
Melgaard Invest ApS

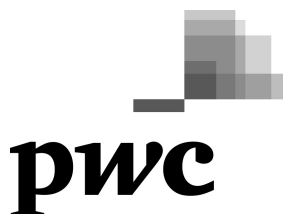
Amerika Plads 26, DK-2100 København Ø

Annual Report for 1 July 2019 - 30 June 2020

CVR No 28 51 10 00

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/10 2020

Jan Melgaard
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Melgaard Invest ApS for the financial year 1 July 2019 - 30 June 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and of the results of the Company operations for 2019/20.

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

I recommend that the Annual Report be adopted at the Annual General Meeting.

København, 30 October 2020

Executive Board

Jan Melgaard
CEO

The Independent Practitioner's Report

To the Shareholders of Melgaard Invest ApS

Conclusion

We have performed an extended review of the Financial Statements of Melgaard Invest ApS for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company operations for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the Company 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 rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

The Independent Practitioner's Report

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

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 extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Trekantområdet, 30 October 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

statsautoriseret revisor

mne30224

Lasse Berg

statsautoriseret revisor

mne35811

Company Information

The Company

Melgaard Invest ApS
Amerika Plads 26
DK-2100 København Ø

CVR No: 28 51 10 00
Financial period: 1 July - 30 June
Municipality of reg. office: København

Executive Board

Jan Melgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's Review

Financial Statements of Melgaard Invest ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The primary activity of the Company is shareholding in companies with investment and consultancy activities related to leasing of aircraft.

Development in the year

The income statement of the Company for 2019/20 shows a loss of DKK 2,219,895, and at 30 June 2020 the balance sheet of the Company shows equity of DKK 45,709,555.

Unusual events

The company have improved their financial result, however, the global Covid-19 pandemic will probably also affect the company's financial results in the 2020/21 financial year negatively.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	2019/20 DKK	2018/19 DKK
Gross profit/loss		-400,432	623,854
Depreciation, amortisation and impairment of property, plant and equipment		0	-233,865
Profit/loss before financial income and expenses		-400,432	389,989
Income from investments in subsidiaries		5,000	3,000
Financial income	1	676,991	1,371,512
Financial expenses	2	-3,074,749	-1,230,910
Profit/loss before tax		-2,793,190	533,591
Tax on profit/loss for the year	3	573,295	-179,773
Net profit/loss for the year		-2,219,895	353,818

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	1,000,000	750,000
Proposed dividend for the year	1,700,000	5,000,000
Retained earnings	-4,919,895	-5,396,182
	-2,219,895	353,818

Balance Sheet 30 June

Assets

	Note	2019/20 DKK	2018/19 DKK
Investments in subsidiaries	4	15,000	15,000
Receivables from group subsidiaries		17,680,211	21,608,773
Fixed asset investments		17,695,211	21,623,773
Fixed assets		17,695,211	21,623,773
Receivables from group subsidiaries		0	2,812,405
Corporation tax		2,673,206	0
Receivables		2,673,206	2,812,405
Other investments		25,017,893	22,600,864
Cash at bank and in hand		1,183,976	7,307,480
Currents assets		28,875,075	32,720,749
Assets		46,570,286	54,344,522

Balance Sheet 30 June

Liabilities and equity

	Note	2019/20 DKK	2018/19 DKK
Share capital		185,000	185,000
Retained earnings		43,824,555	48,744,450
Proposed dividend for the year		1,700,000	5,000,000
Equity	5	45,709,555	53,929,450
Corporation tax		0	402,572
Payables to group enterprises relating to corporation tax		846,900	0
Other payables		13,831	12,500
Short-term debt		860,731	415,072
Debt		860,731	415,072
Liabilities and equity		46,570,286	54,344,522
Contingent assets, liabilities and other financial obligations	6		
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Notes to the Financial Statements

	2019/20 DKK	2018/19 DKK
1 Financial income		
Interest received from subsidiaries	541,755	653,981
Other financial income	135,236	717,531
	676,991	1,371,512
2 Financial expenses		
Other financial expenses	3,064,210	1,148,967
Exchange adjustments, expenses	10,539	81,943
	3,074,749	1,230,910
3 Tax on profit/loss for the year		
Current tax for the year	-573,295	18,546
Deferred tax for the year	0	100,721
Adjustment of tax concerning previous years	0	60,506
	-573,295	179,773

Notes to the Financial Statements

	2019/20 DKK	2018/19 DKK
4 Investments in subsidiaries		
Cost at 1 July	15,000	15,000
Cost at 30 June	15,000	15,000
Value adjustments at 1 July	0	0
Value adjustments at 30 June	0	0
Carrying amount at 30 June	15,000	15,000

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes
Melgaard Family ApS	Middelfart	100%

5 Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity at 1 July	185,000	48,744,450	5,000,000	53,929,450
Ordinary dividend paid	0	0	-5,000,000	-5,000,000
Extraordinary dividend paid	0	-1,000,000	0	-1,000,000
Net profit/loss for the year	0	-3,919,895	1,700,000	-2,219,895
Equity at 30 June	185,000	43,824,555	1,700,000	45,709,555

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Melgaard Invest ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

7 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Notes to the Financial Statements

7 Accounting Policies (continued)

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	50 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

7 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of receivables and are recognised in the balance sheet at amortised cost.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

7 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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