
VELUX FONDEN
Financial Statements for 2020
(39th Financial Statements)

CVR No 61 02 39 17

The Financial Statements
were presented and
adopted at the Annual
Meeting of the Foundation
on 11 May 2021

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	8
Independent Auditor's Report	9
Financial Statements 1 January - 31 December 2020	
Accounting policies	12
Income Statement	15
Balance Sheet	16
Notes	17

Information about the Foundation

The Foundation

VELUX FONDEN
Sekretariat
Tobaksvejen 10
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
Lykke Ogstrup Lunde, journalist

Executive Board

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)	2020	2019	2018	2017	2016
KEY FIGURES					
Profit (loss) for the year	<u>272,112</u>	<u>224,373</u>	<u>274,444</u>	<u>241,811</u>	<u>288,766</u>
Grants for the year	314,462	251,491	263,099	209,978	259,180
Cancelled grants	<u>(10,361)</u>	<u>(8,146)</u>	<u>(11,143)</u>	<u>(2,963)</u>	<u>(3,653)</u>
Grants after cancellation	<u>304,101</u>	<u>243,345</u>	<u>251,956</u>	<u>207,015</u>	<u>255,527</u>
RATIOS*					
Applications/grants:					
Number of applications received	1,390	1,643	1,714	1,623	1,379
Number of grants provided	614	977	899	804	549
Amounts applied for	2,972,803	1,774,368	2,573,202	2,171,433	2,694,298
Average grant provided	512	257	293	261	472
Number of grants:					
between 0-1 million	555	924	843	752	490
between 1-10 million	57	52	54	52	58
above 10 million	2	1	2	-	1
Secretariat expenses:					
Indirect grant expenses	13,379	11,722	10,409	9,262	8,817
Administrative expenses	<u>23,427</u>	<u>21,356</u>	<u>19,697</u>	<u>18,266</u>	<u>15,265</u>
Total secretariat expenses	<u>36,806</u>	<u>33,078</u>	<u>30,106</u>	<u>27,528</u>	<u>24,082</u>
Indirect grant expenses in proportion to grants**	4.3%	4.7%	4.0%	4.4%	3.4%
Administrative expenses in proportion to grants**	<u>7.4%</u>	<u>8.5%</u>	<u>7.4%</u>	<u>8.7%</u>	<u>5.9%</u>
Administrative expenses in percentage**	<u>11.7%</u>	<u>13.2%</u>	<u>11.4%</u>	<u>13.1%</u>	<u>9.3%</u>
Secretariat expenses per grant	60	34	33	34	44

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

** The ratios are defined in Accounting Policies.

Review

Background

VELUX 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 Fondenens 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 area of gerontology focuses on 'senior citizens and medicine' and 'senior citizens and cancer' as well as the research of geriatric departments. 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 and increase research in the area of ophthalmology.

The humanities grant area has several programmes: The core-group programme, the museum programme and HUMpraxis, which are 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 youths and adults in constructive communities) and 'Ældre som samfundsressource' (senior citizens as a community resource).

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.

Focus in 2020

In 2020, VELUX FONDEN focused on preparing initiatives for 2021 - the year when the Foundation celebrates its 40th anniversary while VILLUM FONDEN celebrates the 50th anniversary of its establishment. This means working with experiments and cooperation across the disciplinary grant areas.

Between them, VELUX FONDEN and VILLUM FONDEN have launched the initiative 'Algorithms, Data and Democracy' (ADD). In cooperation with the areas active senior citizens, gerontology, ophthalmology and social projects, VELUX FONDEN has developed an initiative concerning 'Senior citizens and loss of vision'. Finally, funds have been granted to several initiatives aimed at supporting the update and expansion of data and behavioural changes related to the '70 by 2030' goal. The Foundation's focus on the sea has resulted in the establishment of an association that will contribute with knowledge and solutions in relation to the state and use of the sea. All initiatives will be further realised and communicated during 2021.

In 2020, 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. The award ceremony was conducted digitally due to COVID-19. In odd-numbered years, VELUX FONDEN and VILLUM FONDEN grant the Building Component Award – an award granted for a noteworthy contribution in respect of industrially manufactured building components.

Overall, 2020 was heavily impacted by COVID-19 and as a consequence, the Foundation was in ongoing contact with grant recipients to clarify whether the completion of projects would be affected by COVID-19 and the shut-down. In addition, the Foundation launched a special pool for data collection within the humanities area of DKK 5.5 million for 13 projects.

Review

Communication

Every year, in cooperation with VILLUM FONDEN, the Foundation prepares a yearbook providing an insight into the many grants of the two foundations. The yearbook 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

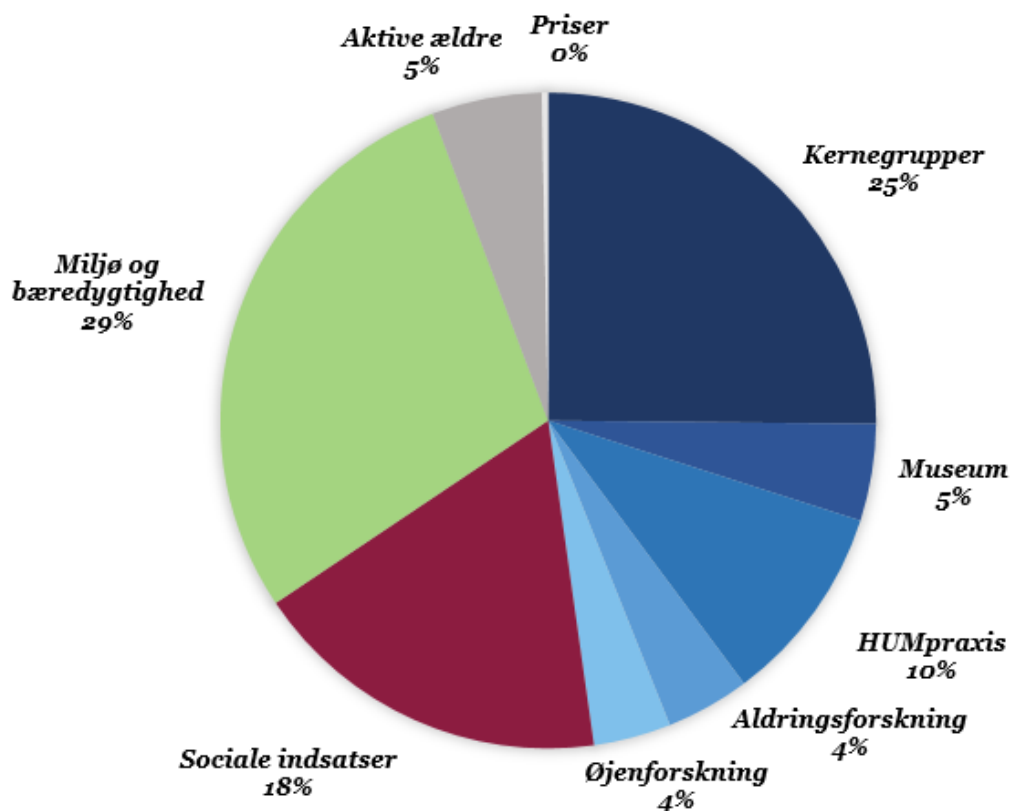
At the Annual Meeting in 2020, Lykke Ogstrup Lunde joined the Board as the sixth member. Astrid Kann Rasmussen resigned from the Board, Hans Kann Rasmussen was elected Chair and Minik Rosing was elected Vice-chair of the Board of Directors.

Grants

In 2020, the Foundation granted DKK 314,462k (2019: DKK 251,491k). In 2020, the Foundation's provisions for later use were reduced from DKK 322,840k to DKK 290,851k.

Break-down of grants

VELUX FONDEN's grants break down on grant areas in 2020 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 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 308.9 million for 2020 comprises a transfer for distribution purposes of DKK 210 million from VILLUM FONDEN as well as capital income of DKK 98.9 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 donations from VILLUM FONDEN.

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 medium risk profile. The funds are mainly invested in shares, bonds, real assets 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 given the chosen risk profile so that the Foundation may make as many philanthropic distributions as possible. We have extra focus on green, climate-friendly investments. We use external assistance for the screening of portfolios of corporate bonds and shares and for subsequent dialogue in case any criticisable issues are identified.

The target is for approximately 15% of the restricted capital to be invested in green, so-called 'impact investments' in 2023 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 and a list of our green investments are 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.

At the end of 2020, the Foundation adopted the 'Tax Code of Conduct' for unlisted investments originally developed by the Danish pension funds ATP, PFA, PensionDanmark and Industriens Pension.

Foreign investments

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.

Review

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 distributed by the Foundation. 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 2020.

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, 11 May 2021

Executive Board

Ane Hendriksen

Board of Directors

Hans Kann Rasmussen
(Chair)

Minik Thorleif Rosing
(Vice-chair)

Marie Louise Bech Nosch

Jens Nørgaard Oddershede

Erik Michael Darre

Lykke Ogstrup Lunde

Independent Auditor's Report

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

Opinion

In our opinion, the Financial Statements for the financial year 1 January - 31 December 2020 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 2020, which comprise a 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.

Independent Auditor's Report

- 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 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, 11 May 2021

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

As a general rule, revenues are recognised in the income statement as earned, including value adjustments of financial assets and liabilities. The accounting policies for each item in the income statement describe the recognition procedure in detail.

Moreover, all expenses are recognised in the income statement. 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 net 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.

Accounting policies

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.

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.

Depreciation and impairment losses for the year are recognised directly in the restricted capital.

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.

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

Real assets include unlisted investments measured at estimated fair value on the balance sheet date. Fair value is calculated on the basis of statements received from investment managers, who recognise the equity investments of underlying investments at fair value.

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

Grants

Grants which, in accordance with the object of the Foundation, have been adopted in the financial year are deducted from the available capital through the distribution of profit.

Amounts granted, not paid

Grants which, in accordance with the object of the Foundation, have been adopted and announced to the recipient but not paid at the balance sheet date are deducted from the available capital through the distribution of profit and are recognised as a liability.

Financial 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 were extended as regards secretariat expenses.

In 2018, we introduced 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.

Administration share

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

Income Statement

	Note	2020 (DKK '000)	2019 (DKK '000)
Dividend from shares and investment units, etc		82,169	81,427
Interest on bonds		13,861	22,322
Other financials		11,049	(2,615)
Transfer to unrestricted capital from VILLUM FONDEN		210,000	160,000
Capital gains and losses on securities in the unrestricted capital		<u>(8,161)</u>	<u>(3,683)</u>
Total income		<u>308,918</u>	<u>257,451</u>
Administrative and other expenses		31,398	27,821
Fee to Board of Directors	1.2	1,125	1,088
Legal adviser		1,636	1,562
Auditor	3	680	592
Fee, asset management	3	<u>1,967</u>	<u>2,015</u>
Total secretariat expenses		<u>36,806</u>	<u>33,078</u>
Profit before tax		272,112	224,373
Tax on profit (loss) for the year		<u>0</u>	<u>0</u>
Profit (loss) for the year		<u>272,112</u>	<u>224,373</u>
<i>Distribution of profit</i>			
Provisions for later use, beginning of year		322,840	341,812
Transferred taxable capital gain from restricted capital		0	0
Profit (loss) for the year		<u>272,112</u>	<u>224,373</u>
Available for distribution		<u>594,952</u>	<u>566,185</u>
<i>Which is distributed as follows:</i>			
Grants for the year		314,462	251,491
Cancelled grants		(10,361)	(8,146)
Provisions for later use		<u>290,851</u>	<u>322,840</u>
Total distribution		<u>594,952</u>	<u>566,185</u>

Balance Sheet 31 December

	Note	Restricted capital (DKK '000)	Unrestricted capital (DKK '000)	2020 total (DKK '000)	2019 total (DKK '000)
Assets					
Properties	4	33,028	0	33,028	33,414
Associates	5	338,617	0	338,617	243,743
Investments in real assets	6	376,849	0	376,849	344,528
Shares etc		1,135,552	200,966	1,336,518	1,087,484
Bonds etc		832,070	631,011	1,463,081	1,624,453
Bank deposit		14,626	5,536	20,162	14,891
Accrued interest		0	4,118	4,118	6,669
Balance		2,005	(2,005)	0	0
Other receivables	7	<u>5,626</u>	<u>64,270</u>	<u>69,896</u>	<u>22,263</u>
Total assets		<u>2,738,373</u>	<u>903,896</u>	<u>3,642,269</u>	<u>3,422,091</u>
Equity and liabilities					
Amounts granted, not paid		0	563,421	563,421	505,159
Accrued costs		0	11,713	11,713	11,263
Provisions for later use		0	290,851	290,851	322,840
Capital gains, not realised		0	37,911	37,911	23,570
Total equity	8	<u>2,738,373</u>	<u>0</u>	<u>2,738,373</u>	<u>2,559,259</u>
Total equity and liabilities		<u>2,738,373</u>	<u>903,896</u>	<u>3,642,269</u>	<u>3,422,091</u>

Notes

Note 1 - Remuneration to the Board of Directors

In addition to a regular board fee, the board members receive a fee for participating in working groups. For 2020, the board fee, exclusive of working group fees, amounted to DKK 1,125k (2019: DKK 1,088k). The total fee may be specified as follows:

	Board fee	Working group fee	Total	2019
	(DKK '000)	(DKK '000)	(DKK '000)	
Hans Kann Rasmussen (Chair)	300	0	300	300
Minik Thorleif Rossing (Vice-chair)	225	115	340	375
Marie-Louise Bech Nosch	150	115	265	314
Jens Oddershede	150	190	340	300
Erik Michael Darre	150	86	236	237
Lykke Ogstrup Lunde	100	0	100	0
Astrid Kann-Rasmussen	50	115	165	188
Total	1,125	621	1,746	1,714

Note 2 – Remuneration to Management

Total remuneration to Management amounted to DKK 2,896k in 2020 (2019: DKK 2,586k), which is equivalent to 1.2 full-time positions (2019: 1.2), including share of remuneration to chief investment officer. Remuneration is recognised in Administrative and other expenses.

	2020 (DKK '000)	2019 (DKK '000)
Note 3 – Fee to auditors		
Auditor	277	271
Non-audit services	403	321
	<u>680</u>	<u>592</u>
Non-audit services included in Fee, asset management and Administrative and other expenses	<u>116</u>	<u>62</u>

Note 4 – Properties

Owner-occupied property, Tobaksvejen 10

Cost at 1 January	29,908	29,908
Additions for the year	0	0
Cost at 31 December	<u>29,908</u>	<u>29,908</u>
Depreciation and impairment losses at 1 January	(3,389)	(3,108)
Depreciation for the year	(281)	(281)
Depreciation and impairment losses at 31 December	<u>(3,670)</u>	<u>(3,389)</u>
Carrying amount at 31 December	<u>26,238</u>	<u>26,519</u>

Museum building, Maskinvej 4

Cost at 1 January	7,000	0
Additions for the year	0	7,000
Cost at 31 December	<u>7,000</u>	<u>7,000</u>
Depreciation and impairment losses at 1 January	(105)	0
Depreciation for the year	(105)	(105)
Depreciation and impairment losses at 31 December	<u>(210)</u>	<u>(105)</u>
Carrying amount at 31 December	<u>6,790</u>	<u>6,895</u>

Total carrying amount at 31 December

<u>33,028</u>	<u>33,414</u>
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The properties are owned in equal joint ownership with VILLUM FONDEN.

Notes

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 50.1 million. The net profit amounted to DKK 106.3 million for 2020. (2019: DKK 75.2 million) and equity at 31 December 2020 amounted to DKK 919.2 million (2019: DKK 662.9 million), of which the share of VELUX FONDEN amounted to DKK 32.3 million and DKK 279 million (2019: (DKK 22.2 million and DKK 195.4 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 private equity funds, organised as limited partnerships and similar structures. The Foundation has committed to investing in unlisted equity shares at an additional amount of DKK 370 million. (2019: DKK 390 million). 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 entered into with the Foundation's bank and totalling USD 42.9 million (DKK 265.9 million) with a fair value of DKK 6.2 million at 31 December 2020 (2019: USD 29.0 million, corresponding to DKK 195.5 million with a fair value of DKK 1.9 million). The forward exchange contracts were effective until 11 January 2021 and 22 March 2021.

	2020 (DKK '000)	2019 (DKK '000)
Note 8 - Equity		
<i>Restricted capital</i>		
Balance at 1 January	2,268,622	2,230,594
Realised capital gains and losses on bonds, net	601	5,226
Realised capital gains and losses on shares, net	(9,104)	(1,185)
Realised capital gains and losses on real assets, net	(9,974)	976
Realised capital gains and losses on forward exchange contracts	8,098	(6,603)
Transferred to unrestricted capital	0	0
Amortisation, depreciation and impairment losses	(386)	(386)
Transferred to restricted capital from VILLUM FONDEN	40,000	40,000
Balance at 31 December	<u>2,297,857</u>	<u>2,268,622</u>
Unrealised capital gains and losses on shares, net	391,757	243,932
Unrealised capital gains and losses on real assets, net	(14,271)	(9,197)
Unrealised capital gains and losses on bonds, net	53,328	50,535
Unrealised capital gains and losses on forward exchange contracts	5,626	1,291
Other market value adjustments	4,076	4,076
Total unrealised capital gains and losses	<u>440,516</u>	<u>290,637</u>
Total balance at 31 December	<u>2,738,373</u>	<u>2,559,259</u>