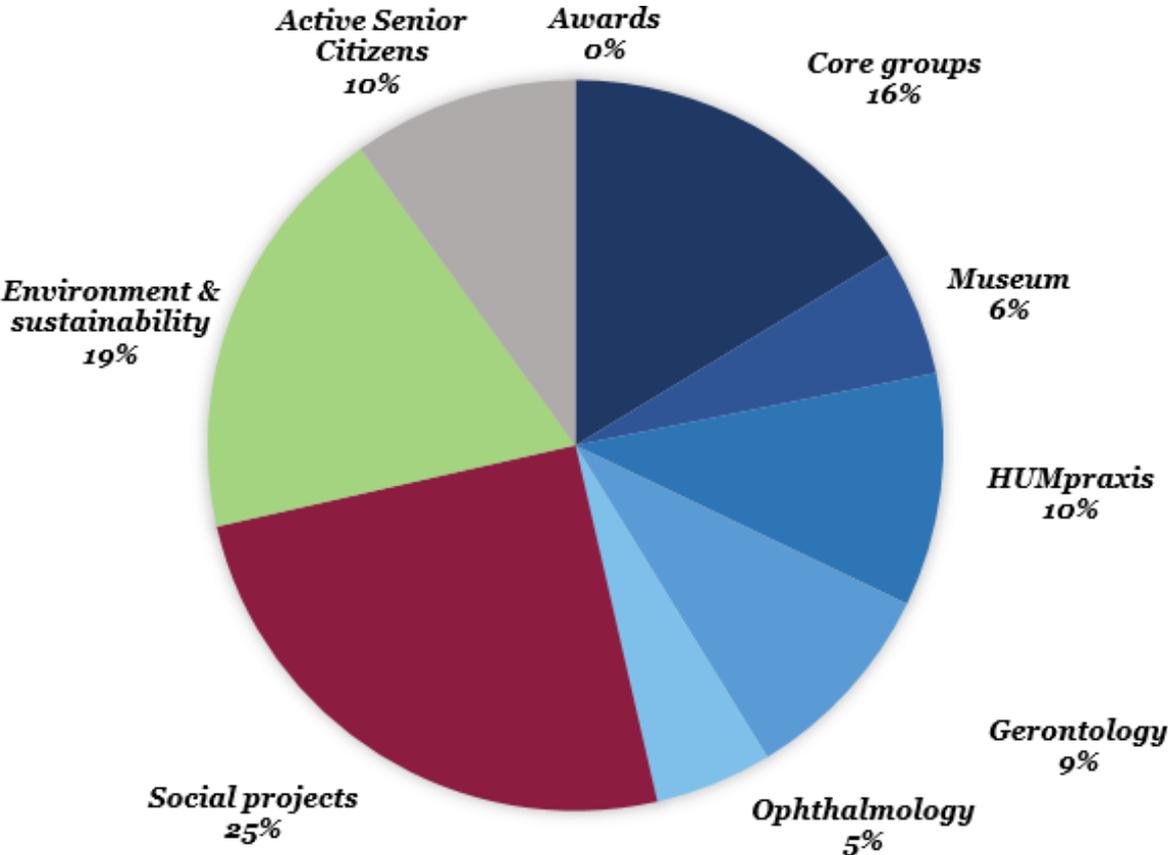
At the Annual Meeting in 2019, Astrid Kann-Rasmussen joined the Board as the sixth member. Hans Kann Rasmussen was elected Chair and Minik Rosing was elected Vice-chair of the Board of Directors.

Grants

In 2019, the Foundation granted DKK 251,491k (2018: DKK 263,099k). The Foundation's provisions for later use were reduced from DKK 341,812k in 2019 to DKK 322,840k.

Break-down of grants

VELUX FONDEN's grants break down on grant areas in 2019 as shown in the figure below.



Procedures

Established procedures ensure that grants from the Foundation are provided in accordance with the Trust Deed. This is also ensured by both the legal adviser and the auditor of the Foundation. The procedures include eg external assessment of all large projects.

The Foundation moreover assesses on a current basis whether the purpose of the grants as well as the agreed consumption of resources are observed. This applies especially to application processes that span several years.

Review

Economy and finances

The grant capacity of the Foundation is based on the return from a considerable portfolio of securities as well as transfer from VILLUM FONDEN. The income of the Foundation totalling DKK 257.5 million for 2019 comprises a transfer for distribution purposes of DKK 160 million from VILLUM FONDEN as well as capital income of DKK 97.5 million. Moreover, the Foundation received a transfer of DKK 40 million from VILLUM FONDEN for consolidation of the restricted capital.

The total capital of VELUX FONDEN originates from the founder of the Foundation, from return on own investments and distributions from VKR Holding A/S.

The capital of the Foundation is invested in accordance with the guidelines of the Trust Deed and the consent of the Danish Civil Affairs Agency and is managed on a long-term basis with a low risk profile. The funds are mainly invested in shares, bonds, properties and private equity shares. The profit generated by the investments is applied for grants, operating expenses and consolidation.

Sound investments

The capital of the Foundation is invested in a broad range of investments to ensure a high return so that the Foundation may make as many philanthropic distributions as possible. We have extra focus on green, climate-friendly investments and combatting climate change. We use external assistance for the screening of portfolios of corporate bonds and shares and for subsequent action in case any criticisable issues are identified.

The target is for approximately 10% of the restricted capital to be invested in green, so-called 'impact investments' in 2020 that contribute to combatting climate change and increasing resource efficiency, eg through the production of renewable energy, energy efficiency and the development of green technologies for the future. Our policy for ethical investments is available at our website.

Tax policy of the Foundation

The tax base of the Foundation is based on the return from the Foundation's portfolio of securities and transfers from VILLUM FONDEN. The part of the net income that is not distributed is taxable; however, basically the Foundation aims at distributing the entire net income, which is income less operating expenses and thus not to trigger off any tax payable.

Foreign investments

A part of the Foundation's investments is made in foreign companies etc. Returns are taxed in Denmark under Danish rules. Moreover, the investments are subject to the tax legislation in the countries concerned, and profits are taxed locally where they are earned.

The Foundation focuses its efforts on ensuring that business partners and the companies in which investments are made comply with current tax rules and international guidelines. The Foundation communicates its tax policy to investment managers before an investment is made. If there is any doubt as to compliance with our policy, the investment is not made.

The Foundation expects that business partners and companies in which investments are made act responsibly and in a transparent manner in the tax area. The Foundation also expects that business partners comply with the OECD principles to avoid aggressive tax planning.

Tax contributions from the Foundation's distributions

The grants of VELUX FONDEN generate considerable payments to the Danish State in the form of direct and indirect taxes on wages, salaries and materials consumed by the grant recipients. Calculations based on the grants distributed for the year show that the Danish Treasury receives approximately 41 øre for each Danish krone that the Foundation distributes. The tax burden on grants to universities receiving VAT refunds is not included in the calculation.

Management's Statement

The Board of Directors and Management have today considered and adopted the Financial Statements of VELUX FONDEN for 2019.

The Financial Statements are prepared in accordance with the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

In our opinion, the transactions comprised by the Financial Statements are in accordance with generally accepted accounting principles applying to foundations, the Danish legislation on foundations and the provisions of the Trust Deed as well as the current rules of procedure, authority and procedures descriptions.

The account in Management's Review of the matters addressed by Management's Review complies with generally accepted accounting principles applying to foundations.

Søborg, 5 May 2020

Management

Ane Hendriksen

Board of Directors

Hans Kann Rasmussen
(Chair)

Minik Thorleif Rosing
(Vice-chair)

Marie Louise Bech Nosch

Jens Nørgaard Oddershede

Erik Michael Darre

Astrid Kann-Rasmussen

Independent Auditor's Report

To the Board of Directors of VELUX FONDEN and the Danish Commercial Foundations Supervisory Authority

Conclusion

In our opinion, the Financial Statements for the financial year 1 January - 31 December 2019 have been prepared in accordance with generally accepted accounting principles applying to foundations, the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

Moreover, procedures and internal controls have, in our opinion, been established which support the transactions comprised by the Financial Statements, are in accordance with the provisions of the Danish legislation on foundations and the Trust Deed as well as the current rules of procedure, authority and procedures descriptions.

We have audited the Financial Statements of VELUX FONDEN for the financial year 1 January - 31 December 2019, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The Financial Statements are prepared in accordance with the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

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' 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 audit 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 in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by generally accepted accounting principles applying to foundations.

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 Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed. We did not identify any material misstatement in Management's Review.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements which comply with generally accepted accounting principles applying to foundations under the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed 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.

Independent Auditor's Report

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 intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Management is moreover responsible for the transactions comprised by the Financial Statements being in accordance with the Danish legislation on foundations and the provisions of the Trust Deed as well as the current rules of procedure, authority and procedures descriptions.

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 by Management 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.

Independent Auditor's Report

We moreover 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.

Copenhagen, 5 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Gert Fisker Tomczyk

State Authorised Public Accountant

René Otto Poulsen

State Authorised Public Accountant

Accounting Policies

Basis of preparation

The Financial Statements of VELUX FONDEN are prepared in accordance with the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

The accounting policies remain unchanged compared to last year.

Recognition and measurement

Revenues are recognised in the income statement as earned, including value adjustments of financial assets and liabilities; however, see below. Moreover, all expenses are recognised in the income statement, including depreciation, amortisation and impairment losses. Depreciation and impairment of the properties of the Foundation are recognised directly in the restricted capital.

Assets and liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset or liability will flow to or out of the Foundation, and the value of the asset or 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.

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

Income statement

Dividends

Dividends from shares and investment units are recognised as income when received.

Interest

Interest on bank deposits and bonds in both restricted and unrestricted capital is recognised in the income statement under the accruals concept.

Market value adjustments

Realised and unrealised capital gains and losses on securities and investments in the restricted capital are not recognised in the income statement, but are transferred to the restricted capital of the Foundation. In financial years with positive taxable income originating from such capital gains, it may be decided to transfer these gains, completely or partially, to the unrestricted capital.

Realised capital gains and losses as well as unrealised capital losses on securities in the unrestricted capital are recognised in the income statement.

Unrealised capital gains on securities in the unrestricted capital the value of which exceeds cost are not recognised in the income statement, but are recognised as separate balance sheet items.

Administrative and other expenses

Administrative and other expenses comprise staff expenses, costs of premises, indirect grant expenses, etc.

Fee, asset management

Asset management fees comprise expenses for management of the investments of the Foundation in unrestricted and restricted capital, respectively, including safe-custody charges, management fees, IT and other consulting services, etc.

Accounting Policies

Foundation income tax

The Foundation has no current tax liabilities.

No provisions have been made for deferred tax regarding securities, nor have any provisions for tax purposes been made for later distributions as, based on the Foundation's investment and grant policies, the Foundation seeks to eliminate any tax charge.

Balance sheet

Land and buildings

Properties are recognised at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition with addition of expenses directly related to the acquisition up until the time when the asset is ready for use.

The basis of depreciation is cost with addition of improvements and less residual value at the end of the useful life. The depreciation period and the residual value are determined at the date of acquisition and are reassessed annually; they are 50 years and 25%, respectively.

Investments in associates

Investments in associates are recognised at the net asset value at the balance sheet date.

Securities

Listed shares and investment units are recognised at the listed market price at the balance sheet date.

Real assets are recognised at the net asset value at the balance sheet date.

Bonds etc are recognised at the listed market price at the balance sheet date.

Operating equipment and fixtures and fittings, etc

Operating equipment, fixtures and fittings, etc are expensed in the year of acquisition and are not recognised in the balance sheet.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other assets" and "Payables", respectively.

Changes to the fair values of derivative financial instruments relating to assets in the unrestricted capital are recognised in the income statement.

Changes to the fair values of derivative financial instruments relating to assets in the restricted capital are recognised directly in the restricted capital.

Accounting Policies

Ratios

The many grant areas of the Foundation deliberately apply different philanthropic approaches and have very different uses of internal and external resources depending on the procedures that we consider contribute the best to the implementation of the strategy of the individual area. The variations in the use of resources are seen, among other things, in connection with our dialogue with applicant environments, assessment of applications, evaluation of projects and programmes, project and strategy development as well as project follow-up. Therefore, the financial ratios for 2018 have been extended as regards secretariat expenses.

Previously, we only calculated the Foundation's administrative expenses in percentage by dividing all secretariat expenses by the Foundation's grants.

In 2018, we introduce two additional ratios for the Foundation's administrative expenses in percentage to illustrate the difference between expenses related to grant activities and general administrative expenses – ie expenses related to finance, communication, IT, management, etc. Indirect grant expenses comprise expenses for project development, experts, task groups as well as fund advisers.

The ratios "Indirect grant expenses in proportion to grants", "Administrative expenses in proportion to grants" and "Administrative expenses in percentage" are defined as follows:

Indirect grant expenses in proportion to grants

The ratio is calculated by dividing indirect grant expenses by "Grants for the year".

Administrative expenses in proportion to grants

The ratio is calculated by dividing administrative expenses by "Grants for the year".

Administrative expenses are calculated as "Secretariat expenses" with deduction of "Indirect grant expenses".

The allocation between administrative expenses and indirect grant expenses is subject to elements of estimation.

Administrative expenses in percentage

The ratio is calculated by dividing secretariat expenses in total by "Grants for the year".

Income Statement

	Note	2019 (DKK '000)	2018 (DKK '000)
Dividend from shares and investment units etc		81,427	125,053
Interest on bonds		22,322	24,574
Interest on bank deposits etc		-2,615	-2,048
Transfer to unrestricted capital from VILLUM FONDEN		160,000	160,000
Capital gains and losses on securities in the unrestricted capital		<u>-3,683</u>	<u>-3,029</u>
Total income		<u>257,451</u>	<u>304,550</u>
Administrative and other expenses		27,821	24,828
Fee to Board of Directors	1, 2	1,088	1,050
Legal adviser		1,562	1,523
Auditor	3	592	599
Fee, asset management	3	<u>2,015</u>	<u>2,106</u>
Total expenses incurred by secretariat		<u>33,078</u>	<u>30,106</u>
Profit before tax		224,373	274,444
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Net profit for the year		<u>224,373</u>	<u>274,444</u>
<i>Distribution of profit</i>			
Provisions for later use, beginning of year		341,812	319,324
Transferred taxable capital gain from restricted capital		0	0
Net profit for the year		<u>224,373</u>	<u>274,444</u>
Available for distribution		<u>566,185</u>	<u>593,768</u>
<i>Which is distributed as follows:</i>			
Grants for the year		251,491	263,099
Cancelled grants		-8,146	-11,143
Provisions for later use		<u>322,840</u>	<u>341,812</u>
Total distribution		<u>566,185</u>	<u>593,768</u>

Balance Sheet 31 December

	Note	Restricted capital (DKK '000)	Unrestricted capital (DKK '000)	2019 total (DKK '000)	2018 total (DKK '000)
Assets					
Properties	4	33,414	0	33,414	26,800
Associates	5	243,743	0	243,743	198,656
Investments in real assets	6	344,528	0	344,528	258,540
Shares etc		994,526	92,958	1,087,484	867,450
Bonds etc		911,907	712,546	1,624,453	1,786,469
Bank deposit		11,526	3,365	14,891	21,158
Accrued interest		0	6,669	6,669	8,219
Account		18,324	-18,324	0	0
Receivable from associate		0	44,646	44,646	7,581
Other receivables	7	<u>1,291</u>	<u>20,972</u>	<u>22,263</u>	<u>25,350</u>
		<u>2,559,259</u>	<u>862,832</u>	<u>3,422,091</u>	<u>3,200,223</u>
Liabilities and equity					
Amounts granted, not paid		0	505,159	505,159	505,561
Accrued costs		0	11,263	11,263	7,781
Provisions for later use		0	322,840	322,840	341,812
Capital gains, not realised		0	23,570	23,570	7,417
Equity	8	<u>2,559,259</u>	<u>0</u>	<u>2,559,259</u>	<u>2,337,652</u>
		<u>2,559,259</u>	<u>862,832</u>	<u>3,422,091</u>	<u>3,200,223</u>

Notes

Note 1 - Remuneration to the Board of Directors

In addition to a regular board fee, the board members receive fee for committee work. For 2019, the board fee, exclusive of committee work fee, amounted to DKK 1,088k (2018: DKK 1,050k). The total fee is specified as follows:

	Board fee	Committee work fee	Total	2018
	(DKK '000)	(DKK '000)	(DKK '000)	
Hans Kann Rasmussen (Chair)	300		300	300
Minik Thorleif Rossing (Vice-chair)	225	150	375	375
Marie-Louise Bech Nosch	150	164	314	225
Jens Oddershede	150	150	300	300
Erik Michael Darre	150	87	237	88
Astrid Kann-Rasmussen	113	75	188	150
Kamilla Kann Rasmussen (resigned member)	0	0	0	150
Total	<u>1,088</u>	<u>626</u>	<u>1,714</u>	<u>1,588</u>

Note 2 - Remuneration to Management

Total remuneration to Management amounted to DKK 3,666k in 2019 (2018: DKK 3,118k), which is equivalent to 1.2 full-time positions (2018: 1.2), including share of remuneration to chief investment officer. Remuneration is recognised in Administrative and other expenses.

	2019 (DKK '000)	2018 (DKK '000)
Note 3 - Fee to auditors		
Auditing	271	234
Non-audit services	<u>321</u>	<u>365</u>
	<u>592</u>	<u>599</u>
Non-audit services included in Fee, asset management and Administrative and other expenses	<u>62</u>	<u>149</u>

Note 4 – Properties

Owner-occupied property, Tobaksvejen 10

Cost at 1 January	29,908	29,908
Additions for the year	<u>0</u>	<u>0</u>
Cost at 31 December	<u>29,908</u>	<u>29,908</u>
Depreciation and impairment losses at 1 January	-3,108	-2,827
Depreciation for the year	<u>-281</u>	<u>-281</u>
Depreciation and impairment losses at 31 December	<u>-3,389</u>	<u>-3,108</u>
Carrying amount at 31 December	<u>26,519</u>	<u>26,800</u>

Museum building, Maskinvej 4

Cost at 1 January	0	0
Additions for the year	7,000	0
Cost at 31 December	<u>7,000</u>	<u>0</u>
Depreciation and impairment losses at 1 January	0	0
Depreciation for the year	<u>-105</u>	<u>0</u>
Depreciation and impairment losses at 31 December	<u>-105</u>	<u>0</u>
Carrying amount at 31 December	<u>6,895</u>	<u>0</u>

Total carrying amount at 31 December 33,414 26,800

The properties are owned in equal joint ownership with VILLUM FONDEN.

Note 5 - Associate

The Foundation holds 50% of the A shares with voting rights (VILLUM FONDEN holds the remaining 50%) and 30% of the B shares (without voting rights) in VV Private Equity Holding ApS (VILLUM FONDEN holds the remaining 70%). The registered office of the company is situated at Tobaksvejen 10, DK-2860 Søborg. The company's total nominal share capital amounts to DKK 40.9 million. The net profit amounts to DKK 75.2 million for 2019 (2018: DKK 57.8 million), and equity amounts to DKK 662.9 million at 31 December 2019 (2018: DKK 487.7 million) of which the share of VELUX FONDEN amounts to DKK 22.2 million and DKK 195.4 million (2018: DKK 17.5 million and DKK 147.7 million), respectively.

Note 6 - Investments in real assets

As part of its asset management, the Foundation invests in real assets (properties, infrastructure, etc) typically through limited partnerships and similar structures. The Foundation has promised to invest in unlisted equity shares at an additional amount of DKK 390 million. The payment of the amount will be made under a cash-call principle.

Note 7 – Other receivables

Other receivables include the principal of forward exchange contracts which total USD 29.0 million (DKK 195.5 million) with a fair value of DKK 1.9 million at 31 December 2019 (2018: USD 19.9 million, DKK 126.6 million, DKK 0.3 million). The forward exchange contracts are effective until 7 January 2020 and 21 January 2020.

Note 8 - Equity

Restricted capital

	2019 (DKK '000)	2018 (DKK '000)
Balance at 1 January	2,230,594	2,179,158
Realised capital gains and losses on bonds, net	5,226	4,772
Realised capital gains and losses on shares, net	-1,185	7,223
Realised capital gains and losses on real assets, net	976	2,100
Realised capital gains and losses on forward exchange contracts	-6,603	-2,378
Transferred to unrestricted capital	0	0
Depreciation, amortisation and impairment losses	-386	-281
Transferred to restricted capital from VILLUM FONDEN	40,000	40,000
Balance at 31 December	<u>2,268,622</u>	<u>2,230,594</u>
Unrealised capital gains and losses on shares, net	243,932	67,729
Unrealised capital gains and losses on real assets, net	-9,197	-2,092
Unrealised capital gains and losses on bonds, net	50,535	41,012
Unrealised capital gains and losses on forward exchange contracts	1,291	409
Other market value adjustments	4,076	0
Total unrealised capital gains and losses	<u>290,637</u>	<u>107,058</u>
Total balance at 31 December	<u><u>2,559,259</u></u>	<u><u>2,337,652</u></u>