



Annual Report 2015

Table of Contents

Review, Management's Statement and Auditor's Report	3
Company Information	3
Management's Statement	4
Independent Auditor's Report	5
Management Report 2015	7
Target Reporting	25
Reporting on UCPH's Development Contract 2015–17	25
Financial Statements	29
Accounting Policies	29
Income Statement	33
Balance Sheet	34
Statement of Changes in Equity	36
Cash Flow Statement	37
Notes to Financial Statements	38
Financial Highlights for the University of Copenhagen	48

Review, Management's Statement and Auditor's Report

Company Information

Company

University of Copenhagen
Nørregade 10
DK-1165 Copenhagen K
Local authority: City of Copenhagen
CVR no.: 29 97 98 12

Board

Nils Strandberg Pedersen, chairperson
Mads Krogsgaard Thomsen
Anja C. Andersen
Jannik Johansen
Signe Møller Johansen
Kari Melby
Søren Axel Petersen
Sine Sunesen
Jakob Thomasen
Alexander Schwartz Thorvaldsen
Eske Willerslev

Rector

Ralf Hemmingsen

Prorector for Research and Innovation

Thomas Bjørnholm

Prorector for Education

Lykke Friis

University Director

Jesper Olesen

Auditors

Danish National Audit Office
Landgreven 4
DK-1301 Copenhagen K

Institutional Auditors

Deloitte State Authorised
Public Accountants
Weidekampsgade 6
DK-2300 Copenhagen S,
Denmark

Attorneys

Kammeradvokaten (Legal Adviser to the Danish
Government)
Vester Farimagsgade 23
DK-1606 Copenhagen V

Bank

Danske Bank
Holmens Kanal 2
DK-1090 Copenhagen K

Management's Statement


The Board and Executive Management have today considered and approved the Annual Report of the University of Copenhagen for 2015.

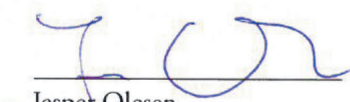
The Annual Report has been prepared in accordance with Ministerial Order no. 70 of 27 January 2011 on State Accounting, etc.

We hereby declare:

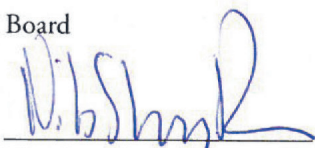
1. that we consider the accounting policies adopted appropriate and the accounting estimates made reasonable. The Annual Report therefore gives a true and fair view of the University of Copenhagen's assets, liabilities and financial position at 31 December 2015, and the results of the University's operations and cash flows for 2015, including that the description of the targets set and the reporting on these targets in the Annual Report are satisfactory,
2. that, in our opinion, Management's Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty faced by the University of Copenhagen,
3. that all transactions included in the Financial Statements are in accordance with relevant legislation and other regulations, as well as with agreements entered into and with established practice, and
4. that procedures have been introduced to ensure sound financial management of the resources covered by the Annual Report.

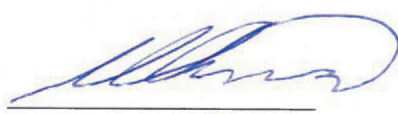
Copenhagen, 27 April 2016

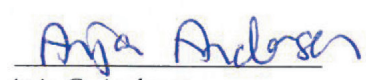

Ralf Hemmingsen
Rector

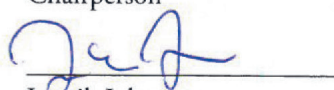

Jesper Olesen
University Director

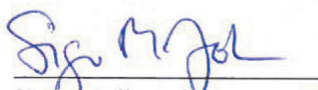
Board


Nils Strandberg Pedersen
Chairperson


Mads Krogsgaard Thomsen


Anja C. Andersen


Jannik Johansen

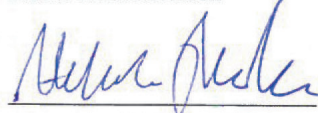

Signe Møller Johansen


Kari Melby


Søren Axel Petersen


Sine Sunesen


Jakob Thomasen


Alexander Schwartz Thorvaldsen


Eske Willerslev

Independent Auditor's Reports

The Board of the University of Copenhagen has appointed Deloitte as institutional auditors of the University pursuant to Section 28(3) of the Danish University Act. The Auditor General is responsible for the overall audit under the Danish Auditor General Act.

To Management of the University of Copenhagen

Report on the financial statements

We have audited the financial statements of the University of Copenhagen for the financial year 1 January to 31 December 2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish State Accounting Act, the rules laid down in the Danish Ministry of Finance's Financial Administrative Guidelines (ØAV) and Ministerial Order No. 598 of 8 March 2015 on funding and auditing etc. at universities.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that are accurate, i.e. free from material misstatement and omissions, in accordance with the Danish State Accounting Act, the rules laid down in the Danish Ministry of Finance's Financial Administrative Guidelines and Ministerial Order No. 598 of 8 March 2015 on funding and auditing etc. at universities, 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. This responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Furthermore, Management is responsible for transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation, good public auditing practice and the agreement on internal audits at universities entered into by the Danish Minister of Education and the Auditor General, pursuant to Section 9 of the Danish Auditor General Act. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the university's preparation of financial statements that are accurate, i.e. free from material misstatements and omissions, in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the university's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

The audit also includes assessing whether procedures and internal controls have been established to ensure that the transactions covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements and usual practice.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements of the University of Copenhagen for the financial year 1 January to 31 December 2015 have been prepared, in all material respects, in accordance with the Danish State Accounting Act, the rules laid down in the Danish Ministry of Finance's Financial Administrative Guidelines and Ministerial Order No. 598 of 8 March 2015 on funding and auditing etc. at universities. It is also our opinion that procedures and internal controls have been established to ensure that the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice.

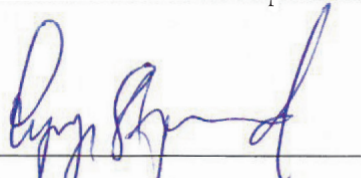
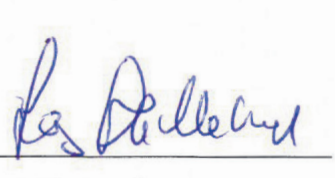
Statement on the Management's Review, Target Reporting and Financial Highlights

We have read the Management's Review (pp. 7-24), Target Reporting (pp. 25-28) and Financial Highlights (pp. 48-49). We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's Review, Target Reporting and Financial Highlights is consistent with the financial statements.

Copenhagen, 27 April 2016

Deloitte

Statsautoriseret Revisionspartnerselskab


Lyng Skovgaard
State-Authorised Public Accountant
Lars Hillebrand
State-Authorised Public Accountant

Management Report 2015

The 2015 Annual Report reflects developments at the University of Copenhagen (UCPH) and its current position. The key data reveals improvements on a number of core parameters, and the fact that UCPH has maintained its strong international position is particularly worth noting. The proportion of non-Danish researchers continues to rise in all of the faculties and now accounts for 20-26% of academic staff, with more than 80 nationalities represented. UCPH researchers attract more and more external funding, including from international sources. By year-end 2015, UCPH was host to a total of 53 recipients of grants from the European Research Council (ERC), which funds ground-breaking projects of academic excellence in all subject areas. In 2015, for the third year running, UCPH moved up the Academic Ranking of World Universities (also known as the Shanghai Ranking), and is now ranked 35th in the world.

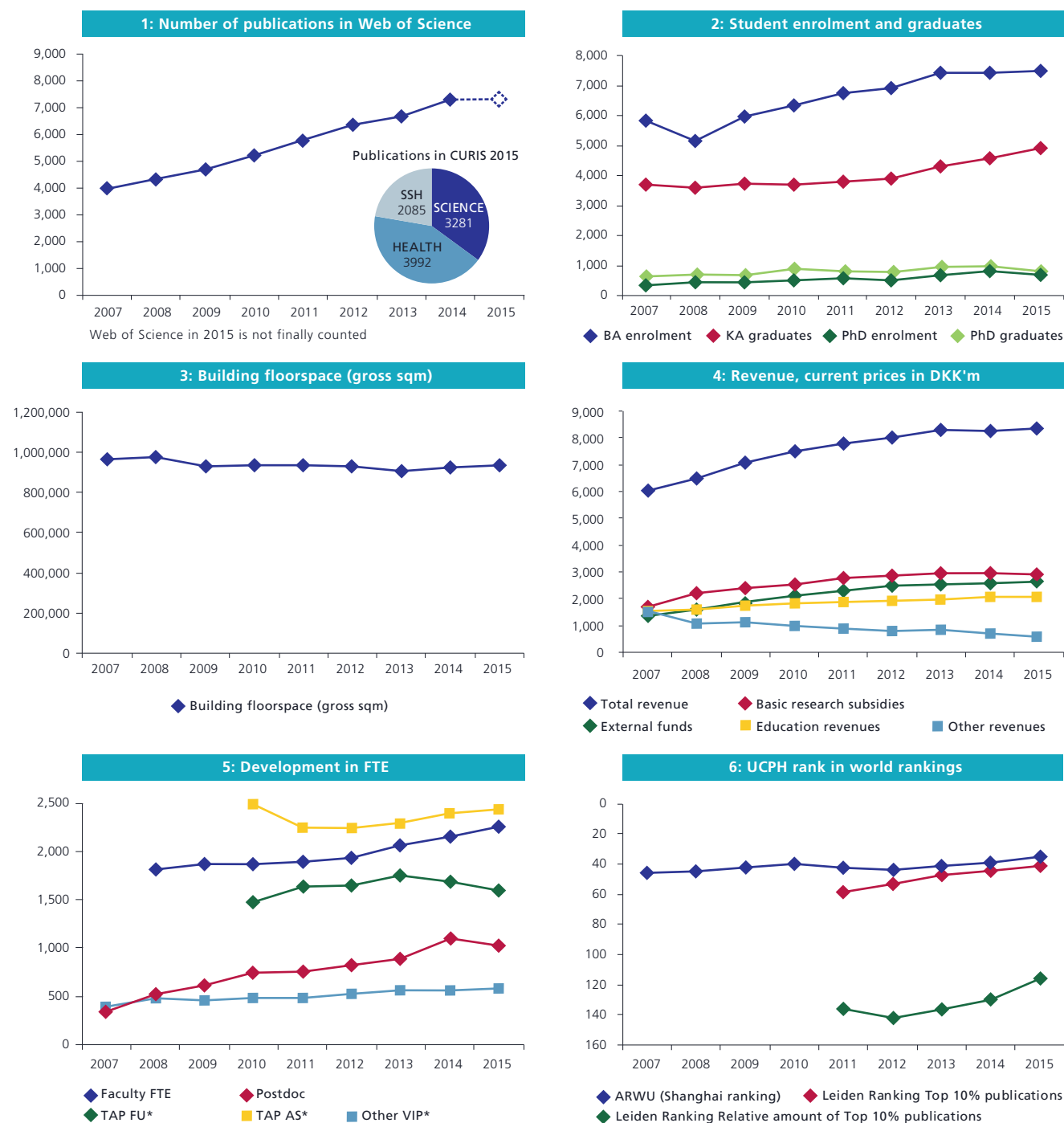
The key data provides a snapshot of an institution in a rapidly changing country in a rapidly changing world. The raw numbers are the culmination of years of hard work in the university sector, stability and continuity of governance and policy priorities. UCPH aims to continue its contribution to growth and prosperity at a time when research and education are key factors in increasingly fierce global competition. Long-term priorities and investments – not only at UCPH, but throughout the political system – are prerequisites for maintaining and developing a top-class university.

The results for 2015 are largely positive, but the publication of Annual Report 2015 coincides with a period in which UCPH is embarking upon wide-ranging financial readjustment.

Study environment, quality of teaching, focused students, attracting top researchers, flexible building management and internal/external partnerships remain important focus areas, all of which generate growth, create job satisfaction and contentment, and enable everyone at UCPH to continue to work together in a focused manner on the institution's core activities and strategic objectives of providing education and research at the highest international level.

Highlights for UCPH 2007-2015

The management commentary is based on the six figures below which show UCPH's development in selected parameters.



Sources 1: ISI Web of Science; 2 + 3 + 4: UCPH Statistical Resources; 5: Isola - *TAP not calculated as AS and FU until from 2010.

Other VIP is the total of VIP exclusive of PhD, postdoc and Faculty VIP; 6: Academic Ranking of World Universities (Shanghai) & Leiden Ranking.

Financial framework

For 2015, revenue of the University of Copenhagen (UCPH) stood at DKK 8,377.7 million. The increase is primarily attributable to external funds having gone up by DKK 154.1 million since 2014. Also, UCPH saw a slight increase in education and research subsidies whereas building-related revenues and other revenues decreased marginally compared to 2014 (current prices).

Subsidies from the Danish Finance Act for 2015 amounted to DKK 5,241.2 million, which is on a par with 2014. Generally, the Finance Act for 2015 did not include any surprises as the Government continued the three-year security of appropriations by prolonging the allocation of research reserve funds until 2017. In addition, the rate-1 increase was secured up until 2017. However, this increase was subject to the universities continuing to up the number of teaching hours/tutoring hours and improve the VIP/DVIP (full-time academic staff/part-time academic staff) ratio. So overall, the Finance Act for 2015 maintained the prospect of more long-term planning of research and educational activities.

Mid-2015, the Ministry of Finance announced a 1.0% temporary grant reduction. This reduction was motivated by prices and wages and salaries not having increased as much in 2015 as expected. For UCPH, the temporary grant reduction amounted to DKK 50.4 million and initially led to a decision of moderately curbing operating expenses (for instance, travelling, procurement of materials and equipment).

In September, the new Government introduced its Finance Bill for 2016, which other than having a considerable impact on the future of the University had significant influence on the rest of 2015. The Bill - and the subsequent Finance Act - involved a considerable decline in revenues for the University in 2016 and the years after that. Based on the expectation that the University will be facing major savings in future, it was decided to impose a modified hiring freeze and curb operating expenses further already in the autumn of 2015 (see "Outlook" on page 22).

The Board's most important decisions in 2015

27 January 2015

The Board was informed of a new task force to map the use of feedback at UCPH and come up with ideas and recommendations for how students and lecturers can use feedback to make the quality of the teaching even better.

The Board noted the closure of the bachelor programmes in IT and natural sciences. Notifications about the establishment and closure of study programmes are part of the introduction of new formal procedures in the run-up to the institutional accreditation process.

17 March 2015

The Board approved the Rector's recommendation to appoint Jesper Olesen as University Director from 1 May 2015. Jesper came to UCPH from a post as Administrative Director of the Ministry of Business and Growth.

The budget for the Mærsk building again proved unsustainable. The Board criticised the way in which the construction project is being managed. As part of the efforts to limit cost overrun, the Board approved savings on the building's specialist laboratory.

The content and purpose of the Board's Strategic Pool (BSP) were discussed. The Board concluded that the pool can be simplified in future budgets, which will make it possible to continue supporting projects of particular strategic importance.

As Peter Gæmelke's membership of the Board was due to come to an end on 31 December 2015, the Board approved the process, profile and competency description for appointing a new external member.

28 April 2015

The Board approved and signed the Annual Report 2014.

The Student Ambassador presented her annual report for 2014 to the Board.

The three key objectives for UCPH, as outlined in Strategy 2016: better study programmes, closer working relationships with the rest of society at national and international level, and closer internal collaboration within the University in order to develop a stronger collective identity are still considered to be relevant, and the Board decided to extend the strategy by one year until the end of 2017. The extension takes into account that the top UCPH management will change in 2017 and that the development contract also expires in 2017.

The Board noted a report on the closure of the master's programme in parasitology.

Kari Melby, Sine Sunesen and Mads Krogsgaard Thomsen were reappointed as external members for a second four-year term, from 1 January 2016 to 31 December 2019.

4 June 2015

Work on the implementation of the study environment strategy and the study and career guidance strategy was followed up with an annual status report at the June meeting.

The Board was briefed on the midway evaluation for the institutional accreditation of UCPH, and approved the procedure for future annual Board briefings on the quality assurance of study programmes.

The Board approved the revised UCPH election statutes.

14–15 September 2015 – seminar

The Board held a two-day seminar in North Zealand on UCPH's stakeholder dialogue, its work with feedback and the upcoming "2029 process". The Board members' own experiences formed part of the basis for discussion and input – "good advice" – regarding further stakeholder focus to promote research and educational policy issues. The feedback task force presented its recommendations. The Board decided to initiate discussion on the kind of university UCPH envisages being in 10–15 years' time.

14–15 September 2015 – extraordinary Board meeting

Jakob Thomasen, CEO of Maersk Oil, was appointed as a new external member for the period 1 January 2016–31 December 2019.

The University Director presented expectations for UCPH's finances 2016–2019 in the light of the government's savings programme, the study progress reform, the dimensioning reform and the upcoming taximeter reform. The Board agreed that savings should be implemented in a manner that makes as little impact as possible on the core activities of research and education.

27 October 2015

The Board considered the annual report on the building area. A number of current construction projects have been delayed and budgets have been exceeded. These cases are being discussed with the Ministry of Education and the Ministry of Transport.

The main thrust of budget 2016 and the frameworks for 2016–19 were discussed. The Board approved the framework for the budget proposals, i.e. drawing on equity to mitigate the government's savings plans. The Board set a flexible equity target for the period of 7.5%.

The Board was briefed on a cost analysis of higher education, in the light of which the minister has commissioned further analyses designed to lead to a taximeter reform with a target date for implementation of 2018.

The Board conducted its annual self-evaluation

8 December 2015

The Board approved the 2016 UCPH budget in the light of the national budget passed in parliament. The extensive analyses conducted during the autumn resulted in a plan to make savings of DKK 300 million with effect from 2017, followed by a further DKK 200 million improvement in UCPH's finances by 2019. The savings include lower operating and staff costs, particularly in relation to technical and administrative staff. A series of organisational analyses will identify other potential savings. The Board's Strategic Pool (BSP) will be reduced, although funding for the study environment has been left unchanged in order to maintain and develop suitable frameworks for students and study programmes. As far as possible, the core areas will not be affected.

On 26 November 2015, the Minister of Higher Education and Science announced that UCPH's application for building freehold had been rejected. The Board noted the rejection and decided to reconsider its long-term strategy for the whole building area in the new year.

The Board was informed of the closure of the bachelor and master's degree programmes in Modern Greek.

The Board noted the annual report on the University's organisation. The Board approved the process of incorporating the Biotech Research and Innovation Centre into the Faculty of Health and Medical Sciences. The actual organisational change will take effect once the Ministry has approved the amendment to the statutes.

The Board approved proposals for a formal process for re-appointing Board members, as well as the requisite amendments to the rules of procedure.

Education

Education at the University of Copenhagen should be known for its close interaction with research and for its academic depth. The University aims to attract and educate the best students and attract the best researchers and lecturers from Denmark and abroad.

The UCPH Strategy 2016

Key data on intake, FTEs and ECTS credits, 2015

In 2015, UCPH admitted 7,500 students to bachelor programmes, and 5,799 to master's programmes. These numbers were slightly higher than in 2014, mainly on the master's programmes. The increase at master's level was expected and is due mainly to a higher intake of bachelor students in previous years.

The number of FTEs also increased, from 26,713 in 2014 to 27,276 in 2015, an increase of 563.

Again, this is primarily due to an increase in the number of students. Only a minor change was registered in ECTS credits per full-time student. In 2015, full-time students earned an average of 44 ECTS credits, only 0.4 more than in 2014. Close attention continues to be paid to achieving the target of more ECTS credits per student.

The number of master's graduates continued to increase, from 4,573 in 2014 to 4,882 in 2015 – a rise of 310.

Five-point plan on the quality of study programmes

The Five-point plan launched in spring 2014 maintains the focus on the quality of study programmes. It includes initiatives for more and better teaching, guaranteeing the number of hours of teaching and structured courses of study. The initiative to work toward a minimum of eight hours' teaching a week on the first year of master's programmes was launched in autumn 2015 and is expected to be achieved by 2017.

In order to make studies more structured, a number of different models are being used to develop programmes, e.g. more classroom teaching to underpin lecture series, subject cafés during which students are coached on assignments and more supervision of students in clusters. A mobility

window of 30 consecutive ECTS credits has been inserted into study programmes to facilitate study trips abroad, etc.

Grade-point requirement of 6.0 for bachelor programmes

In its discussions with the Ministry in 2015, UCPH continued to call for a grade-point average of 6.0 as the minimum entry requirement for bachelor programmes on the grounds that this will lead to better prepared students and a lower dropout rate. This is also part of the Five-point plan. UCPH's own analyses show a clear link between grade-point averages at school and the risk of dropping out of higher education. UCPH wants to be able to differentiate between the entry requirements for quotas 1 and 2, and to set a grade-point average requirement for quota 1 and alternative requirements for quota 2, e.g. tests or interviews. If this change is implemented, the new requirements will come into force in 2018.

Principle paper on researchers' contributions to study programmes

As part of the Five-point plan's focus on quality of education, a principle paper on researchers' and research groups' teaching contributions was adopted in spring 2015. The principles are designed to ensure that both research and education are valued equally. As a result, UCPH no longer uses workload reduction to release researchers from teaching duties. All assistant professors, associate professors and professors (including those with special responsibilities (MSOs)) must make a contribution to the study programmes. Attempts will also be made to incorporate the educational aspect into applications for external funding.

UCPH's pedagogic competency profile

As part of the work on teaching accreditation, a model for pedagogic qualifications (the pedagogic competency profile) was developed and approved in 2015. The profile will establish a shared language for describing teaching qualifications, which will be used in performance and development reviews, etc., provide a UCPH standard for the assessment of teaching qualifications and help balance out research and teaching.

Feedback to students

Feedback is a basic element of students' learning process, including the motivation for learning. At the start of the

year, a task force was set up to shed light on current feedback practices and to propose ideas for improving feedback inside and outside the lecture theatre or classroom. In this light, UCPH decided to offer feedback to students on all courses as of autumn 2017, and to include mention of this in course descriptions. Various skills-development activities and pilot projects will support this in the future.

New strategy to improve support for students with disabilities

UCPH has a duty to ensure that all students have equal opportunities to complete their study programmes. The number of students with disabilities applying for special education support (SPS) has increased. A 2013 satisfaction and well-being assessment showed that around 60% of students with disabilities experienced difficulties in finding relevant information about support available at UCPH. This has led to the adoption of a new strategy and associated action plan for supporting students with disabilities, including specific targets for organisation, knowledge-gathering, communication, service, supervision and case management. The action plan covers the period 2016–2018.

Strategies for study environment and career guidance

The implementation of initiatives under the strategy “Study Environment 2014–2016 – road to better learning” continued in 2015. The faculties worked on improvements to the physical study environment, e.g. via needs assessments in relation to facilities in the “regional rooms”, round-the-clock access to study facilities and the use of classrooms as reading rooms when they are not being used for teaching. On the psychosocial front, the focus was on integrating students in challenging academic and social settings, e.g. through lunches with researchers, better study-start programmes for master’s students and a student-mentoring network.

UCPH conducted a touchpoint analysis of behaviour and study programmes in 2015 in order to learn how to optimise communication and services for students. The findings will form the basis for improvements. An action-plan catalogue was drawn up focusing on optimisation of information on the study pages, better use of the learning platform Absalon and more reader-friendly course descrip-

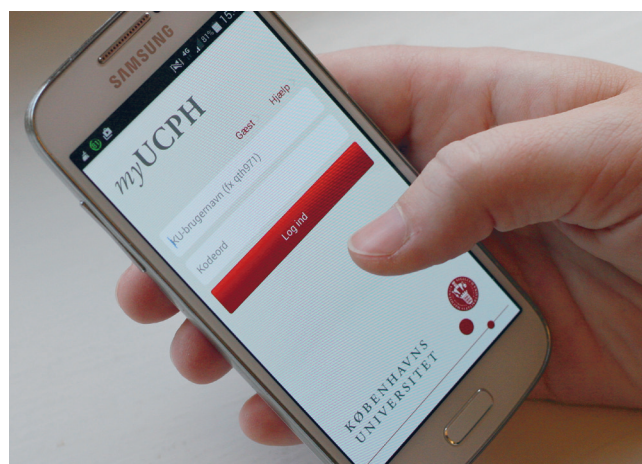
tions. The implementation of these initiatives will extend into 2016.

The study and career guidance strategy applies to the period 2013–2016. In the past year, work on the strategy included providing information to students with disabilities via UCPH’s intranet (including with regard to SPS), new training for student counsellors and different parts of the University coming together to work on initiatives concerning information for international students. Quality-assurance procedures for study and career guidance at UCPH were defined and approved as part of the University’s application for institutional accreditation in 2016.

New app helps students through their studies

As part of its strategy for the study environment, UCPH launched a new study-start mobile app (myUCPH) in 2015. The app is designed to make day-to-day life easier for students. It provides easy access to timetables, messages from lecturers and important information about study programmes. The app is personalised and only shows content relevant to the individual student. In time, the app will also feature content aimed at staff.

Students were involved in the development process in order to ensure that the app meets their needs. The app can also “talk to” UCPH’s IT systems, including the intranet and the e-learning platform. It now has approximately 12,500 users in total, and between 500 and 4,000 daily users.



Upper-secondary school visits to UCPH

Building bridges with upper-secondary schools is an important aspect of UCPH's closer focus on recruiting better qualified and better prepared students. A number of activities were launched in 2015 as part of UCPH's wide-ranging upper-secondary school programme. An upper-secondary school network (Gymnasienetværk) was set up, consisting of study/career advisors, lecturers who teach first-year classes, recruiters and staff responsible for school-related communications, talent programmes and the range of teaching offered. As part of the upper-secondary visiting programme, representatives of the faculties' school services visited the 10 schools on Zealand from which UCPH receives the fewest applications and showcased the study programmes on offer. Upper-secondary teachers' day, which used to be only for the natural sciences, now also covers the humanities, social sciences and theology.

International students: inbound and outbound mobility

The number of international students taking a bachelor or master's programme increased from 3,949 in 2014 to 3,977 in 2015. The proportion from outside the EU/EEA continues to rise, from 24% in 2014 to 27% in 2015. The proportion from other Nordic countries fell from 34% in 2014 to 30% in 2015.

This increased interest and changes in the geographic spread of applications coincide with a number of the University's initiatives designed to attract more international students to English-language master's programmes: the launch of studies.ku.dk in the autumn of 2013, the use of social media, ongoing recruitment in countries such as China and Brazil via the Top Talent programme and attendance at education fairs in Germany.

International exchange students are included in the mobility figures. These are students on shorter stays, who swap places with UCPH students. The number of outgoing exchange students fell by almost 8% in 2015 compared to 2014. Despite this, UCPH met the targets in its development contract. The requirement for balance in exchange programmes means that UCPH took in correspondingly fewer exchange students. The Study Progress Reform may have reduced the incentive for UCPH students to study abroad. UCPH will continue to focus on mobility win-

dows in its study programmes that facilitate study abroad, and to provide proactive guidance to students about their mobility options. The trend for the number of students studying abroad with support from the international scholarship scheme but not as part of an official exchange agreement was positive, rising by almost 30% from 565 to 730.

Study Progress Reform

The key element of the Study Progress Reform, i.e. that all students must be enrolled on and sit exams worth 30 ECTS credits per semester, came into force in September 2015. Over the summer, programme administration conducted checks of enrolment and ascertained that more than 8,000 students had not signed up for the requisite 30 ECTS credits. Implementation of the reform has led to a significant change in the exam patterns of first-year students, with a marked increase in both the number of resits and the number of students who fail resits. The Study Progress Reform took effect as of the winter exams 2014–2015.

The table below shows the number of exams passed both at the first attempt and as resits. This provides an indication of whether the reform is succeeding in reducing the time taken to complete study programmes. It shows that the number of passes has not increased, even though the number of exams taken per semester has.

Passed exams (including resits), winter (V) 2013–14 to summer (S) 2015				
	V13-14	S14	V14-15	S15
Number of exams passed	21,706	18,311	20,589	17,892
Number registered	25,683	22,294	25,759	24,509
Exams passed (%)	84.5	82.1	79.9	73.0

In November 2015, political agreement was reached to amend the reform and allow universities the flexibility to define their own frameworks for study progress, including with regard to registration for courses and exams. However, the changes do not affect either the study-time model or the financial consequences for UCPH if it does not reduce study times by 7.6 months by 2020.

UCPH has until academic year 2017/2018 to set new internal rules, and will involve students in this process.

Dimensioning requirements

In late 2014, UCPH's plan for phasing in the dimensioning reform for study programmes in the period 2015–2020 was approved. As expected, the dimensioning model has proven difficult to implement in practice for intake on bachelor and master's programmes. It remains uncertain how the Danish Agency for Higher Education will follow up on discrepancies between ceilings for student numbers and the actual number of admissions. UCPH has admitted slightly too many bachelor students, whereas not all places on master's programmes have been filled. In December 2015, UCPH was asked to submit any suggestions it had for changes to the 2014 agreement, on the understanding that the overall framework would remain the same. UCPH only made a few suggestions, mainly concerning bachelors' legal right of admission to master's programmes.

In September 2015, the Danish Agency for Higher Education identified new study programmes for inclusion under the dimensioning plan because of systemic graduate unemployment. The universities, under the auspices of the Danish Rectors' Conference, expressed disappointment with this decision, on the grounds that they had expected the current agreement to run until the evaluation in 2017.

Research

Our core services are free basic research and research-based education, and the University is committed to addressing every aspect of human comprehension. Based on our talented and inspiring staff and students and the academic freedom to develop new ideas, the University creates the framework for excellence in research, offers study programmes and co-operates with the surrounding world on research, innovation, communication and public sector services.

The UCPH Strategy 2016

Research output 2015

Since 2007, UCPH has seen a large increase in the number of research publications, and the rate of growth has been constant. This is supported by data from international publication databases and UCPH's own publication database (CURIS). The ratio of CURIS entries between natural sciences, health sciences and the "dry" areas is 2:2:1. The number of UCPH publications on Web of Science (WoS) doubled between 2007 and 2015. The number included in the bibliometric research indicator (BFI) has also increased. The BFI model operates on two levels, reflecting either academic recognition or the ranking of the journal or publisher. UCPH's share of publications on the upper level has remained stable in recent years, at approximately 36%.

Rankings

UCPH moved up the ARWU list of the world's best universities for the third year running in 2015, and is now ranked 35th in the world. This makes it the sixth best university in Europe. UCPH also moved up the Leiden Ranking. Measured on the basis of the number of publications in the top 10% most regularly cited journals, UCPH is ranked 42nd in the world.

Fact box:

A number of annual global rankings seek to compare universities with each other. UCPH has decided to focus on the leading global rankings: the Academic Ranking of World Universities (ARWU, also known as the Shanghai Ranking), CWTS Leiden, the QS World University Ranking and the Times Higher Education Ranking (THE).

The various rankings are based on different methodology. The results may differ from year to year for methodological reasons. The rankings often take into account the following factors:

- Researchers' assessments of the best university in their field
- Number of scientific articles published, and number of times cited
- Student/researcher ratio.

THE and QS used to be part of a single ranking system, but split in two in 2009. Methodologically speaking, ARWU and CWTS Leiden have proved to be the most stable over several years.

Attracting external funding

UCPH continues to increase the amount of external funding it attracts. In 2015, this included a large proportion of the first round of the Danish Innovation Fund. At year-end 2015, UCPH was in fifth place among the European recipients of funds from the EU's Horizon2020 research programme.

In 2015, UCPH was awarded a total of DKK 1,150.7 million in competitive external Danish funding, DKK 853.8 million from private Danish sources, DKK 268.6 million from the EU, and DKK 153.1 million from other international sources.

ERC grants, EliteForsk prizes, Basic Research Centres and Sapere Aude

- The European Research Council (ERC) provides funding for pioneering research projects of scientific excellence in all disciplines. The ERC provides Starting Grants to researchers at the beginning of their careers. Four out of the five awarded in Denmark in 2015 went to UCPH staff. In the latest round, UCPH also received two Advanced Grants for world-class, experienced researchers. At year-end 2015, UCPH had received a total of 53 ERC grants.
- EliteForsk prizes go to the brightest and most talented researchers in the country, and two out of the five prizes awarded in 2015 went to the University of Copenhagen. UCPH researchers also received six of the 20 Elite Research fellowships, which provide the

most talented research students with the opportunity to travel the world and forge international contacts.

- UCPH was the recipient of three of the 12 new basic research centres – referred to as Centres of Excellence – in 2015.
- The Sapere Aude programme under the Danish Council for Independent Research has three pools (referred to as “instruments”) with which to develop Danish research by awarding funds to the country's most visionary and influential researchers. Of the six awards under the Advanced Grants instrument, UCPH received three in 2015, totalling approximately DKK 64 million. Of 20 researcher grants under the Starting Grants instrument, six went to UCPH researchers, totalling approximately DKK 132 million. Of the 40 young researchers to receive grants of DKK 500,000 from the Research Talent instrument, 11 were from UCPH.

Knowledge and Innovation Community (KIC)

- In 2015, the Faculty of Health and Medical Sciences played an active role in setting up the EU's biggest ever public-private partnership aimed at promoting active lifestyles and healthy ageing. The partnership takes the form of a “Knowledge and Innovation Community” (KIC). By taking part in this programme, UCPH enhances its options for internationalising health-related innovation activities and training students as health entrepreneurs.
- UCPH is involved in two projects stretching over several years. In 2015, Climate KIC granted funds for these projects from its €91-million pool for innovative solutions to global climate change. UCPH also hosted a climate summer school (called “The Journey”) and a PhD summer school in 2015.
- As one of the main players in the European consortium FoodNexus, UCPH is involved in the KIC application for research funding for food innovation, which EIT announced in January 2016.

Attracting national and international talent

By the end of 2015, UCPH had recruited around 25 employees through the Tenure Track programme. The Faculty of Science, (SCIENCE), the Faculty of Health and Medical Sciences (HEALTH) and the Faculty of Humanities (HUM) have made particular use of the Tenure Track

programme to recruit talent, and it has attracted strong applicants.

UCPH is also actively striving to attract talent at associate professor/professor level. The action plan for career, gender and quality adopted by the UCPH Board in February 2015 aims for an open recruitment process, including the use of search committees for all management, permanent associate professor and professor positions, and a requirement that there be at least one candidate of each gender before an academic position is filled. In order to attract additional international talent, UCPH now offers career guidance, networking and help with job-hunting for spouses via the dual-career programme.

The proportion of non-Danish researchers continues to rise, representing 20-26% of the members of academic staff in most UCPH faculties. More than 80 nationalities are represented – with the largest number coming from Germany, followed by Italy, Sweden, the UK, China, the USA, Spain and France.

Previously, UCPH researchers visiting other parts of the world received only limited support. UCPH now seeks to provide better support with regard to costs, taxes, insurance, etc., and by monitoring teaching mobility.

Simplification of recruitment process for academic staff and the use of short lists

In 2015, UCPH started using a simplified recruitment process for academic staff, using shortlists to make the process of identifying the most interesting candidates faster and more efficient. At a time when increasing numbers of jobs need to be filled and there are high numbers of applicants, the new process will reduce the workload for the assessment committees, allowing them to concentrate on the most competent candidates. The process applies to all full-time academic posts.

Shortlisting means that after the application deadline, the manager responsible for the position, on the advice of the appointment committee, recommends candidates to the assessment committee.

Academic staff career paths

Recent years' increase in the number of young researchers has fuelled the need to focus on career paths and career

guidance for postdocs and PhD students, who now increasingly need to find employment outside UCPH. For this reason, a registry study was set up based on data from Statistics Denmark for the period 2008–2014 focusing on the same parameters as the PhD registry study. This study showed that UCPH postdocs find employment relatively quickly. The vast majority from the Faculty of Humanities, the Faculty of Law, the Faculty of Social Sciences and the Faculty of Theology find employment within the university sector, while a growing number from the Biotech Research and Innovation Centre, the Faculty of Science and the Faculty of Health and Medical Sciences find employment in the private sector. In other words, former UCPH postdocs are found in almost equal numbers in the public and private sectors.

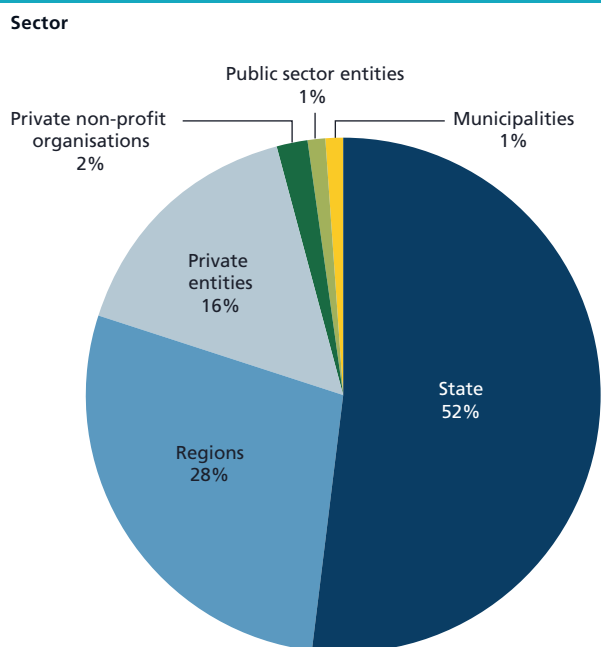
Focus group interviews with Danish and international postdocs at UCPH suggested that improvements could be made to career guidance talks with their line managers. As a result, management development of researchers with staff management responsibilities will be in focus during 2015–2017. This is supported by a new performance and development review scheme, which includes career opportunities, for PhD students and postdocs, as well as a new section of UCPH's intranet with information on career paths, skills development and career guidance for academic staff.

UCPH is involved in three EU Euraxess projects for career paths.

PhD career paths and five-year PhD programmes (the 3+5 scheme)

As part of the PhD action plan adopted in late 2014, a registry study as well as a questionnaire survey of 2011 and 2014 graduates were carried out in 2015. The results showed that three out of four international PhD students remain in Denmark to start a career, and that over 80% of 2008–2013 UCPH graduates have a job within four weeks of graduating. As part of its efforts to enhance career guidance, UCPH extended its mentoring programme for master's students to also cover PhD students. The scheme resulted in 85 mentoring partnerships, significantly more than the expected target of 40.

Career paths for PhD graduates 2013



The administration of the 3+5 scheme was made easier in 2015 with the introduction of the “one point of entry” principle in several faculties, as well as clarification on the use of master’s theses on flexible courses and the rules on state scholarships. Twenty-two students were enrolled on the scheme in 2015.

Good scientific practice in relation to PhDs

The integrity of its research is a key parameter for UCPH. This includes promoting cultural changes that will help to raise the standards for good scientific practice. In 2015, a number of University-wide and local initiatives focused on research integrity as a right and duty for researchers at UCPH. For example, a module on good scientific practice will be included in the compulsory courses in supervision for new PhD supervisors. As well as new PhD supervisors, the current ones will also be offered the opportunity to take a course in good scientific practice. All faculties will also implement anti-plagiarism measures for PhD theses.

Research evaluations

In 2015, UCPH devised a model for evaluating research. The model, based on experiences from countries such as

the UK and Sweden, will serve as a single internal system that supports the development and documentation of research quality, and also ensures accountability in relation to other partners and the political system. The evaluations are planned for 2016–2018.

Research-based public-sector services

UCPH is the biggest research and education institution in the Nordic Region, which enables it to provide research-based advice and services in virtually all academic areas. UCPH’s involvement in public-sector services is very wide-ranging: from veterinary services and forensic examinations at the Faculty of Health and Medical Sciences to defence and security policy at the Centre for Military Studies at the Faculty of Social Sciences and food economy and forestry at the Faculty of Science. Two former research institutions are embedded in the Faculty of Science, based on rolling contracts with the Ministry of Environment and Food. The work includes providing research-based advice on financial issues in relation to topics such as food, agriculture, forestry, fishing, nature and the environment; and advising and conducting research on forestry, landscape and planning.

UCPH’s share of total annual state spending on research-based public-sector services (approx. DKK 680 million) is around 3%. UCPH welcomes the fact that the Minister of Higher Education and Science has taken the initiative to set up a dialogue forum to look at the future of work in this area.

International outlook and engagement with the outside world

IARU

In 2015, UCPH continued to work closely with the other members of IARU (International Alliance of Research Universities). The alliance also added a 12th member, the University of Cape Town – the first African university to join. On 1 January 2015, the Rector of UCPH, Ralf Hemmingsen, began a two-year term as chair of the alliance.

The Global Summer Programme, in which member universities offer summer courses to each other’s students as well as their own, is an important part of IARU’s work. In 2015, UCPH ran three summer courses on subjects includ-

ing Kierkegaard and healthy ageing. UCPH also continues to play an active role in the research collaboration Aging, Longevity and Health, in the Green Campus strategy, and in a number of other working groups focusing on research development, alumni, HR, etc.

Novo Nordisk International Talent Programme

The Novo Nordisk International Talent Programme was launched on 1 June 2015 to mark the 536th anniversary of the University of Copenhagen. Once a year, Novo Nordisk provides funding for three-year scholarships for student exchanges between UCPH and the other universities in the IARU alliance. The exchanges must relate to the company's research and preferably involve master's students. In 2015, 55 scholarships worth DKK 1.7 million were awarded; the goal is to award DKK 5 million per year.

Evaluation of the MOOCs project at UCPH

Since 2013, UCPH has offered Massive Open Online Courses (MOOCs) via the Coursera platform. In 2015, 430,000 users registered for the nine courses, and the teaching videos were viewed 3.5 million times. The users are mainly aged 25–39 and from Europe, North America and Asia. UCPH has extended its MOOC programme by another two years. The evaluation report shows that several of the courses are used for flipped classrooms in ordinary teaching. MOOCs also provide a new recruitment base for international master's programmes.

The UCPH Arctic Forum

In 2015, UCPH decided to make its work on the Arctic an inter-faculty priority. It set up the UCPH Arctic Co-ordination Forum consisting of the Prorector for Research, the deans of the Faculties of Science and Social Sciences and an inter-faculty network of contacts under the UCPH Arctic Forum.

The UCPH Arctic Forum has decided that the University will concentrate on involvement in Arctic activities at national level via the Forum for Arctic Research (FAF) and the Arctic Workshop on Research and Education, as these activities provide platforms for the national efforts and also facilitate more effective inter-university collaboration. The national activities also help make UCPH's Arctic work visible both to the general public and to other organisations and foundations.

At European level, co-operation on the Arctic has included UCPH researchers attending a workshop in Brussels in late 2015, which was hosted by the Danish Agency for Science, Technology and Innovation and attended by the Minister of Higher Education and Science. For a variety of reasons, research and education that focus on the Arctic is crucial for Danish researchers – especially because Denmark, the Faroe Islands and Greenland will be facing significant social, environmental and geopolitical challenges in the near future.

Greenland Perspective

The multidisciplinary initiative Greenland Perspective continued to pursue its goal of using research to create the basis for businesses and contribute to skills development in Greenland. In 2015, the initiative issued its first publication under the theme "Nation Innovation", which focuses on social and human resources. The publication is part of a project about greater recognition and the use of informal competencies in Greenland. The project involves researchers, organisations and companies from Greenland, Denmark, France, Norway, the Netherlands and the Faroe Islands. In spring 2016, the publication was followed by an anthology and a synthesis report, which will form the basis for real-life initiatives in Greenland. The project is supported by Ferring Pharmaceuticals. Greenland's first biotech company Coldzymes – a spinout from the Faculty of Science involving partners from Greenland – focuses on natural resources under the "Green Land" theme.

Copenhagen Science City and Greater Copenhagen
Copenhagen Science City, in the area around North Campus, remains an important strategic priority for UCPH. In 2015, a three-year, DKK 4.8 million co-funding agreement was reached with the Capital Region of Denmark, the City of Copenhagen and Metropolitan University College. The agreement will strengthen their partnership and improve UCPH's ability to attract business, investment and talent to the Science City. International delegations also showed greater interest in visiting Copenhagen Science City in 2015.

The initiative helps to position Greater Copenhagen as an attractive international knowledge region. In the past year, closer co-operation has been established between Copen-

hagen Science City and the ‘knowledge cities’ in Frederiksberg and Lyngby-Tårnbæk.

In December 2015, the Capital Region of Denmark provided funding of DKK 3.2 million for a new collaborative project managed by Copenhagen Capacity, in which local authorities, regions and universities will identify and highlight specific knowledge strengths in the Greater Copenhagen region. UCPH is taking part in this project in 2016.

UCPH as an international university “brand”

UCPH made systematic efforts to strengthen its international reputation throughout 2015. The University participated in the major Top Talent education fairs arranged by the Ministry of Higher Education and Science in China and Brazil, and initiated discussions about what international strategic partnerships mean to the University. A working group chaired by the Prorector for Research is working on a pilot project for closer collaboration with Yonsei University in Seoul, South Korea.

UCPH in the media

The media covered many of UCPH’s excellent research results in 2015. On average, UCPH is mentioned in the Danish media more than 100 times a day, and the number of stories in the international press is increasing. UCPH is

still the Nordic university most often cited in international media. In 2015, UCPH, along with its partner universities in the IARU alliance, became part of the prestigious Futurity.org, which concentrates on publishing news about research from North American universities. UCPH also set up a news website to focus on research and education-policy issues, as well as news from the world of research. The website, nyheder.ku.dk, attracts 130,000 unique users every month.

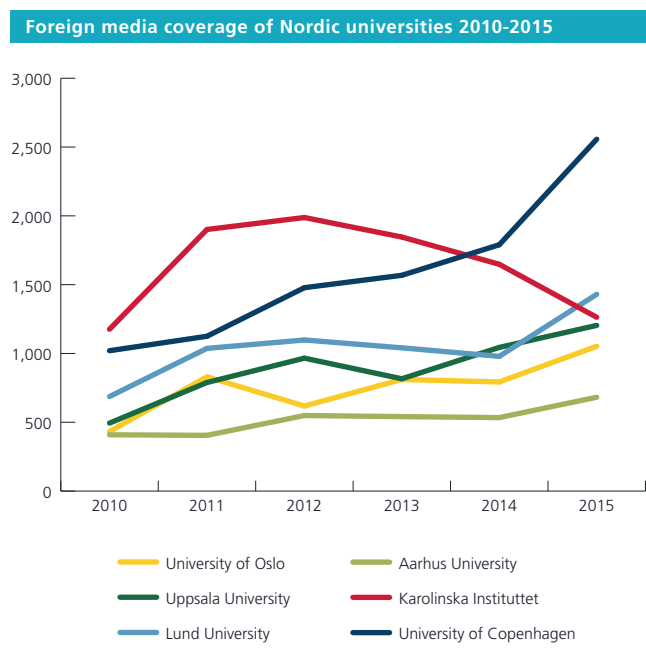
Events

UCPH hosted a series of debates featuring key decision-makers who visited Copenhagen in 2015. One particular highlight was when German Chancellor Angela Merkel and the then Danish Prime Minister Helle Thorning addressed and met with students in the Ceremonial Hall during the former’s official visit to Denmark.

UCPH was also represented at the People’s Festival on Bornholm, both by researchers and management representatives. Several hundred students and members of staff also took part in Copenhagen Pride.

Alumni Advisory Board and honorary alumni

A variety of activities helps to build bridges between UCPH and its alumni, and between current and former students. The Alumni Advisory Board was established in 2007. Alumni also participate in UCPH’s three types of mentoring programmes: career coaching, which facilitates the transition to the labour market, mentoring exchange students on study visits and mentoring PhD students, which involves discussing potential career paths outside academia.



Organisational development

We will make clear overall objectives for the University's operations with collective and effective administrative solutions so that we will be able to use our diversity, size and comprehensiveness to ensure results of the highest quality. This applies both to our core tasks and to the development of the organisation.

We will provide a healthy physical and psychological study and work environment, and keep focus on involvement, collaboration and academic challenges so that staff and students consider the University of Copenhagen an attractive place to work and study.

The UCPH Strategy 2016

Workplace assessments (APVs)

The results of a satisfaction and well-being assessment were presented at the start of 2015. All members of staff took part in the survey, which was conducted in 2014 as part of the follow-up work on the action plan drawn up on the basis of the 2012 workplace assessment (APV).

The response rate rose from 70% in 2013 to 73% in 2014, and staff still report a high degree of well-being. Compared with other similar organisations, UCPH continues to rank higher in terms of influence, follow-up on performance and development reviews, and development opportunities. However, it does not fare so well on balance, feedback from line managers and help and support in local units. These issues therefore remain top priorities. Due to the current financial adjustments, the next statutory APV assessment has been postponed from spring to autumn 2016.

As a supplement to the APV, a check of the working environment is carried out at least once a year, during which the local occupational health and safety organisation evaluates the physical and psychological working environment. Internal audits of occupational health at UCPH are also conducted.

Mobility and career paths for administrative staff

In 2015, a project was launched to generate, organise and disseminate knowledge about and tools related to job mobility and internal career paths to individual members

of technical and administrative staff and their managers. The project used information on the UCPH intranet, a shadowing scheme (three-day visits to other departments) and better marketing of internal positions using jobagent.

Revised election statute

In 2015, UCPH adopted a new election statute under which only full-time employees are eligible to vote for the Board and collegiate bodies, although part-time academic staff can be granted voting rights for two of the collegiate bodies, i.e. department councils and study boards. In a new initiative, election ambassadors were appointed in each department to increase awareness of and interest in the main university elections. Turnout increased from 16.7% in 2014 to 24.2% in 2015.

International evaluation of the Biotech Research and Innovation Centre (BRIC) – part of the Faculty of Health and Medical Sciences

In an international evaluation conducted in autumn 2015, BRIC was described as a centre of European excellence that contributes to ground-breaking basic research and finds commercial application for important research findings. Based on this, and at the Rector's, BRIC's and Faculty of Health and Medical Sciences' recommendation, the Board approved embedding BRIC in the Faculty of Health and Medical Sciences as of January 2016. This allowed BRIC to play an even bigger role in the development of the University, in the form of research collaborations, researcher training and career development.

Work on quality assurance and accreditation

In 2016, UCPH must apply for institutional accreditation. The process consists of an overall evaluation of UCPH's quality-assurance system in the education area. If it achieves a positive institutional accreditation, UCPH will be able to determine its own quality-assurance system and will have greater freedom to draw up new study programmes. However, new programmes will still need to be pre-qualified and approved by the Ministry of Higher Education and Science. During autumn 2015, the focus of the preparatory work was on the self-evaluation report, which was submitted to the Danish Accreditation Institution on 15 April 2016.

In parallel with the self-evaluation report, UCPH has tested its quality-assurance system. The ability to document that the system has been tried-and-tested in practice is essential to achieving institutional accreditation. One outcome of closer focus on quality-assurance work at faculty level has been that greater attention is now paid to the way in which the programmes use full- and part-time academic staff in teaching. A policy is currently being drawn up for this area.

As part of the quality-assurance system, surveys of graduates from all study programmes are conducted every three years. Accordingly, graduates from a third of UCPH's study programmes were surveyed in 2015. The themes of the survey include employment, constructive alignment and the transition to work, and graduates' views on the quality of the study programmes.

Student Ambassador

In 2013, UCPH appointed its Student Ambassador – a position that remains unique in Denmark. At the beginning of 2015, the Student Ambassador released her 2014 report for information of and discussion in the relevant management forums, including the Board. There were 284 enquiries to the Student Ambassador in 2015, compared with 226 in 2014. The Student Ambassador's function is being evaluated during the first half of 2016.

Buildings

Efficient use of land and property

UCPH continues to make more efficient use of land. During 2007-2015, UCPH saw considerable growth in terms of numbers of staff and students but had to deal with this in a steadily decreasing area – from 962,120 m² in 2007 to 922,809 m² in 2015. UCPH will continue to focus on efficient land use in the coming years.

Building freehold

The quality and development of its buildings and other infrastructure are important if UCPH is to conduct cutting-edge research and assert itself at international level and compete for talent. UCPH's assessment is that building freehold would provide a much stronger basis for guaranteeing the continued maintenance of its infrastructure. At present, the government owns most of the buildings and

leases them to UCPH. Freehold would enable UCPH to adapt its building stock more quickly and flexibly, which would benefit its core business. This would enhance the physical framework (e.g. top laboratories) and strengthen the University's international position in terms of competition for research and education funding and interaction with the rest of society.

UCPH therefore applied for building freehold in February 2013. In November 2014, it received a response from the Minister of Higher Education and Science, stating that before the matter could be dealt with at political level, a study of the University's organisational capacity would have to be conducted, and the buildings leased from the Danish Building & Property Agency valued. In November 2015, the Minister refused the application for freehold. While it has no choice but to accept the ruling, UCPH still considers the arguments for building freehold to be convincing, for both academic and financial reasons.

Status of major building projects

The Faculty of Science has two major building projects and plans two more. Copenhagen Plant Science Centre 1 (CPSC1) in Frederiksberg, and the Niels Bohr Building (NBB) in University Park are under construction. Copenhagen Plant Science Centre 2 (CPSC2) is in the planning stages and the Natural History Museum (SNM) is in the design phase. The Danish Building & Property Agency is the developer on all four projects.

Originally, the plan was to hand CPSC1 over to UCPH at the end of 2015 but delays, including problems with the supply of laboratory equipment, have caused postponements. The planned handover was pushed to 1 April 2016. Construction of NBB is in full swing. It is expected that the building will be handed over to UCPH in July 2017, following a delay of four months due to difficulties at an early stage of the project when the building site was first set up.

Building specifications for SNM were completed last year, and the design phase has now begun. The first phase, conceptual design, was completed in September. The project then entered the project design phase, which continues into 2016. Handover is expected to be in 2021.

The Faculty of Health and Medical Sciences has two buildings projects: the Pharma Science Building (PSB) in University Park and the Mærsk Building (MB) at the Panum Institute. Handover of PSB has been postponed from autumn 2015 to March 2016. The budget for the building project has been exceeded by DKK 20 million (13%). MB is also being built at the moment. Although originally planned for September 2016, handover of MB is now set to take place in November 2016. The delay is due to a combination of problems with the project planning and errors by the contractor. Further delays cannot be ruled out at this stage as a considerable amount of building work still remains to be done. The budget has also been exceeded by a substantial amount.

On South Campus, construction work continues on KUA3. Handover to the Faculties of Theology, Law and Humanities, respectively, is expected to take place at the end of 2016. UCPH is making a concerted effort to ensure that the timetable is kept to, as it wishes to avoid seriously inconveniencing lecturers and students by making them move in the middle of a semester. The budget has been exceeded by a significant margin. As a result, UCPH has only been able to proceed with the construction of the planned 'University Square' on South Campus thanks to generous donations received from foundations in late 2015.

UCPH and the Danish Building & Property Agency are working on a programme to improve technology in the University's laboratories. The programme started in 2010 and finishes in 2017. A sum of DKK 996 million, called the UNI-LAB pool, has been set aside for improvements. By the end of 2015, UNI-LAB projects totalling DKK 931 million had been initiated and projects worth DKK 603 million completed.

More student accommodation in Copenhagen

In 2013, UCPH and the Lord Mayor of Copenhagen signed a partnership agreement to provide accommodation for 4,000 extra students in the city by 2020. Housing associations, investors and developers have shown great interest in converting existing properties and building new student housing, and the target is expected to be met. The property company Norden is currently redeveloping Sølvgade Bar-

racks for use by Danish and international undergraduates and PhD students from summer 2016.

Financial review

Performance for 2015

In 2015, UCPH's total revenues amounted to DKK 8,377.7 million, which is DKK 132.4 million up on 2014. The bulk of UCPH revenues (64.4%) stems from government subsidies, including education subsidies (25.3%), research subsidies (35.1%) and basic subsidies (4.0%). To this should be added external funding accounting for 32.6%, building-related revenues for 0.9% and other revenues for 2.1%.

The primary reason for the increase in revenues from 2014 to 2015 is more external funding. Education and research revenues rose too, whereas building-related revenues plunged. The main reason for this is that, in 2014, UCPH recognised subsidies from the Danish Building & Property Agency regarding maintenance made in 2013 as income. Another reason was that UCPH had previously appealed against a number of public land assessments and in 2014 a decision was made in favour of UCPH, and recognised property taxes refunded for prior years as income. Consequently, the level of building-related revenues was particularly high in 2014. Other revenues declined slightly.

In 2015, staff expenses amounted to DKK 5,076.1 million (60.0% of UCPH's total expenses). Total staff expenses increased by 2.0% compared to 2014. VIP pay (full-time academic staff) accounts for 60.5%, TAP-RE pay (research, communication and educational functions) for 14.9% and TAP-AS pay (administrative support functions and services) for 24.6% of total payroll costs. The largest increase was in VIP pay, which went up by 4.1% on 2014, whereas TAP-RE went down by 6.4% compared to 2014. TAP-AS increased by 2.6%. All in all, the increase in payroll costs contributes positively to the VIP/TAP ratio, which is consistent with UCPH's overall strategy of hiring more academic staff.

In 2015, UCPH's operating expenses totalled DKK 3,379.2 million, which is DKK 78.7 million down on 2014. This decline is primarily a result of the curbed oper-

ating expenses following from the temporary grant reduction. Depreciation fell most by DKK 29.2 million since 2014. The reason for this is that, in 2013, UCPH changed its accounting policy to depreciate equipment and machinery over a period of ten years to a period of five years, resulting in a higher depreciation base in 2014. In 2015, the amount was normalised and consistent with expectations.

In 2015, net interest income of DKK 19.0 million had been budgeted for. The financial statements for 2015 show total net interest income of DKK 7.7 million. The reasons for the decline in amount is partly the very low interest rate level, which has produced a lower yield on the bond holding position, partly an interest rate rise later in the year which led to capital losses on the bonds.

At year-end 2015, UCPH had financial resources of just under DKK 2.4 billion, which consist of cash funds and a portfolio of short-term bonds.

UCHP realised a loss of DKK 69.9 million in 2015, which is significantly lower than the originally budgeted loss of DKK 170.0 million.

Management considers the financial performance realised for 2015 satisfactory. The loss of DKK 170 million provided for in the budget was a planned reduction of UCPH's equity, however, due to first the temporary grant reduction (May 2015) and then the Finance Bill (September 2015), UCPH managed to curb operations fairly fast and lower the otherwise ambitious level of activities.

Financial outlook

Recent years' Finance Acts up until 2015 have created relative stability in UCHP's government subsidies by way of three-year appropriation periods both with respect to basic research funds from the research reserve and the rate-1 increase.

With the Finance Act for 2016, the Government has underpinned the budgetary security in relation to basic research funds and the rate-1 increase until 2018. However, the Government has also introduced a so-called reprioritisation contribution of 2% a year, accumulating to 8% in 2019. In addition, in the Finance Act for 2016, the

Government has taken out UCPH's rent adjustment of DKK 70.0 million a year from 2017. With these measures, UCPH expects to lose approx. DKK 300 million in 2019.

Formally, the Government is maintaining the public research and development effort slightly above 1% of GDP, however, in 2016 it has been reduced to 1.01% of GDP while in 2015 it was 1.09%. This reduction is reflected in a DKK 600 million decrease in allocations to the Danish Council for Independent Research and to Innovation Fund Denmark, which in the long term will result in lower external funds and overhead income for the University.

Aside from the known reductions in revenues that the University is facing, the following uncertainties exist in the years ahead: Possible consequences of the Study Progress Reform (adopted in 2013) where failure to reduce study completion times will be subject to a penalty, uncertainty of building projects in progress, reductions in annual grants committed by public funds (which have also had their funding cut in the Finance Act for 2016), and finally there is the effect of the announced reform of the taximeter system. In a worst-case scenario, UCPH may stand to lose much more than the above-mentioned DKK 300 million in 2019. As already mentioned, one of the objectives of UCPH's development contract is to increase the number of VIP hires to improve the quality of the study programmes; the achievement of this objective is hampered in a time with major declines in revenues.

Following some years with many activities in the research and education area, UCPH expected moderate growth from early 2015. This expectation was supported by UCPH in recent years having spent approx. DKK 200 million of its equity to continue to strengthen research and education. The Finance Act for 2016 and the bleak outlook described above mean that UCPH is faced with having to turn a budgeted spending of equity into restoring that equity already from 2016.

This heavy decline in income that the University is facing calls for considerable adjustments in 2016 when the level of costs is reduced by DKK 300 million already from 2017. The overall adjustment plan is structured so as to have limited impact on UCPH's core tasks, research and education. In the first instance, costs were reduced by

introducing a hiring freeze in the autumn of 2015, and this freeze is expected to continue into H1 2016. In addition, there will be a major staff cut (voluntary redundancy and dismissals). The bulk of savings will be in administration, then PhD programmes, and with research and education being adjusted least.

Also, additional measures will be implemented to improve UCPH's economy by another DKK 200 million to accommodate the future financial risks implied by the Finance Act. Attempts will be made to improve the UCPH economy primarily by means of increased focus on better and cheaper procurement, higher yields on cash flow, reduction in education costs while increasing education revenues, optimisation of work processes and changes in the distribution of administrative tasks.

Particularly with the gloomy outlook outlined above for UCPH's economy, it remains vital to ensure the best financial basis possible for its key tasks: Research, education and innovation. This is why it is a constant imperative for the University to invest in and change the organisation, IT and buildings. If the budget for 2016 provides for a loss of DKK 132 million, one of the reasons is that these objectives have been incorporated.

UCPH's equity

In recent years, there has been much focus on UCPH's equity. Externally, the Ministry has intensified its focus because of the expectations as to how UCPH, as a government-funded institution, is to manage and spend its equity. Internally, UCPH Management needs to be able to use equity as a management tool that makes the University less vulnerable in periods with serious changes in revenues and expenses.

In the autumn of 2015, a new context was defined for UCPH's equity for the purpose of explaining how equity is defined and composed and what the appropriate amount would be. During this process, Management has defined that the appropriate amount for flexible equity of UCPH is to be 7.5% of revenue. This was approved by UCPH's Board in the autumn of 2015.

This is a long-term objective and a management milestone that are to enable the University to deal with the current

risks to which UCPH is exposed with respect to revenues and expenses and to conduct monitored saving and dissaving for major future investments (for instance, occupancy of buildings).

Besides the flexible portion (retained earnings), equity consists of an accounting portion which covers accounting items and includes debt instruments on buildings and the initial capital when UCPH changed status to an independent institution in 2005.

At year-end 2015, UCPH's equity totalled DKK 1,524.3 million. This is up DKK 533.4 million on 2014, mainly because UCPH accepted debt instruments on a donation by Mærsk for the new building near the Panum Complex. The technical equity stood at DKK 933.1 million at 31 December 2015. In 2015, the flexible portion of equity was reduced by the loss of DKK 69.9 million, thus amounting to DKK 591.2 million at 31 December.




In recent years, focus has been on reducing equity, which is why a string of initiatives and activities have been launched that have taken up some of the flexible equity. In view of the Finance Act for 2016, a major curb has been put on operating expenses, and UCPH's budget now foresees a loss of DKK 132 million in 2016, break-even in 2017 and a small profit in 2018 and 2019.

Target Reporting



UCPH is working hard to fulfil the objectives defined in the target plan, which encompasses both the targets in the development contract and selected targets from *Strategy 2016*. The first annual reporting on the new *Development Contract 2015-2017* between the University of Copenhagen and the Ministry of Higher Education and Science has been published.




The contract consists of nine targets and 12 benchmarks, all of which were met in 2015. The table below shows benchmarks, milestones and results for the nine development contract targets.




Each target is described below. As the present Development Contract is for three years, and 2015 is the first year, milestones have been set for each target. The colours green, yellow and red indicate whether the targets have been met, partially met or not met.

-  The milestone for 2015 was fully reached. In exceptional cases, a benchmark may be deemed as having been reached if there is a very marginal deviation.
-  75% or more of the criteria for this year's milestone has been fulfilled.
-  Less than 75% of the criteria for this year's milestone has been fulfilled, or the percentage cannot be calculated.

Reporting on the UCPH Development Contract 2015–2017

Mandatory targets with benchmarks for the UCPH Development Contract 2015-2017	Milestones for 2015 in the Development Contract 2015-2017 and UCPH's results for 2015
1. Higher-quality degree programmes	<i>Milestone 2015: 1% increase from baseline, corresponding to 42.4 ECTS credits per student</i>
1.1 Increased study commitment	<p>During the contract period, the students' average ECTS production (incl. credit transfers) must rise by 5%. In 2014, the average production of ECTS credits was 42.0 ECTS/student. In 2015, the average production of ECTS credits was 44.2 ECTS/student.</p> <p>2015</p> 
1.2 Increase in the number of short, practice-based courses providing teaching-skills development for lecturers	<p><i>Milestone 2015: Development of models, including four practice-based courses or development projects with pedagogic consultants</i></p> <p>The target is to increase the number of short, practice-based courses for improving lecturers' teaching skills, or development projects involving lecturers and pedagogic consultants. In 2015, eight practice-based courses/activities were run, many new initiatives were launched, and the work was met with great interest by the lecturers. The increase in the number of short courses has been so high that the targets for 2016 and 2017 have already been met.</p> <p>2015</p> 

Mandatory targets with benchmarks for the UCPH Development Contract 2015-2017	Milestones for 2015 in the Development Contract 2015-2017 and UCPH's results for 2015
<p>2. Greater relevance and increased transparency</p> <p>2.1 Increase in industrial PhD & postdoc projects</p> <p>2.2 Theses with external parties</p>	<p><i>Milestone 2015: 3% increase from baseline, corresponding to a total of 28%</i></p> <p>The target is to increase the number of industrial PhD & postdoc projects in which UCPH is involved as a partner. The aim is that this will be the case for at least a third of all projects approved in 2017. UCPH's share of these projects was 28.1% in 2015. UCPH is involved in 24.8% (28 of 113) of approved industrial PhD projects and 75% (6 of 8) of approved industrial postdoc projects.</p> <p>2015</p>  <p><i>Milestone 2015: 13% of master's theses to involve external parties</i></p> <p>The target is for the proportion of master's theses involving a contract between the student and an external party to rise to 17% during the contract period. In 2015, 13.7% of master's theses involved external parties.</p> <p>2015</p> 
<p>3. Better cohesion and collaboration</p> <p>3.1 Improved transition of bachelor graduates from other Danish educational institutions to master's programmes at UCPH</p>	<p><i>Milestone 2015: 1.7% increase from baseline, corresponding to 653 students.</i></p> <p>The target is a 5.8% increase in the admission of bachelors from other Danish educational institutions to UCPH's master's programmes during the contract period. The baseline is the 2014 intake of 642. In 2015, UCPH admitted 766 bachelor graduates from other universities. The increase has been so high that the 2016 and 2017 targets have already been met.</p> <p>2015</p> 

Mandatory targets with benchmarks for the UCPH Development Contract 2015-2017	Milestones for 2015 in the Development Contract 2015-2017 and UCPH's results for 2015
<p>4. Increased internationalisation</p> <p>4.1 Targeted international recruitment of talented students to full master's programmes</p> <p>4.2 Increased mobility, more outgoing exchange students.</p>	<p><i>Milestone 2015: increase of 3% from baseline, corresponding to 682 students</i></p> <p>The target is for the number of international students from outside the Nordic Region who are admitted to full master's degree programmes to increase by 10% during the contract period. The baseline is the average annual intake for the academic years 2012–2014, which was 662. In 2015, UCPH admitted 880 students to master's programmes from countries outside the Nordic Region. The increase has been so high that the 2016 and 2017 targets have already been reached.</p> <p>2015 </p> <p><i>Milestone 2015: increase of 3% from baseline, corresponding to 2,165 students</i></p> <p>The target for the entire contract period is a 10% increase in the number of UCPH students who study abroad during the contract period. The baseline is the number of outgoing exchange students in 2013, which was 2,102 students. In 2015, 2,277 UCPH students studied abroad.</p> <p>2015 </p>
<p>5. Increased social mobility – more talented students from different backgrounds</p> <p>5.1 More targeted offers of visits by the upper-secondary schools from which UCPH receives the fewest applications</p>	<p><i>Milestone 2015: In-house activities: As a minimum, "Student for a day" or "Study internship" visits to be offered by all UCPH BA programmes with an annual intake of 75 or more, or alternatively, in a similar number of subjects that have bigger recruitment potential and needs. The baseline for the proportion of students from the 10 upper-secondary schools with the lowest levels of applications to UCPH to take advantage of visits is to be set.</i></p> <p><i>External activities: All faculties to have outreach activities aimed at upper-secondary schools.</i></p> <p>All faculties have established study internships or "student for a day" opportunities on bachelor programmes with an annual intake of 75 or more, and/or with bigger recruitment potential and needs. A 2015 baseline has been established for the number of school students who took part in these two activities. The baseline is 914 visits, of which the share of visits from UCPH's ten focus schools was 10.2%. All faculties have also established external activities.</p> <p>2015 </p>

Targets selected by UCPH with benchmarks for the University of Copenhagen Development Contract 2015-2017	Milestones for 2015 in the Development Contract 2015-17 and the University's results for 2015
<p>6. Enhanced recruitment of talented researchers at faculty level</p> <p>6.1 Increase in recruitment of permanent academic staff at faculty level</p>	<p><i>Milestone 2015: Increase in the number of permanent academic staff of at least 30 full-time equivalents compared to the previous year</i></p> <p>The target is an increase in the number of permanent academic staff of at least 30 full-time equivalents per year, including new tenure-track appointments, during the contract period. The number of permanent academic staff has increased significantly in recent years. The target consolidates this strategic commitment and signifies that growth should continue during the contract period.</p> <p>The permanent academic staff increased by 93 FTEs compared to 2014. The increase was so high that the targets for 2016 and 2017 have already been met. However, the number of permanent academic staff is expected to fall after the adjustments made in spring 2016.</p> <p>2015 </p>
<p>7. Improving talent development at undergraduate level</p> <p>7.1 Enhanced quality of bachelor courses.</p>	<p><i>Milestone 2015: 3% increase from baseline, corresponding to 9.0 %</i></p> <p>The target is to increase the permanent academic staff/student ratio by 10% during the contract period from a baseline of 8.7% in 2013.</p> <p>In 2015, there were 2,246 permanent academic staff and 23,093 BA students, which corresponds to a permanent academic staff/student ratio of 9.7%. The ratio has clearly improved and the target of 9.6% by 2017 has already been met. However, it is not certain that this level will be maintained until 2017. A reduction in the number of permanent academic staff is expected because of the adjustments made in spring 2016, and this will have a negative effect on the ratio.</p> <p>2015 </p>
<p>8. Increased knowledge transfer to businesses</p> <p>8.1 More licensing and sales agreements</p>	<p><i>Milestone 2015: 19 licensing and sales agreements</i></p> <p>The target is to enter into at least 60 licensing and sales agreements with companies from Denmark and abroad during the contract period, which represents an increase of 18% compared to the period 2012-2014, when UCPH entered into 51 such agreements.</p> <p>In 2015, UCPH signed 23 licensing agreements. 70 inventions were registered in 2015, a slight decline from 74 in 2014.</p> <p>2015 </p>
<p>9. Greater international visibility</p> <p>9.1 Increased use of open-access publication</p>	<p><i>Milestone 2015: Increase to 9% of potential publications</i></p> <p>The target is to double the share of accessible full-text versions (pre- or post-print or publisher's version/PDF) of potential open-access publications in the University's database CURIS (Copenhagen University Research Information System) to 15% during the contract period. At the end of the contract period, UCPH has doubled the number of full-text articles.</p> <p>15.6% of all 2015 publications in CURIS have a full-text version available. The increase was so high that the targets for 2016 and 2017 have already been met.</p> <p>2015 </p>

Financial Statements

Accounting Policies

Basis of preparation

The Annual Report of the University of Copenhagen (UCPH) has been prepared in accordance with the Danish Act on Public Accounts, the Ministry of Finance's Financial Administrative Guidelines (ØAV), the Universities Act of 18 March 2015, Ministerial Order No. 598 of 8 March 2015 on funding and accounts, etc. of universities, and the guidance and instructions for financial statements issued by the Danish Ministry of Higher Education and Science.

The accounting policies are unchanged from last year.

Recognition and measurement (valuation)

The Financial Statements have been prepared on the basis of the historic cost convention.

Revenues are recognised in the income statement as earned. 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.

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

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.

Intercompany revenue between University entities and transfers between types of activities (i.e. sub-accounts) have been eliminated from the income statement.

Translation policies

Payments in foreign currencies are effected at the exchange rates at the date of transaction. 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.

Taxation

The University is not liable to pay taxes.

Income statement

Revenues

Subsidies for basic research and education which are paid out via the Danish Finance Act are recognised as revenue in the years for which the funding is earmarked.

Subsidies for education are allocated as “taximeter funding” per unit and also include funding for general management, administration and estates. The University also receives significant external grants in the form of donations and grants from external funding bodies. These grants and subsidies are recognised as revenues as they are spent.

Revenues from forensic services provided are recognised at the time of delivery of the service. At the end of the year, the net profit from forensic services is transferred to deferred income in order for that profit not to affect the University's net profit for the year. The profit – or loss – is instead transferred back to the purchaser of the services by means of a price adjustment.

Revenues also include student fees from part-time programmes, sales activities, takings from museums, the subletting of premises and interest income. These are recognised as revenues in the period in which they occur.

Grants for PhD programmes are stated on an accrual basis to the effect that the grants are recognised as and when the programmes are run. Unused grants are recognised as a deferred income item in “prepaid restricted contributions”.

Financial income and expenses are recognised based on the date of addition of bank interest in the case of demand deposits, whereas the interest on fixed-term deposits is accrued over the term of the deposits. The University has entered into a portfolio agreement on investment in short-term Danish government and mortgage bonds with a maximum average weighted term to maturity (duration) of two years. Both realised and unrealised capital losses/gains and interest on these bonds are recognised in financial income and expenses on a current basis.

Expenses

Expenses comprise all expenses incurred during the year's activities.

In the University's Financial Statements, expenses are divided according to type – i.e. salaries, operation of buildings, miscellaneous operating expenses and depreciation/amortisation. Salaries are broken down on academic staff (VIP) and technical/administrative staff (TAP). TAP salaries are broken down on TAP-AS (administrative support functions and services) and TAP-RE (research, communication and educational functions), respectively.

Depreciation/amortisation for the year is calculated over the life expectancy of the assets.

Balance Sheet

Fixed assets

Fixed assets are measured at cost. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Fixed assets costing less than DKK 100,000 are expensed in the year of acquisition.

Intangible assets

Acquired concessions, software, licences, etc.

The fixed assets register includes software and licences costing DKK 100,000 or more and with an economic life of at least three years.

Completed development projects

Only inventions that are clearly defined and identifiable, and in respect of which contracts with external partners are expected to be made, are recognised as intangible assets.

Inventions, patent applications and patents are measured at the external expenses incurred for research and for registration of the patents. Ongoing assessments of the potential application of the inventions form the basis for determining the value of the rights and their useful life. In the event of impairment of the value, the necessary impairment losses will be recognised in the income statement.

Amortisation of intangible assets is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Software	3 years
Inventions and patents	5 years

Intangible development projects in progress

Such development projects comprise development of systems and software and work on inventions up until the time when a patent can be taken out for the individual systems and software.

Intangible development projects are not subjected to amortisation until they have been completed.

Property, plant and equipment

Land and buildings

Land is measured at estimated replacement cost and is not depreciated. In accordance with the provisions of the Danish Ministry of Finance's Financial Administrative Guidelines (ØAV), buildings are measured at estimated replacement cost determined by an external valuer and approved by the Danish Ministry of Higher Education and Science. Greenhouses and leasehold improvements are measured at cost less accumulated depreciation.

Scientific equipment, fixtures and fittings, tools and equipment

Fixed assets costing more than DKK 100,000 and with a useful life of at least three years are included in the fixed assets register.

Capital equipment, machinery, IT equipment, vehicles and fixtures and fittings are measured at cost less accumulated depreciation.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
Ships	40 years
Greenhouses	30 years
Plant and other special technical equipment	15 years
Leasehold improvements	10 years
Capital equipment and machinery	5 years

Other IT equipment	5 years
Vehicles	5 years
Fixtures and fittings	5 years

Subject to a specific assessment of the individual asset concerned, shorter useful lives than those listed above may be applied to the asset.

Own work in progress

This financial statement item is mainly composed of work in progress relative to leasehold improvements.

Own work in progress is not subjected to depreciation until such work has been completed.

Fixed assets received as donations

When the University receives fixed assets as donations (e.g. buildings, leasehold improvements, scientific equipment, machinery, IT equipment, vehicles and fixtures and fittings), the donated assets are recognised at estimated cost. Standard accounting policies apply to the depreciation of fixed assets received as donations.

A long-term and short-term donation liability, known as “accrued donations”, is recognised as a counter-item to the recognised values of the fixed assets received as donations. As the donated assets are depreciated, the donation liability is recognised as income in the income statement.

Works of art and collections

The University has received significant bequests of works of art and collections over the years. As per state accounting rules, their value has not been recognised in the Financial Statements.

Fixed asset investments

Securities and instruments of debt

Securities comprise minor investments in companies. As the University does not exercise control or have significant influence in these companies, these investments are measured at cost. The investments are written down in the event of a permanently impaired value. Moreover, the item includes instruments of debt received from the Ministry in connection with the University’s transfer of buildings donated under the Danish state rent allowance scheme.

Current assets

Deposits

Deposits mainly comprise rent deposits measured at cost.

Trade receivables

Trade receivables etc. are measured at nominal value in the balance sheet less any provision for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Receivables from grant activities in progress

The University regularly enters into agreements with companies, public institutions and private organisations regarding research activities etc. These agreements determine which activities are paid for by the funding body concerned. To the extent that the University incurs expenses for activities that are funded by grants under these agreements, but for which grants have not yet been received, the amount due to the University is recognised as “receivables from grant activities in progress”.

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Prepaid expenses include prepaid salaries etc.

Deferred income includes payments received in respect of income in subsequent years.

Bonds

The University has entered into a portfolio agreement with Danske Capital on investment in Danish government and mortgage bonds with a maximum term of two years. The bonds are measured at market price at the end of the financial period.

Equity

The presentation of the statement of changes in equity has been altered in that it is now divided into accounting equity and flexible equity.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the University has a legal or constructive obligation and it is probable that economic benefits must be given up to settle

the obligation. When vacating leased premises for which the University is under an obligation to restore the premises as stipulated in the lease, the estimated provision is built up over several years. Provision for severance pay for fixed-term employees is accumulated over the duration of the fixed term. This provision is recognised at an estimated amount, based on a statistical assessment of the number of employees likely to receive severance payments.

Debts

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

Holiday pay obligation

Holiday pay obligations are calculated on the basis of all paid holidays not yet taken earned by the employees in 2014 and 2015. The calculation is based on the standard government model under which the total holiday pay obligation is calculated on the basis of an average number of accrued holidays per employee and the average expense per accrued holiday. The obligation is calculated on salaries to academic staff (VIP) and technical/administrative staff broken down on administrative support functions and services (TAP-AS) and research, communication and educational functions (TAP-RE).

Prepaid restricted contributions

Contributions received concerning grant activities covering expenses not yet incurred are recognised as prepaid restricted contributions.

Contributions received are reduced regularly as and when recognised as income equalling the amount of expenses incurred for grant activities plus overhead costs.

Moreover, prepaid restricted contributions include unused funds for PhD programmes and other public sector funds for specially earmarked purposes as well as activities that are not paid for and carried out until in subsequent financial years.

Cash flow statement

The cash flow statement shows the cash flows for the year broken down by operating activities, investing activities and financing activities, as well as how these cash flows have affected cash and cash equivalents for the year.

Cash flows from operating activities

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss adjusted for non-cash operating items, e.g. depreciation, amortisation and impairment losses, provisions and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and disposal of intangible assets, property, plant and equipment and fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term loans.

Cash and cash equivalents

Cash and cash equivalents comprise demand deposits or fixed-term deposits subject to a maximum binding period of 12 months. The value of bonds is included in cash and cash equivalents in the cash flow statement.

Estimates made

Estimated provisions are evident from note 9 to the Financial Statements.

Income Statement

1 January - 31 December

Note	2015 DKK '000	2014 DKK '000
Education subsidies	2,115,746	2,080,879
Research subsidy	2,940,710	2,933,180
External grants	2,727,888	2,573,763
Basic subsidy	338,442	338,282
Building-related revenues	75,575	132,859
Other revenues	179,383	186,343
1 Total revenues	8,377,744	8,245,306
Salaries - academic staff	3,073,663	2,951,912
Salaries - technical/administrative staff RE	755,302	806,991
Salaries - technical/administrative staff AS	1,247,157	1,215,846
Operation of buildings	1,749,302	1,773,568
Other operating expenses	1,526,307	1,551,520
Depreciation and amortisation	103,614	132,845
2 Total ordinary operating expenses	8,455,345	8,432,682
Profit/(loss) before financial income and expenses	(77,602)	(187,376)
Financial income	7,975	19,219
Financial expenses	266	348
Profit/(loss) for the year	(69,893)	(168,505)
Proposed distribution of profit/(loss) for the year:		
Retained earnings	(69,893)	(168,505)
Total	(69,893)	(168,505)

There may be variance in the sum total due to rounding

Balance Sheet at 31 December

Assets

	2015	2014
Note	DKK '000	DKK '000
3 Acquired concessions, software, licences, etc.	5,783	4,875
3 Completed development projects	636	695
3 Intangible development projects in progress	17,460	8,046
Intangible assets	23,879	13,616
4 Buildings	179,294	183,088
4 Leasehold improvements	267,656	113,419
4 Scientific equipment, fixtures and fittings, tools and equipment	496,704	472,648
4 Own work in progress	10,384	54,897
Property, plant and equipment	954,039	824,052
5 Securities and instruments of debt	715,422	112,152
Fixed asset investments	715,422	112,152
Fixed assets	1,693,341	949,820
6 Deposits	61,167	59,151
Trade receivables	131,891	138,376
7 Receivables from grant activities in progress	768,476	781,030
8 Other receivables	331,338	310,522
13 Prepayments	29,915	37,004
Receivables	1,322,786	1,326,083
16 Bonds	1,697,518	1,689,462
16 Cash at bank and in hand	718,860	879,060
Current assets	3,739,164	3,894,606
Total assets	5,432,505	4,844,426

Balance Sheet at 31 December

Equity and Liabilities

Note	2015 DKK '000	2014 DKK '000
Equity at 1/1	990,882	1,159,387
Addition, reserved equity	603,270	0
Retained earnings	(69,893)	(168,505)
Equity	1,524,259	990,882
9 Provisions	42,575	43,834
Provisions	42,575	43,834
10 Donation of com. concessions, software, licences, etc.	418	117
11 Donation of buildings	1,712	1,756
11 Donation of leasehold improvements	23,981	24,109
11 Donation of scientific equipment, fixtures and fittings, tools and equipment	276,726	242,287
11 Donation of own work in progress	197	197
- transferred to current part	(100,428)	(95,192)
Non-current liabilities	202,606	173,273
Trade payables	324,425	379,884
12 Grants administered by the University	670	640
Holiday pay obligations	632,700	629,200
Prepaid government grants	474,733	479,644
7 Prepaid restricted contributions	1,881,886	1,806,554
Accrued donations (current part)	100,428	95,192
Settlement account for forensic medicine services	43,207	38,180
13 Deferred income	19,440	18,273
14 Other payables	185,576	188,871
Current liabilities	3,663,065	3,636,437
Liabilities	3,865,672	3,809,710
Total liabilities and equity	5,432,505	4,844,426

15 Staff

16 Financial instruments

17 Contingent assets

18 Contingent liabilities

19 Contractual obligations

20 Related parties

21 Separate financial statements for activities under Danish Act No. 580 on technology transfer

22 Utilisation of resources for open places and scholarships

23 The University's use of INNO+ scholarships

24 Education programmes offered by the University abroad

25 Subsidies to the Arnamagnaeian Commission

26 Separate account for ordinary activities, commercial activities, forensic medicine services, research activities financed by grants and other activities financed by grants

27 Asset account

28 Key ratios

Statement of Changes in Equity

1 January - 31 December

Note	2015 DKK '000	2014 DKK '000
Adjusted equity (initial capital at 1/1 2005)	243,273	243,273
Reserved equity at 1/1	86,509	86,509
Change for the year in reserved equity		
Addition of instruments of debt from the Danish state	603,270	
Reserved equity at 31/12	689,779	86,509
Technical equity at 31/12	933,052	329,782
Retained earnings at 1/1	661,100	829,605
Transferred from loss for the year	(69,893)	(168,505)
Retained earnings (flexible equity) at 31/12	591,207	661,100
Equity at 31/12	1,524,259	990,882

Note:

In the Annual Report 2015, UCPH has changed the presentation of equity due to the Danish Agency for the Modernisation of Public Administration's guide. The comparative figures for 2014 have been adjusted.

The reserve previously disclosed has been dissolved and is included in flexible equity.

Reserved equity constitutes the instruments of debt received by UCPH from the Danish state due to UCPH's investments in SEA properties (properties under the Danish government property administration arrangement) (see note 5).

Cash flow Statement

1 January - 31 December

	2015	2014
Note	DKK '000	DKK '000
Profit/(loss) for the year	(69,893)	(168,505)
Depreciation, amortisation and non-cash operating items	212,818	259,199
Depreciation of donations	(109,175)	(126,385)
Net impairment - fixed assets and donations	148	5,033
Difference in net interest booked and paid		(71)
Changes in provisions	(1,260)	7,458
Changes in receivables	3,298	(212,918)
Changes in short-term debt	21,393	284,369
Cash flows from operating activities	57,330	48,180
Acquisition of intangible assets	(13,474)	(10,836)
Acquisition of property, plant and equipment	(342,485)	(300,571)
Prepayments for assets	0	60,832
Cash flows from investing activities	(355,959)	(250,575)
Increase in obligations from donations - intangible assets	510	0
Increase in obligations from donations - property, plant and equipment	145,974	114,945
Prepayments for obligations from donations	0	(9,532)
Cash flows from financing activities	146,484	105,413
Change in cash flow for the year	(152,144)	(96,983)
Specified as:		
Cash and cash equivalents and bonds at beginning of year	2,568,522	2,665,505
Cash and cash equivalents and bonds at year end	2,416,378	2,568,522
Change in cash and cash equivalents	(152,144)	(96,983)

Note: The portion of cash placed in fixed-term deposits is evident from note 16.

Noter

1. Revenues

	2015 DKK '000	2014 DKK '000
Full-time education - (from Finance Act)	1,933,992	1,898,460
Part-time education - (from Finance Act)	14,973	16,441
Exchange students - (from Finance Act)	17,315	21,196
Small humanities disciplines - (from Finance Act)	11,501	11,499
Scholarships - (from Finance Act)	13,768	14,033
Tuition fee from part-time education	29,032	28,169
Self-funded (foreign/capitalised)	13,302	12,953
Other education subsidies	81,863	78,128
Education subsidies	2,115,746	2,080,879
Research subsidy	2,940,710	2,933,180
Research subsidy - (from Finance Act)	2,940,710	2,933,180
Grant-funded research	2,426,181	2,255,553
Other subsidised activities	58,520	74,452
Forensic services	179,427	191,755
Commercial activities	63,759	52,003
External grants	2,727,888	2,573,763
Other purposes	400,277	399,663
Research-based public-sector services	21,755	22,179
Administrative savings	(83,590)	(83,560)
Basic subsidy - (from Finance Act)	338,442	338,282
Subletting, Operational reimbursement, maintenance, etc.	75,575	132,859
Building-related revenues	75,575	132,859
Other revenues	179,383	186,343
Other revenues	179,383	186,343
Total revenues	8,377,743	8,245,306

2. Total ordinary operating expenses

Expenses are classified by nature in the income statement. The expenses classified by purpose are disclosed in this note.

Methodology and definitions:

The key figures for the University's expenses broken down by purpose have been compiled in accordance with the guideline of December 2012 on allocation of university expenses to main areas and purposes.

	2015 DKK '000	2014 DKK '000
Total ordinary operating expenses as per Income Statement:	8,455,345	8,432,682
Miscellaneous adjustments (see footnotes below):		
Expenses matching revenues from external tenants ¹⁾	(51,117)	(60,803)
Expenses relating to building maintenance paid on behalf of the Danish Building and Property Agency ²⁾	(36,748)	(31,019)
Written-down donation liabilities ³⁾	109,168	126,385
Total miscellaneous adjustments	21,302	34,563
Total expenses for allocation:	8,476,647	8,467,245
1 Education	2,236,496	2,254,350
2 Research	4,914,663	4,860,958
3 Communication and knowledge exchange	348,189	366,609
4 Research-based public-sector services	274,420	286,726
5 General management, administration and service	702,880	698,603
Total allocated expenses	8,476,647	8,467,245
Gross revenues as per Income Statement	8,377,744	8,245,306
Miscellaneous adjustments, see above	21,302	34,563
Revenues after adjustment	8,399,046	8,279,869
Administration percentage⁴⁾	8.4%	8.4%

- 1 Deducted as expenses relating to external tenants are not attributable to the actual purposes of the University.
- 2 Deducted as expenses relating to building maintenance paid on behalf of and reimbursed by the Danish Building and Property Agency are not attributable to the actual purposes of the University.
- 3 Adjustment is made for written-down donation liabilities as these are set off against total depreciation in the income statement, see note 4.
- 4 The administrative percentage is defined as: general management, administration and service/revenues after adjustment.

3. Intangible assets

DKK '000	Acquired concessions, soft- ware, licences, etc.	Completed development projects	Development projects in progress	Total
Acquisition cost				
Cost at 1/1 2015	22,747	7,322	8,046	38,115
Additions	3,934	125	9,415	13,474
Disposals	(422)	-	-	(422)
Cost at 31/12 2015	26,258	7,448	17,460	51,166
Amortisation and impairment				
Balance at 1/1 2015	17,872	6,627	-	24,499
Amortisation and impairment for the year	3,025	185	-	3,210
Amortisation on disposals for the year	(422)	-	-	(422)
Amortisation and impairment at 31/12 2015	20,475	6,812	-	27,287
Carrying amount at 31/12 2015	5,783	636	17,460	23,879

4. Property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equip- ment, fixtures and fittings, tools and equipment	Own work in progress	Total
Acquisition cost					
Cost at 1/1 2015	199,498	213,615	1,463,865	54,897	1,931,874
Additions	195	176,733	210,069	35,267	422,265
Disposals	-	-	(18,355)	(79,780)	(98,135)
Cost at 31/12 2015	199,693	390,348	1,655,579	10,384	2,256,004
Depreciation and impairment					
Balance at 1/1 2015	16,410	100,196	991,217	-	1,107,822
Depreciation and impairment for the year	3,989	22,496	183,123	-	209,608
Depreciation on disposals for the year	-	-	-15,465	-	-15,465
Depreciation and impairment at 31/12 2015	20,398	122,692	1,158,875	-	1,301,965
Carrying amount at 31/12 2015	179,294	267,656	496,704	10,384	954,039

...Note 4 continued

Total amortisation of intangible assets	3,210
Total depreciation of property, plant and equipment	209,608
Total depreciation, all partial financial statements	212,818

Depreciation of donation liability and external grants (DR50/60)	(109,175)
Total depreciation in the balance sheet	103,644

Sundry minor journal entries	(30)
Total	103,614

5. Securities

The University holds investments in two enterprises.

	2015 DKK '000	2014 DKK '000
Symbion A/S, DKK 643k acquired in 2000 and DKK 25,000k in 2012	25,643	25,643
Mobile Fitness A/S, acquired in 2005	0	0
Total securities	25,643	25,643

Instruments of debt from the Ministry to the University re donation made to building under the Danish state rent allowance scheme situated

Rolighedsvej 23, DK-1958 Frederiksberg C (Forestry & Landscape)	43,000	43,000
Ole Maaløes Vej 5, DK-2200 Kbh. N (Lundbeckfond Auditorium at Biocentre)	23,509	23,509
Blegdamsvej 3, DK-2200 København N (Protein Centre at Panum)	20.000	20.000
Mærsk Building at the Panum Complex, DK-2200 Copenhagen N	603,270	-
Total instruments of debt	689,779	86,509

Total securities and instruments of debt	715,422	112,152
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6. Deposits

Deposits mainly concern rent deposits for leasehold premises.

7. Receivables from grant activities in progress and prepaid restricted contributions

2015	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	805,200	(1,676,314)	(871,114)
Provision for loss on grant activities	-36,724		(36,724)
Unutilised grants for educational research programmes		(1,346)	(1,346)
Unutilised donation for the Mærsk Building at the Panum Complex		(104,225)	(104,225)
Unutilised donation for the Natural History Museum of Denmark		(100,000)	(100,000)
Total at 31/12 2015	768,476	(1,881,886)	(1,113,410)

Total provisions for loss on grant activities receivable of DKK 36.7 million cover the estimated risk of loss.

In 2014, provisions were DKK 16.0 million.

2014	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	797,000	-1,530,443	-733,443
Provision for loss on grant activities	-15,970		-15,970
Unutilised grants for educational research programmes		-26,041	-26,041
Unutilised donation for the Mærsk Building at the Panum Complex		-250,070	-250,070
Total at 31/12 2014	781,030	-1,806,554	-1,025,524

8. Other receivables

At year-end 2015, other receivables amount to DKK 331.3 million and have gone up by DKK 20.8 million from 1 January to 31 December 2015.

Other receivables are primarily composed of prepayments of DKK 200.5 million to external project partners and the amount of DKK 42.7 million receivable by UCPH from the Danish state regarding the special VAT refund arrangement and UCPH's receivables from the Danish Building & Property Agency.

The increase in 2015 primarily results from larger prepayments to external project partners, totalling DKK 47.5 million, and new outlays to the Danish Building & Property Agency of DKK 33.8 million regarding the construction of the Panum building.

However, VAT receivables have gone down in 2015 by DKK 28.8 million and prepayments to consultants on building and maintenance projects have gone down by DKK 33.1 million.

9. Provisions

	2015	2014
	DKK '000	DKK '000
Payroll-related liabilities (appointments, early resignations, etc.)	9,093	14,637
Restoration liability	33,482	29,197
Total provisions	42,575	43,834

The provision for fixed-term appointment liabilities is an estimated average assessment based on payroll data and length of service from the payroll system. The provision constitutes half of the calculated maximum liability as UCPH finds that half of the maximum liability will not be allocated.

The restoration liability is set to cover costs of restoring leased premises when vacating them in future.

Over a number of years, UCPH provides DKK 1,100 per m² for leased premises where the contract requires full restoration and DKK 500 per m² for leased premises only requiring partial restoration.

This is considered adequate to cover usual vacating costs incumbent on UCPH.

10. Donations of intangible assets

DKK '000	Acquired concessions, software, licences, etc.
Acquisition cost	
Cost at 1/1 2015	1,678
Additions	510
Disposals	-
Cost at 31/12 2015	2,188
Amortisation and impairment	
Balance at 1/1 2015	1,561
Amortisation and impairment for the year	209
Amortisation on disposals for the year	-
Amortisation and impairment at 31/12 2015	1,770
Carrying amount at 31/12 2015	418

11. Donations of property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equipment, and fittings, tools and equipment	Own work in progress	Total
Acquisition cost					
Cost at 1/1 2015	2,398	39,876	763,838	197	806,309
Additions	-	3,775	142,199	-	145,974
Disposals	-	-	-11,696	-	-11,696
Cost at 31/12 2015	2,398	43,651	894,342	197	940,587
Depreciation and impairment					
Balance at 1/1 2015	642	15,767	521,552	-	537,960
Depreciation for the year	44	3,904	105,019	-	108,966
Depreciation on disposals for the year	-	-	-8,955	-	-8,955
Depreciation and impairment at 31/12 2015	685	19,670	617,616	-	637,971
Carrying amount at 31/12 2015	1,712	23,981	276,726	197	302,616

12. Grants administered by the University

	2015	2014
	DKK '000	DKK '000
Current account of grants at 31/12	670	640

The University of Copenhagen or more precisely its employees administer a combined grant portfolio of DKK 136.0 million.

Danske Forvaltning manages the grant portfolio. The total number of grants is 70.

13. Prepayments and deferred income

Prepayments have gone down by DKK 7.1 million in 2015 and total DKK 29.9 million at year-end 2015. The item comprises prepaid expenses, with DKK 10.3 million primarily falling on prepaid salaries and DKK 10.1 million falling on prepaid licence fees and levies.

Deferred income amounts to DKK 19.4 million at year-end 2015. The item has increased by DKK 1.1 million on the balance at year-end 2014 and comprises revenues received for 2016.

14. Other payables

From 1 January to 31 December 2015, other payables have gone down by DKK 3.3 million, and this reduction is composed of various opposite movements in different short-term payables accounts.

Other payables total DKK 185.6 million at year-end 2015, which are composed of salaries, pension contributions, personal income tax, etc. payable of DKK 81.8 million, DKK 52.4 million in holiday pay payable to hourly staff and DKK 51.4 million in other creditors and accrued items.

15. Staff

	2015	2014
	DKK '000	DKK '000
Actual salaries	4,579,074	4,463,205
Pensions	632,184	616,997
Reimbursements and grants	(138,636)	(134,958)
Change in holiday pay obligations	3,500	29,506
Total	5,076,122	4,974,749

Remunerations to management team and Board of Directors:

Management team	15,130	15,048
Board of Directors	1,053	1,047
Total	16,183	16,095

The management team comprises the chancellor, two pro-vice chancellors, the university director and 6 deans.

The Board of Directors comprises a chairman and 10 members.

The externally elected members of the Board of Directors consist of two women and four men. On 19 March 2013, the Board decided that the objective for the six externally elected members of the Board is to have a gender balance and a 2:4 ratio as a minimum. This objective has thus been met.

16. Financial instruments

Agreements have been made concerning short-term commitments of part of the liquid assets in fixed-term deposits. A portfolio agreement has been made with Danske Capital on investment in Danish state and mortgage bonds with a maximum term of two years. No investments have been made in shares, and no agreements have been made on warrants or options.

Financial instruments	Conditions	2015 DKK '000	2014 DKK '000
Bonds	Danish state and mortgage bonds with a term of 0-2 years	1,697,518	1,689,462
Bank deposits and cash in hand	Primarily in DKK and small holdings of foreign currencies	718,860	729,060
Fixed deposits	Maximum 365 days	-	150,000
Total cash and cash equivalents and bonds		2,416,378	2,568,522

17. Contingent assets

UCPH has issued a claim against SKAT, the Danish Tax Administration, for interest of DKK 3.5 million. The claim concerns non-refunded interest related to a case closed with the Danish National Tax Tribunal which was about energy tax refunds for prior years.

18. Contingent liabilities

Liability insurance for the Board and Management as well as professional and product liability insurance have been taken out.

The University has taken out insurance on the same terms as the Danish Building and Property Agency, being included under the Agency's umbrella insurance. The University is covered by the state's industrial injury insurance and the state's principles concerning self-insurance.

The University has a contingent liability towards officials given notice. Officials are entitled to up to 3 years' availability pay if they cannot be hired for other positions within the state. At year end 2014 the University employed 104 officials. The maximum liability from this amounts to DKK 189.5 million. There are no plans of additional employment of officials with civil servant status; therefore, this liability is expected to decrease in the coming years.

The University has not provided any bank guarantees towards third parties at 31 December 2015. Leases for office and transportation equipment have been entered into to a minor degree. This level will be reduced continuously through self-financing.

19. Contractual obligations

UCPH has 3,119 PhD students enrolled (refer also to financial highlights), of which approx. 48% are subject to contract, under which UCPH is responsible for the students' pay for a three-year period. In most cases, the contracts cannot be cancelled by the University. The liability may be relevant if the payroll costs are not covered by companies or institutions that have signed education agreements.

20. Related parties

Related parties	Basis
The Danish Ministry of Higher Education and Science (UFM)	Subsidies for education, research and dissemination. Authority according to the University Act and the Danish Executive Order on grants and financial statements
The Danish Ministry for Children, Education and Gender Equality (UVM)	Subsidies for educational purposes.
Board and day-to-day management	Management control
Student associations	Subsidies towards student organisations and physical education. Furthermore, premises are made available by the University at Studenterhuset and the college Studentergården is supported by the University.

Transactions

In 2015, the University received total subsidies of DKK 5,241.2 million from the Ministry of Higher Education and Science (UFM). (The Danish Agency for Universities and Internationalisation, the monthly payments from section 19.2).

From UFM and the Danish Ministry of Education, the University received subsidies of DKK 81.9 million primarily regarding educations at The Forest Agency and The School of Oral Health Care.

In 2015, UCPH contributed support corresponding to DKK 4.8 million to student associations.

No loans have been granted to related parties.

21. Separate financial statements for activities pursuant to Danish Act No. 580 of 1 June 2014 (the Tech Trans Act)

There have been no activities according to Act No. 580 of 1 June 2014 on public research institutions' commercial activities and cooperation with foundations.

22. Utilisation of resources for scholarships

Utilisation of scholarships in the period 1 September 2014 to 30 August 2015

	Students enrolled on full or part time scholarships	Scholarships received	Payment of scholarships (DKK)	Funds used for scholarships (DKK)
Rate 1	11	7	200,182	489,446
Rate 2	2	-	105,138	-
Takst 3	111	18	5,677,040	1,875,052

The number of students shows the number of students with main enrolment for an education under the three rates during the year. As FTE is reported for the period 1 October 2014 to 30 September 2015, this periodic delimitation has also been applied to FTE in this statement.

Funds used for payment of scholarships

Financial statements

	Transferred from the Danish Agency for Higher Education (DKK)	Retained earnings, foreign paying students (DKK)	Funds used during the financial year (DKK)	Profit/(loss) (DKK)
2015	12,722,000	-	8,346,858	4,375,142

23. INNO+ Scholarships used by the University

Year	Number of students enrolled under scholarships	Subsidies from Danish Agency for Higher Education DKK'000	Funds used during the financial year DKK'000
2015	3	1,800	107

UCHP has two students enrolled from the USA and one from China. They represent three master's programmes: MSc in Pharmaceutical Sciences, MSc in Medicinal Chemistry and MSc in Human Biology. The plan is that they will hook up with a business as part of their master's theses in the second year.

Note 25. Subsidies to the Arnamaganaean Commission

The Danish Ministry of Higher Education and Science (UFM) grants subsidies to the Arnamaganaean Commission

Reporting from the financial statements of the Arnamaganaean Commission for 2015 in DKK

Subsidies transferred from prior years	Subsidies for the year (from UFM)	Other expenses for the year	Expenses for the year	Loss for the year	Accumu- lated profits
757,197	4,400,000	0	3,607,427	792,573	1,549,770

24. Education offered by the University abroad

As the other Danish universities, UCPH is a member of the Sino-Danish Center (SDC) in Beijing. Under the auspices of SDC, the University offers master's programmes in Water and Environment and Nanoscience and Technology and they started in 2012 and 2013, respectively. In 2015, a total of 32 students graduated - 7 Danish students and 25 Chinese students. 41 students enrolled on the two programmes in 2015 - 10 Danish students and 31 Chinese students. In 2015, the Danish members of SDC started evaluating the Danish activities. Among other points, the evaluation has focus on a more balanced recruitment of Danish and Chinese students. The evaluation process will close in 2016.

26. Separate account for ordinary activities, commercial activities, forensic services, grant-funded research and other subsidised activities

	2015	2014
	DKK '000	DKK '000
General activities		
Revenue	5,649,856	5,671,543
Internal net transfer of overhead	376,331	372,246
Staff expenses	(3,662,495)	(3,629,607)
Operating costs	(2,434,994)	(2,580,751)
Profit/(loss) for the year	(71,302)	(166,569)
Commercial activities		
Revenue	63,759	52,003
Staff expenses	(17,757)	(14,621)
Operating costs	(44,593)	(39,318)
Profit/(loss) for the year ¹⁾	1,409	(1,936)
Forensic services		
Revenue	179,427	191,755
Staff expenses	(95,241)	(94,675)
Operating costs	(84,186)	(97,080)
Profit/(loss) for the year ²⁾	0	0
Grant-funded research		
Revenue	2,426,181	2,255,553
Staff expenses	(1,285,845)	(1,208,987)
Operating costs	(765,544)	(677,197)
Internal net transfer of overhead	(374,793)	(369,369)
Profit/(loss) for the year	0	0
Other subsidised activities		
Revenue	58,520	74,452
Staff expenses	(14,785)	(26,859)
Operating costs	(42,198)	(44,716)
Internal net transfer of overhead	(1,538)	(2,877)
Årets resultat	0	0
Total		
Revenue	8,377,744	8,245,306
Total institutional transfers	376,331	372,246
Staff expenses	-5,076,122	-4,974,749
Operating costs	-3,371,514	-3,439,062
Total institutional transfers	-376,331	-372,246
Profit/(loss) for the year	-69,893	-168,505

1) Profit for the year from commercial activities (DR30) totals DKK 11.2 million. DKK 9.8 million thereof is transfer of profits from DR30 projects to ordinary activities during the year. For 2014, profit for the year totalled DKK 6.6 million inclusive of transfer of profits from DR30 to ordinary activities. Accumulated profits from commercial activities (calculated from 1996) total DKK 63.0 million.

2) Profit for the year from forensic services (DR40) of DKK 0.1 million has been set off against expenses and transferred to the settlement account in the balance sheet.

27. Asset account

There have been no activities according to this type of appropriation in 2015.

28. Key ratios

In their guidelines up until 2014, the Agency for Modernisation of Public Administration recommended compiling and enclosing a statement of key ratios. UCPH has opted to maintain this statement in 2015. The mandatory key ratios were the profit margin, average annual salary and salary cost share. Certain key ratios are not included because they are impossible to compile. For example, UCPH is not a state institution operating with a framework for borrowing. Only key ratios within resource administration are included. It is defined for the key ratios included how they have been compiled in relation to the figures in the Annual Report.

Definition:			2015	2014	2013	2012	2011
Profit margin ¹⁾	Profit/(loss) for the year	(69.893)					
	Revenues	8,377,744	-0.8%	-2.0%	-0.3%	2.1%	4.3%
Average yearly salary (DKK '000)	Total staff expenses	5,076,122					
	Yearly salary	10,140	501	495	491	486	473
Salary cost share ²⁾	Total staff expenses	5,076,122					
	Revenues	8,377,744	60.6%	60.3%	57.3%	56.4%	55.9%
Capital share ¹⁺³⁾	Financial expenses + depreciation	103,879					
	Revenues	8,377,744	1.2%	1.6%	1.7%	1.0%	1.0%
Maintenance ratio ¹⁺⁴⁾	Net annual additions, Fixed assets	209,474					
	Annual depreciation of fixed assets	103,614	202.2%	109.3%	122.4%	183.9%	62.5%
Solvency ratio (total equity) ⁵⁾	Total equity	1,524,259					
	Total liabilities	5,432,505	28.1%	20.5%	24.4%	25.5%	25.2%
Solvency ratio (flexible equity)	Flexible equity	591,207					
	Total equity and liabilities minus technical equity	4,499,453	13.1%	14.6%	18.8%	19.7%	18.4%
Equity to revenue ratio	Flexible equity	591,207					
	Revenues	8,377,744	7.1%	8.0%	10.0%	10.5%	8.7%

1) Key ratios are based on ordinary activities (DR10), commercial activities (DR30) and forensic medicine services (DR40)

2) The calculation of the salary cost share has been adjusted so as to include UCPH's revenues in income from ordinary operations, see income statement.

3) The calculation of the maintenance ratio has been adjusted so that donations of all types of fixed assets reduce additions for the year.

4) In 2013, the University changed the useful lives of machinery and scientific equipment from 10 to 5 years.

5) Total equity is composed of both technical equity and flexible equity. In 2015, the solvency ratio has increased from 20.5% to 28.1% primarily due to equity having been increased by way of instruments of debt to the Danish state.

Financial highlights for the University of Copenhagen

	2015	2014	2013	2012	2011
Revenues including interest:					
Education subsidies	2,115,746	2,080,879	1,978,629	1,935,507	1,879,580
Research subsidy	2,940,710	2,933,180	2,941,268	2,840,075	2,748,091
External grants	2,727,888	2,573,763	2,544,575	2,462,911	2,290,286
Research-based public-sector services	21,755	22,179	22,243	21,985	21,660
Basic subsidy	316,687	316,103	245,779	307,131	474,928
Other revenues	262,667	338,073	555,854	442,657	388,870
Expenses broken down by purpose¹⁾					
Education	2,236,496	2,254,350	2,162,909	2,131,214	1,611,806
Research	4,914,663	4,860,958	4,790,198	4,443,465	3,371,988
Communication and knowledge sharing	348,189	366,609	362,708	303,914	242,740
Public-sector services	274,420	286,726	305,540	282,264	258,243
General management, administration and service	702,880	698,603	684,531	680,876	309,769
Buildings	-	-	-	-	1,673,675
Staff, yearly salary²⁾					
Academic staff	5,311	5,129	4,823	4,616	4,500
Part-time academic staff	520	485	447	407	387
Technical/administrative staff etc.	4,309	4,445	4,382	4,249	4,298
Balance sheet:					
Equity (DKK m)	1,524	991	1,159	1,171	1,003
Balance sheet (DKK m)	5,433	4,844	4,750	4,592	4,276
Buildings m ² Total	922,809	921,116	904,250	929,512	935,722
Activity and production information					
Students:					
Total BA students admitted at 1 October	7,500	7,441	7,445	6,919	6,758
Total MA students admitted at 1 October	5,799	5,564	5,586	5,142	5,113
Total students at 1 October	40,486	40,882	40,866	38,867	37,869
Total FTE ³⁾	27,276	26,713	24,577	24,040	23,160
Graduates:					
Total BAs	4,749	4,718	4,434	4,004	3,788
Total MAs	4,882	4,573	4,298	3,892	3,818
Part time educations:					
Total tuition-paying students	4,580	4,667	5,047	4,593	4,308
Total yearly students	776	778	874	818	858
Graduates on full educations (master, diploma)	105	177	117	126	142

	2015	2014	2013	2012	2011
Internationalisation:					
Outbound exchange students	2,276	2,461	2,102	2,231	1,658
Inbound exchange students	1,721	1,869	1,705	1,742	2,328
Total foreign students on full-time educations ⁴⁾	3,977	3,949	4,032	3,773	3,719
Research educations ⁵⁾					
Total students on research educations, registered	3,119	3,083	2,968	2,503	2,843
Total admitted PhD students	867	959	927	752	801
Total approved theses	730	833	693	523	564
Research and knowledge exchange results:					
Research publications ⁶⁾		11,375	11,358	11,302	10,431
Educational publications ⁶⁾		80	96	118	132
Registered patents	15	18	20	10	17
Registered inventions	70	74	77	49	58
Number of projects in the business community (private sources) ⁷⁾	1,800	1,762	1,946	2,207	2,421
Number of external projects ⁷⁾	4,519	4,447	4,198	4,549	4,905
Financial span of co-operation with the business community (DKK m)	1,007	896	886	898	828

1) As of 2012, the University's expenses are allocated in accordance with the guideline on allocation of university expenses to main areas and purposes issued by the Danish Agency for Universities and Internationalisation, under which the operation of buildings is allocated to other purposes. 2009-2011 have been stated in accordance with schedule B to Universities Denmark's definition manual, under which buildings were stated as a separate purpose.

2) FTE = 1,924 hours. Unlike Faculty calculated in the Management's Review which has been calculated using ISOLA data (points of impact in Q4).

3) 1 FTE = 1 student's yearly workload = 60 ECTS points. The number of FTEs is settled with UFM/UDS (24.577). This includes the Professional Bachelors, late-registrations and non-subsidy releasing FTE's.

4) 30% of foreign students are from the other countries of the Nordic Region.

5) The figures for research education are based on the calendar year, cf. Universities Denmark's definition manual.

6) Research, knowledge exchange and educational publications for 2014 are reported at the end of August 2015 due to changes in the pace in relation to UFM. The figures for 2015 are published in the Annual Report 2016.

7) Defined according to Universities Denmark's key ratio definitions. Only applies to externally financed research activities.

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Front-page photo: The picture was taken on the Greenland Ice Sheet by the NEEM camp (77.5 N, 51.0 W, 2480 m altitude) in July 2012 during the large melting of the ice sheet. The ice structures tipped when the surface snow melted. The melting gave rise to the thickest layer of pure ice in the snow in more than 1,000 years.

Photographer: Sune O. Rasmussen, Centre for Ice and Climate, University of Copenhagen

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