

DENMARK

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**Sø- og Handelsretten (The Maritime and Commercial Court) 10 August 2015,
UfR (Ugeskrift for Retsvæsen, Weekly Law Report) 2016.1S**

Industrial Trusts – Characteristics

1. No owners
2. Everlasting life
3. The Charter of the Industrial Trust
4. Public Supervisory Authorities
5. Management – distribution of the funds of the trust

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The MCO-foundation was established in 1961 and was financially well run up until the year 2000, after which years of financial difficulties followed. The foundation's charter contained a provision that obligated the board of directors of the foundation to ensure that the foundation was not "*carried on for longer than the operational results justified.*"

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From 2000 onwards, the foundation started having financial difficulties which it never overcame. In an attempt to overcome these financial difficulties, the board made various arrangements between 2000 and 2005 that, however, turned out to be unsuitable.

In 2000, the annual result of the foundation was in the negative by DKK 14.2 million. The foundation then made a small profit in 2001 and 2002, which was, among others, generated by transfers of clothing brands. From 2003 henceforth, the foundation suffered losses in the amount of DKK 46.6 million in 2003, DKK 91.2 million in 2004, DKK 53.5 million in 2005, and DKK 42.9 million in 2006.

In 2010 the Trust was solvently liquidated with a capital of DKK 52,582.