

UNIVERSITY OF COPENHAGEN



Annual Report 2021

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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

Merete Eldrup, chair
Mikkel Bogh
Dorte Brix
Jesper Grodal
Jan S. Hesthaven
Anders Nørrekær Mortensen
Pia Quist
Agnete Raaschou-Nielsen
Lars Rasmussen
Anne Sofie Tranberg
Birgitte Vedersø

Rector

Henrik C. Wegener

Prorector for Education

Bente Merete Stallknecht

Prorector for Research

David Dreyer Lassen

University Director

Jesper Olesen

Auditors

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Institutional Auditors

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Bank

Danske Bank
Holmens Kanal 2
DK-1092 Copenhagen

Management statement

The Board and Executive Management have today considered and approved the Annual Report of the University of Copenhagen for 2021.

The Annual Report has been prepared in accordance with the Danish State Accounting Act, Executive Order no. 116 of 19.02.2018 on state accounting etc. the Ministry of Finance's Financial Administrative Guidelines, Executive Order no. 778 of 7 August 2019 on the University Act, Executive Order no. 1957 of 15 October 2021 on university funding and accounts etc., and the guidelines and instructions for financial statements, cf. the description in accounting policies; issued by the Danish Ministry of Higher Education and Science, including the Danish Agency for Higher Education and Science. Pursuant to section 39 (4) of the Executive Order it is hereby declared:

- that the Annual Report is correct, i.e. the Annual Report does not contain any material misstatements or omissions, including that the reporting of strategic framework contract in the Annual Report is satisfactory,
- that all transactions included in the Financial Statements are in accordance with notified grants, relevant legislation and other regulations, as well as with agreements entered into and with established practice, and
- that procedures have been introduced to ensure the financially appropriate management of the funds and the operation of the institutions covered by the Annual Report.

Copenhagen, 22 March 2022

Henrik C. Wegener
Rector

Jesper Olesen
University Director

Board

Merete Eldrup
Chair

Mikkel Bogh

Dorte Brix

Jesper Grodal

Jan S. Hesthaven

Anders Nørrekær Mortensen

Pia Quist

Agnete Raaschou-Nielsen

Lars Rasmussen

Anne Sofie Tranberg

Birgitte Vedersø

Independent auditor's report

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

To the University of Copenhagen Board

Report on the financial statements

Opinion

We have audited the financial statements of University of Copenhagen for the financial year 1 January to 31 December 2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, as stated on pages 24 to 29. The financial statements are prepared in accordance with Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities as well as the directions and instructions on financial statements, see the description in the summary of significant accounting policies, as issued by the Danish Ministry of Higher Education and Science, and including the Danish Agency for Higher Education and Science, hereinafter referred to as state accounting rules.

In our opinion, the financial statements are accurate in all material respects, i.e. prepared in accordance with the state accounting rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities and the agreement on internal audits at universities entered into by the Danish Minister for Higher Education and Science and the Auditor General in pursuance of Section 9 of the Danish Auditor General Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of University of Copenhagen in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that are accurate in all material respects, i.e. prepared in accordance with the state accounting rules, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing University of Copenhagen's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate University of Copenhagen or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of University of Copenhagen's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on University of Copenhagen's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause University of Copenhagen to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management report

Management is responsible for the management report.

Our opinion on the financial statements does not cover the management report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management report and, in doing so, consider whether the management report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management report provides the information required under the state accounting rules.

Based on the work we have performed, we conclude that the management report is in accordance with the financial statements and has been prepared in accordance with the state accounting rules. We did not identify any material misstatement of the management report.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with appropriations granted, laws and other regulations, and with agreements entered into and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and the operation of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting financial prudence, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit procedures and performance audit procedures on selected subject matters in accordance with the public auditing standards. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the relevant provisions of appropriations, laws and other regulations, and with agreements entered into and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and the operation of the activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

We have no material critical comments to report in this connection.

Copenhagen, 28 March 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

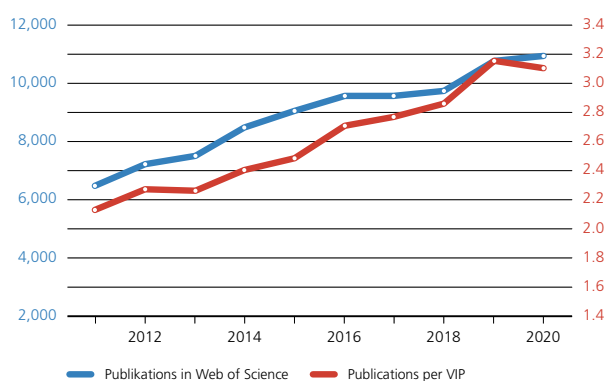
Erik Lynge Skovgaard Jensen
State-Authorised Public Accountant
Identification number: mne10089

Lars Hillebrand
State-Authorised Public Accountant
Identification number: mne26712

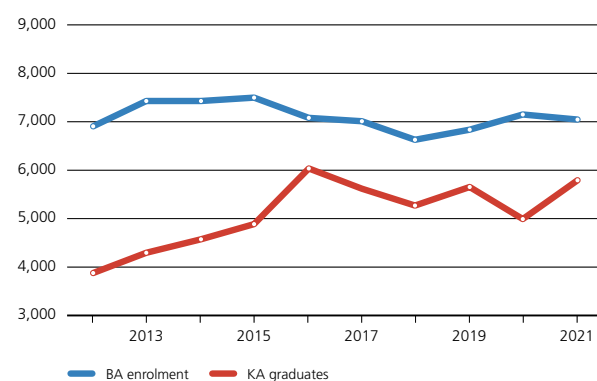
UCPH highlights

The Management report is based on the six figures below showing UCPH's development on selected parameters.

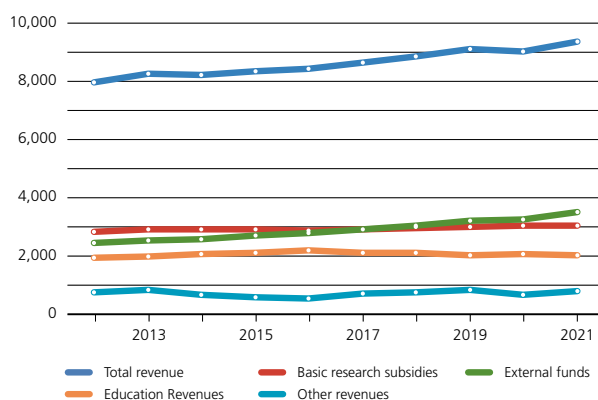
1: Number of publications



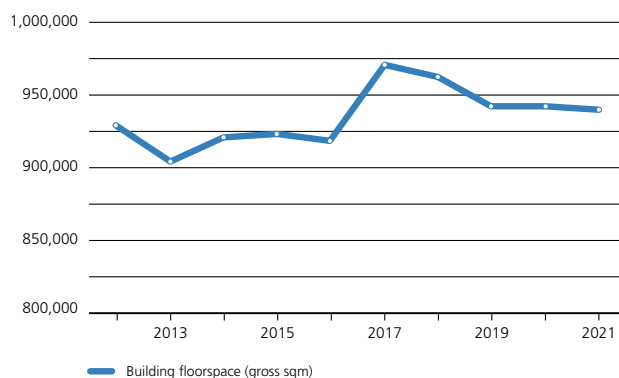
2: Student enrolment and graduates



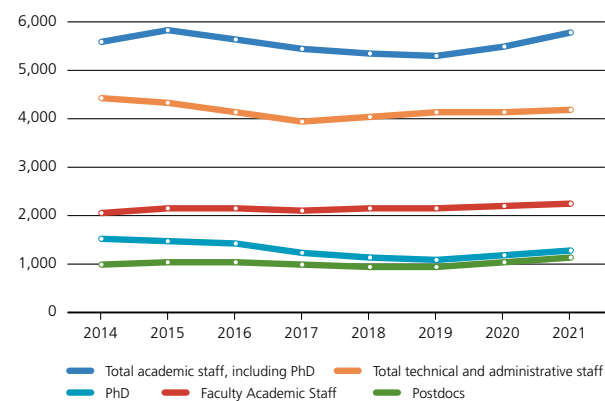
3: Revenue, current prices in DKK'm



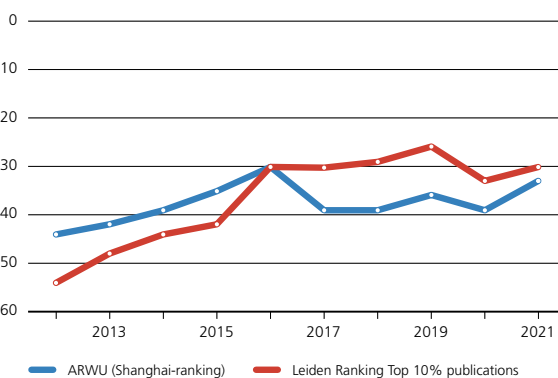
4: Building floorspace (gross sqm)



5: Development in full-time equivalents



6: KUHP rank in the world rankings



Sources: 1: ISI Web of Science; 2+3+4: University of Copenhagen Statistical Resources; 5: University of Copenhagen HR Business Intelligence (data only available from 2014). (Part-time) academic staff and (part-time) technical and administrative staff statements are identical to the statements in Financial highlights of UCPH; 6: Academic Ranking of World Universities (Shanghai) & Leiden Ranking. Historical figures in the Leiden Ranking do not change in connection with change of method, etc.

Management report 2021

“Long live research and public/private collaboration. Long live science.” The words are those of our Prime Minister and were uttered on New Year’s Day 2021 – only a few days after Denmark had started to vaccinate against COVID-19. In many ways, 2021 picked up where 2020 had left off – with a lockdown and a return to online and remote teaching, research, group work, management etc. for students, researchers and staff at UCPH.

Following the lockdown in the first quarter of the year, first and last-year students were allowed to return to campus in April, and in step with the rollout of the vaccination programme, more students and staff were allowed to come back in May. By the start of the new academic year in September, virtually all restrictions had been lifted, marking a return to normality for students and staff at the University. Due to rising infection rates in the autumn, the beginning of December saw the reintroduction of corona passports on campus.

The lockdowns had a negative impact on the well-being of both students and staff. In connection with the reopening of the University last spring, the focus was on catching up on the academic backlog, ensuring a good study start and boosting student well-being. In January, special funding was made available by UCPH to allow all faculties to appoint well-being counsellors, while funding was also earmarked for student-run social and academic activities. In 2022, the University of Copenhagen (UCPH) will continue to focus on the revival of the working and study environments.

In June, the Danish Parliament adopted a framework agreement on improved access to higher education in all regions of Denmark, backed by a broad majority of political parties. Under the agreement, the universities in the four largest cities must reduce their student intake by up to 10% between now and 2030, either through the regionalisation of student places, or by cutting the number of student places offered in the cities. In the opinion of UCPH, achieving the target through regionalisation was unrealistic, and in October the University therefore announced its intention to cut 1,500 student places between now and 2030, especially on humanities and natural science programmes. The proposed combined reduction by UCPH was submitted to Universities Denmark and the Ministry

of Higher Education and Science on 12 January 2022 together with proposals from the other Danish universities and university colleges. According to UCPH’s plan, admissions to the Bachelor’s and Master’s degree programmes will be reduced by 1,500 student places, primarily through the scaling-down of the student intake in Copenhagen, and secondarily through the regionalisation of student places. A sector plan has also been prepared under the auspices of Universities Denmark. The political parties are expected to finalise the agreement in February 2022. The political objectives will impact the continuous development of UCPH’s portfolio of degree programmes, and thus the ongoing efforts to adapt the University’s offerings to the needs of the labour market.

Despite the lockdowns, 2021 was also a year of progress for UCPH. UCPH retained its impressive international rankings and continues to collaborate actively with businesses, hospitals, government agencies, NGOs etc. to address both national and global issues. UCPH welcomed 7,051 new students on its Bachelor’s degree programmes, while 5,867 students completed their Master’s degree programmes at UCPH.

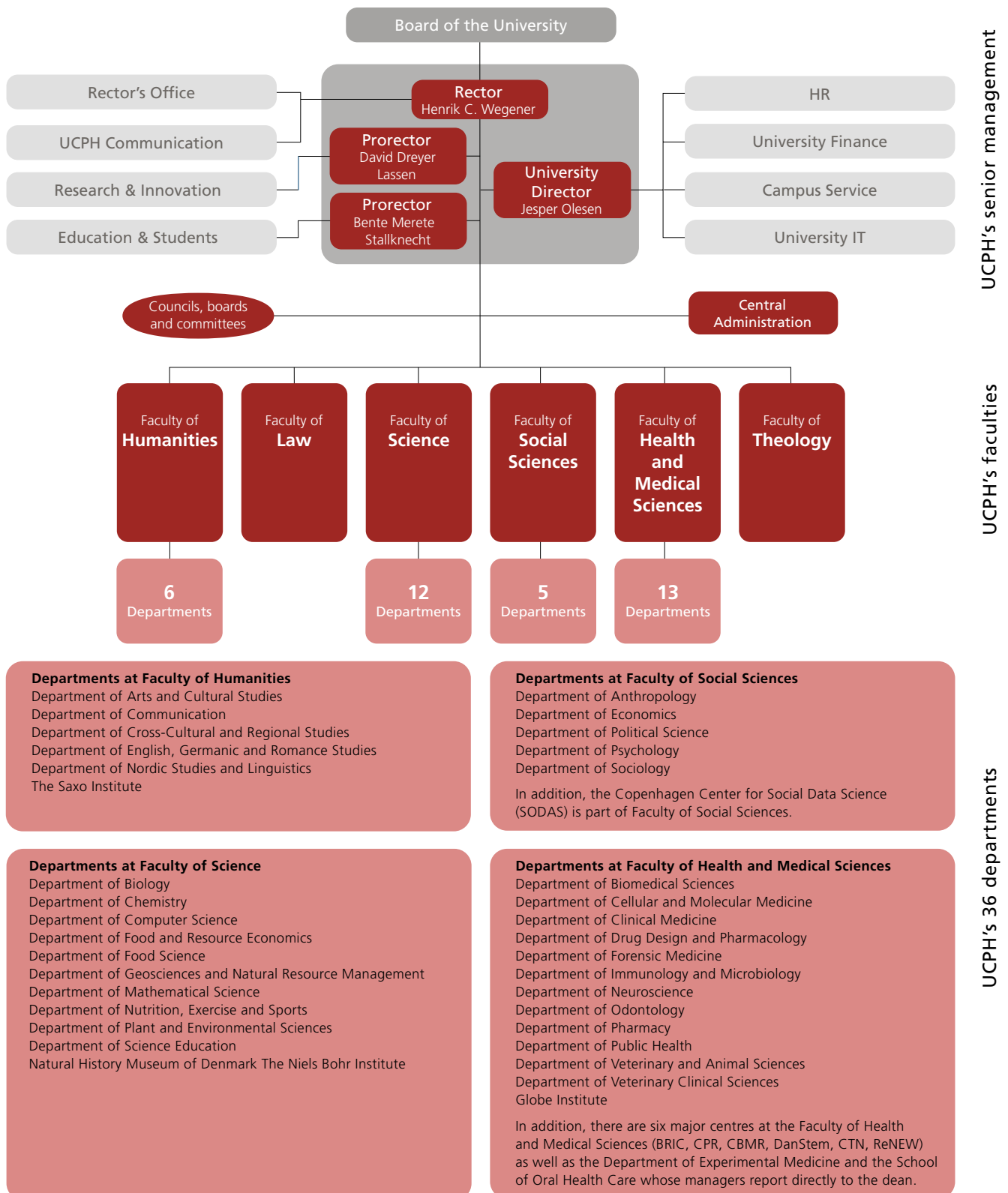
Financial framework

Revenues totalled DKK 9,387.0 million in 2021, up DKK 335.4 million compared to 2020 in current prices. The increase is primarily attributable to an increase in external research grants of DKK 232.1 million and an increase in overall government funding totalling DKK 53.7 million:

The increased government funding is primarily due to a positive change in the activity-related subsidies as a result of increased study activity levels in 2021 compared to the Budget 2021 forecast, and relative to 2020; on the other hand, in 2021 the lockdowns and the pandemic in general meant a lower degree of internationalisation in the form of inbound/outbound exchange students and part-time students.

Under the Supplementary Appropriations Act 2021 (TB21), UCPH received funding of DKK 12.6 million for well-being initiatives and academic activities in connection with COVID-19, DKK 4.5 million for practice-oriented teaching activities and DKK 2.5 million for the establishment and running of COVID-19 test facilities. Moreover,

The UCPH organisation as per 1 January 2022



at the end of the year, UCPH received funding of DKK 10.2 million for boosting German and French in higher education. These funds will be used by UCPH in 2022.

Research and talent

The UCPH research environments have been strongly focused on getting back to normal following the corona lockdowns and restrictions. The year 2021 also saw a strengthening of interest in solutions-oriented research. This is reflected, in particular, in the establishment of the Green Solutions Centre – an interdisciplinary initiative allowing UCPH researchers to work together to devise green solutions to the major challenges facing the world at present. Moreover, in 2022, UCPH will ensure that international research and innovation collaborations are more carefully balanced with increased awareness of the risks involved in such collaboration.

Research publications

UCPH's research publications can give an indication of both the quantity and quality of the research conducted at UCPH; also, the research publications are some of the most important elements in the overall picture of the diverse forms of knowledge dissemination to Danish and international society in which the University engages. According to the latest figures from the Web of Science (WoS) database, which compiles international research publications, 10,860 UCPH publications were registered in 2020. This represents an increase of 1.8% compared to 2019 (see also Figure 1). The increase in research publications has not detracted from quality. The number of publications from UCPH in the WoS database increased by 41% in the [2011-2020] period, while the number of UCPH publications included in the bibliometric research indicator (BFI) increased by 36.5% in the 2013-2020 period.

Rankings

In 2021, UCPH was the highest-ranking Danish university in the leading international rankings, and in several lists, UCPH was also the highest-ranking Nordic university and, in some cases, also in the top 10 in the EU.

Rankings

Every year, a number of annual global rankings are published in which universities are benchmarked against each other. UCPH focuses on four leading global rankings: ARWU (also known as Shanghai Ranking), CWTS Leiden, QS World University Ranking and Times Higher Education Ranking (THE).

The methodologies behind the rankings vary, depending on who compiles the lists. The results may therefore 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 citations
- Student/researcher ratio.

Methodologically, the ARWU and CWTS Leiden rankings have been the most stable for a number of years, and UCPH has really moved up these rankings in the past 5-10 years.

- In the ARWU/Shanghai Ranking, UCPH is no. 30 in the world and no. 6 in Europe. This is a minor improvement from no. 33 and no. 7, respectively.
- The CWTS Leiden Ranking ranks UCPH slightly higher this year (no. 33 globally and no. 5 in Europe compared to no. 39 and no. 6 last year), when measured by the number of publications in the top 10% of the most cited publications in the world.
- In the QS World University Ranking, UCPH is no. 79 in the world and no. 26 in Europe. This represents a slight decline compared to last year.
- The Times Higher Education Ranking (THE) ranks UCPH as no. 96 globally and no. 34 in Europe, which is a decline following a large jump the year before.

Attracting external funding

UCPH attracted funding of DKK 3,575.9 million in 2021 in competition with Danish and international universities and knowledge institutions, which is DKK 342.9 million or 8.7% less than in 2020. External research funding comes primarily from private Danish research foundations, which account for 55% of the funding, while research funding from public sources in Denmark accounts for 30%. Research funding from the EU was significantly less than in previous years. This is due to the rollout of the new

European Framework Programme for Research and Innovation, which has delayed the application process and the allocation of funding.

Innovation and entrepreneurship

New innovation centre on Nørre Campus (North Campus)

In the course of the year, a new innovation centre was established at UCPH, which brings together the many innovation and entrepreneurship activities being undertaken at the University. The new centre is based in the Green Lighthouse on North Campus. The purpose of the centre is to strengthen the University's innovation capacity, while serving as an attractive hub for students, teaching staff, researchers and external partners. The ambition is to create a Danish and international beacon of innovation which, through interdisciplinarity and collaboration with external stakeholders, can make the most of the knowledge created at UCPH to address societal challenges.

Students at UCPH put newest research to good use in society. Just over 20% of students write their thesis in collaboration with an external partner, e.g. a company or organisation, and just over 100 new startups are established each year – by students.

Commercialisation

The rate of commercialisation is accelerating at UCPH. A total of 27 licence agreements were concluded on the commercial use of technologies, including five agreements with new spin-outs. At the same time, 24 patent applications were submitted, and 65 inventions were registered. Finally, UCPH entered into 182 research collaboration agreements with private companies in 2021.

Research-based public-sector services

UCPH performed consultancy and public-sector services for the Ministry of Environment and the Ministry of Food, Agriculture and Fisheries under a framework contract totalling DKK 123 million in 2021. The Faculty of Science delivers services in forestry and agriculture as well as resource and socio-economics, and the Faculty of Health and Medical Sciences is responsible for the veterinary emergency response task. The Faculty of Health and Medical Sciences delivers the services in collaboration with Statens Serum Institut under the auspices of the joint Dan-

ish Veterinary Consortium (DK-VET). The manual for quality assurance of research-based consultancy developed jointly by the Faculty of Science and the Faculty of Health and Medical Sciences in 2018 has now been implemented by all departments at the Faculty of Science and at a number of departments at the Faculty of Health and Medical Sciences.

The Centre for Military Studies at the Faculty of Social Sciences still delivers services to the Danish Ministry of

Strategic initiative:

Academic staff career development programme

The academic staff career development programme was concluded in 2021. The aim was to support an attractive and transparent promotion programme for academic staff at UCPH. The programme focused, among other things, on developing a set of criteria for recognising merit, and the initial feedback from 2021 indicates that the criteria result in more uniform and comparable assessments as well as better performance and development dialogues. In addition, the programme included career guidance initiatives for young researchers as well as projects targeted at the recognition of teaching excellence, equal opportunities and the establishment of a programme for promotion to professor. The job structure makes it possible for UCPH to offer a promotion programme for particularly talented associate professors, and the promotion programme was approved in 2021 for implementation in 2022. From 1 February 2022, it is thus possible to advertise associate professor positions offering the possibility of entering the programme; also, it will be possible for existing associated professors to apply to enter the programme, which runs over a number of years. As regards the other academic staff career development projects, the individual career guidance and career planning workshops have been welcomed by PhD students and postdocs at UCPH and also by departments and faculties, and the initiatives will carry on in 2022 and 2023. An interdisciplinary working group will continue to support quality of education through pedagogical skills development, and the academic staff equality opportunities project, which has offered equality and unconscious bias training for managers and staff, has inspired new efforts in the form of action plans and activities among participants. Their efforts have also contributed valuable input to the University's Gender Equality Plan.

Did you know? That COVID-19 has changed Danes' reading habits. During the corona crisis, many readers have found comfort in literature. More pages have been turned, and more audiobooks switched on – and readers have displayed a preference for reading about the connection between the past and the present and for literature exploring the connection between the wider world and what is close and local. These are some of the findings of the Lockdown Reading research project from the Faculty of Humanities.

Defence, while the Faculty of Law contributes expertise in international law. More-over, the Department of Forensic Medicine provides forensic medicine services to the police, the judiciary and other authorities in Denmark and Greenland and on the Faroe Islands.

Recruitment and careers

In the 2015-2021 period, a total of 438 heads of research completed the Leading Research course, which focuses on leadership and the management of research in practice, not least the role and responsibilities of the managers and co-managers of research projects.

Education

UCPH welcomed 7,051 students to its Bachelor's degree programmes (see Figure 1), while 6,095 were admitted to Master's degree programmes in 2021. The Bachelor's degree intake was down almost 1.3% compared to the year before, while the Master's degree intake increased by 4.1%.

The political agreement on extra places of study in higher education in 2020 was not continued in 2021, which is the primary reason for the decline in admissions to the Bachelor's degree programmes. On the other hand, the Master's degree intake was at its highest level since 2017, which is mainly due to an 11% increase in the intake at the Faculty of Science. This is ascribable to an increasing Bachelor's degree intake in recent years as well as an increase in the share of the Faculty of Science's own Bachelor's degree graduates pursuing a Master's degree.

Study activity levels were not negatively affected by the pandemic in 2021. In 2021, UCPH realised 28,303 student full-time equivalents (FTEs) against 27,392 the previous year, representing a 3.3% increase. In 2020, full-time Bachelor's degree students earned an average of 48.2 ECTS credits compared to 48.8 in 2021. This equates to a 1.2% increase in ECTS credits earned. For Master's degree students, the average number of ECTS credits earned increased by an impressive 7% – from 46.7 in 2020 to 50.0 in 2021. The number of graduates increased by 17% from 4,994 in 2020 to 5,867 in 2021, now exceeding 2019 levels. The dive in 2020 is probably ascribable to the pandemic and the uncertain job situation.

New degree programmes and discontinued degree programmes

Two new degree programmes have been pre-qualified: a Bachelor's degree programme in Cognitive and Data Science, and a Master's degree programme in Personalised Medicine. The latter was offered for the first time in September 2021.

UCPH has merged the Master's degree programmes in Japan Studies and China Studies into a Master's degree programme in Asian Studies, within which it is possible to specialise in Japanese Studies, China Studies, Korean Studies, and Modern India and South Asian Studies. The aim is to create a more robust research and educational environment.

Finally, UCPH has discontinued the Master's degree programme in Cross Media Communication and the Bachelor's and Master's degree programmes in Portuguese and Brazilian Studies.

Well-being after lockdowns

On 4 June 2021, a summer and business package was adopted by the Danish Parliament earmarking DKK 23 million for the social revival of the study environments in higher education. UCPH received a subsidy of DKK 3 million, which has been distributed among voluntary student-run associations and the faculties in accordance with student population. Following the adoption of an agreement on the restart of the good student life on 17 June 2021,

Strategic initiative:

Practice-integrating teaching activities

In September 2021, the interdisciplinary 2023 project on practice-integrating teaching activities was launched. The aim is to provide students with opportunities to test their academic skills in practice as an integrated part of their degree programme. Through a stronger affiliation between teaching and practice, UCPH aims to offer instruction that is inspiring and practice-based, and which can help students achieve greater clarity about the skills and competences they will need in their future jobs. This will smooth the graduates' transition to the labour market. The project will also build experience-based knowledge about degree programme management. A number of pilot projects will be carried out in 2022 and 2023 for degree programmes that have little experience of integrating practice in the teaching...

Did you know? That researchers from UCPH have developed a new, sublime algorithm that could significantly reduce the resource consumption of the world's computer servers – one of the biggest climate culprits. The algorithm is a scalable solution designed to keep up with the world's burgeoning internet usage.

UCPH received a subsidy of DKK 13 million, of which DKK 9 million has been allocated to the faculties' well-being initiatives, while the remaining DKK 4 million has been invested in organising workshops for teaching staff on how to resume their teaching activities and in events organised by Studenterhuset.

Strategic initiative:

Joint bridge-building efforts to upper-secondary schools

Upper-secondary school students constitute the recruitment basis for UCPH, and the University therefore wants to increase its collaboration with the upper-secondary schools in Denmark. It is also relevant to inspire academic curiosity, align expectations for the transition from upper-secondary school to university and identify possible specialisations for prospective students. At the same time, it must be easy, simple and attractive for students to tailor their studies to a specialisation as an upper-secondary-school teacher. Finally, at the end of their studies, it is relevant for upper-secondary-school teachers to be able to seek knowledge and inspiration and continuously develop within their fields of specialisation. UCPH will contribute to ensuring this through dialogue with the upper-secondary schools, among other things on the development of digital tools to support the choice of degree programmes by prospective students, through supporting professional exchanges between teaching staff at UCPH and teachers in upper-secondary school, through breaking down barriers to inter-faculty teacher profiles and by establishing more practice-oriented courses.

Continuing and further education

In 2021, the faculties continued their efforts to strengthen the University's further and continuing education activities, especially the offering of short courses tailored to the needs of specific businesses without ECTS credits. During the lockdowns, important knowledge has been gained about online and blended learning formats. In 2022, an analysis will be carried out of the potential of the University's continuing and further education activities. A joint needs analysis carried out under the auspices of the 4EU+ European University Alliance has contributed to identifying the needs for new knowledge of highly qualified graduates. The six European partners are currently implementing a joint pilot project aimed at developing joint continuing and further education offerings.

Collaboration and societal commitment

Sustainability at UCPH

UCPH is determined to contribute to Denmark's 70% emissions reduction target in 2030. The University will do so by incorporating green elements in the education and research, and by optimising and increasing the efficiency of the building operations. Many of the University's researchers have been researching the green agenda at the highest level for decades, and UCPH graduates possess the expertise and skills needed to enter the labour market and make a difference to the green transition from day one. In summer 2020, UCPH formulated a vision for sustainable development; the vision serves as a guiding principle that strengthens and supports staff and students.

In the field of research, UCPH's research is leading within many academic disciplines of relevance to the green transition. One example is a groundbreaking green technology that in just a few minutes can transform seawater into drinking water with the help of CO₂. The technology was invented by chemists from the University of Copenhagen.

As a supplement to the continued and consistent efforts of the educational and research environments, the Rectorate has taken several initiatives. In the field of education, funding has been allocated to academic environments that would like to prioritise climate and sustainability in their course offerings. To support the concrete research missions identified by the EU and the Danish government, UCPH has established a 'Green Solutions Centre', which is a multidisciplinary research network. The research network is also intended to support a stronger focus on long-term basic research.

Since 2008, UCPH has reduced its CO₂ emissions from energy and transport by more than 70% per FTE. At the end of 2020, the Board adopted 'Knowledge and responsibility – Sustainable institution 2030', which sets out ambitious goals for the University's own sustainable transition (see <https://sustainability2030.ku.dk>). UCPH will focus on documenting and demonstrating an ambitious reduction of its climate and resource footprint, but also acknowledges that the path to achieving this will need to be developed and adjusted between now and 2030. Within

Did you know? That the Novo Nordisk Foundation has awarded up to DKK 2.2 billion for a new international research centre for stem cell research.

Stem cell research paves the way for developing methods for growing cells from most human organs in the laboratory, and for repairing damaged tissue either by activating stem cells in the body or by transplanting cultured cells.

Stem cell medicine therefore offers hope of new treatments for previously incurable diseases. This is the goal of the new Novo Nordisk Foundation Center for Stem Cell Medicine (reNEW).

The centre is a partnership between the University of Copenhagen, Murdoch Children's Research Institute in Australia and Leiden University Medical Center in the Netherlands.

the framework of UCPH's Strategy 2023, a comprehensive plan for the University's sustainable transition was developed and launched in 2021. According to the plan, the faculties and departments must effectively support the sustainable transition.

The main initiatives comprise waste sorting at source throughout UCPH, sustainable procurement, sustainable buildings and maintenance, as well as reducing the climate footprint from transport with a special focus on air travel. Reducing the climate footprint and increased environmental sustainability must be factored into all important and relevant strategies and efforts at UCPH, and this is a focus area in the campus plan, procurement project and other administrative areas.

Internationalisation at UCPH

International student exchanges have been severely affected by travel restrictions and lockdowns due to COVID-19. However, with increasing immunity levels in Europe and globally, student exchange activities are returning to pre-pandemic levels. UCPH has a particular focus on staff and student mobility in the 4EU+ Alliance, and on new forms of blended learning and virtual mobility. Under the auspices of the 4EU+ Alliance, close collaboration ensures good and seamless processes that support a high degree of mobility and joint offerings, providing students and staff with the opportunity to acquire knowledge and competences across the universities. Flexible user travel arrangements and different forms of mobility and durations of stay also support the University's ambition of making international degree programmes accessible to all students. At the same time, UCPH is working on initiatives such as sustainable mobility – including 'greener travel' – and with the well-being of our international students as part of the other well-being initiatives.

The pandemic had less of an impact on the influx of international full-degree students. UCPH has still admitted approx. 1,000 students with an increase in non-EEA citizens. Moreover, UCPH participates in the national Talent-DK initiative, and internally, the University is working on initiatives to strengthen knowledge of the Danish labour market among the international students with a view to easing their transition to jobs in Denmark.

International collaboration

UCPH will continue to create new opportunities for collaboration and networking for the University's students and researchers through the 4EU+ Alliance. Spring 2021 saw the launch of a number of new educational projects.

UCPH participates in 29 out of the Alliance's 52 educational projects, ranging from summer schools to case challenges and the development of full Master's degree programmes. January saw the kickoff of SwafS, a Horizon 2020 programme which aims to strengthen the support of research and innovation among alliance members. Experience from this project will provide the basis for making recommendations for the EU's future research and funding policies. Moreover, UCPH is also a member of bilateral strategic partnerships with the University of Sydney and the University of Edinburgh. Finally, UCPH remained committed to its European and global alliances, both in LERU and IARU.

One unified and focused university

Changes in management

New internal and external members were appointed to the UCPH Board in 2021. In July, Eske Willerslev, professor of evolutionary biology at the Globe Institute, stepped down

and was replaced by Pia Quist, professor of linguistics at the Department of Nordic Studies and Linguistics. In October 2020, Carsten Krogh Gomard (professional board member) stepped down; he was replaced in January 2021 by Lars Rasmussen (professional board member). In January 2021, David Dreyer Lassen, professor of economics, joined the Rectorate as Prorector for Research.

New budget model and overheads in connection with external funding

In 2021, UCPH continued the implementation of the new budget model adopted by the University in 2019. The purpose of the budget model is to create a more stable budgetary framework and longer planning horizons locally, while ensuring more flexible financial management. In the model, budgeting is based on cohesive framework management with a focus on the overall finances, financial sustainability and the covering of costs. In 2019, focus was on more closely aligning the University's finances and strategy, while in 2020 and 2021 the focus shifted to broadening the budget dialogue to all organisational levels. An important objective of the new budget model is for UCPH to be able to better cover the full costs of research projects. UCPH has prepared principles for full cost budgeting, clarified the technical specifications and procured the necessary tools, and by 2021 all faculties had transitioned to using the same funding application system (NIMBUS).

Moreover, a model has been prepared for calculating the overheads associated with research activities. In connection with the implementation of the model, in early 2021 the University's auditors prepared a statement on UCPH's calculation of overheads based on accounting data for 2019. The statement was prepared for use by the University of Copenhagen and potential donors and granting bodies, and the statement did not give rise to reservations. In 2021, UCPH continued to apply the principles on which the first statement was based. The statement shows that UCPH co-finances DKK 73 for every DKK 100 received in external research funding. This provides a solid basis for raising awareness of the costs and for the dialogue with external donors and granting bodies on the need for them to contribute to covering the actual costs of the research projects.

Recruitment policy and involvement

In the first half of 2021, the Board appointed a working group to work on a revision of the Recruitment policy for managers, which will establish a framework for recruitment to senior management positions at UCPH. The working group is expected to deliver its proposal at the end of 2022. The Board has highlighted, in particular, the need to clarify requirements and expectations as regards the competences of candidates as well as the management's duty to ensure co-determination and involvement, thereby ensuring that UCPH can continue to recruit managers with the necessary academic and managerial credentials. The approval of the revision now awaits a more analytical review of the attractiveness of the management positions covered, including in particular head of department positions. The review was initiated in November 2021. UCPH will continue to work on processes to support co-determination and involvement throughout the University in 2022.

Information and IT security

As UCPH is among the best universities in Europe and has some of the best researchers, information and IT security is an important focus area for UCPH. In 2021, a number of information and IT security initiatives were implemented to raise security levels at UCPH. For example, new policies and guidelines were prepared on the storage of research data and the monitoring of emails and IT systems. Efforts are also going into upgrading staff knowledge in the fields of GDPR, information and IT security etc. so as to counteract cybercrime, which is on the increase. In addition to preventive initiatives, plans have been drawn up to withstand cyberattacks, and cooperation agreements have been established to ensure that UCPH has access to the necessary timely assistance in the event of an attack. Finally, the Danish National Audit Office (Rigsrevisionen) visited UCPH in 2021 as a follow-up on the 2018 report. The results are expected to be ready at the beginning of 2022.

Data protection

The Schrems II ruling has entailed stricter rules for the transfer of personal data to the USA and other non-EU/EEA countries. Three decisions by the European Commission and the European Data Protection Council have created greater certainty about the rules applying to the transfer of personal data. Through Universities Denmark, UCPH asked the Danish Data Protection Agency for permission

to transfer pseudonymised personal data to countries outside the EU/EEA, which was granted. UCPH has set up a working group charged with identifying all agreements on the transfer of personal data to non-EU/EEA countries and renegotiating or terminating any agreements that do not comply with the rules. The Danish Data Protection Agency's response to questions to research institutions in connection with the national evaluation of GDPR indicates that the University's practices are correct. Finally, it should be mentioned that no complaints were submitted for consideration by the Danish Data Protection Agency in 2021. Approx. 50 breaches of personal data security have been registered, half of which have been submitted to the Danish Data Protection Agency. None of these cases have given rise to criticism by the Danish Data Protection Agency.

Staff policies

In spring 2021, UCPH appointed a working group charged with developing a Gender Equality Plan. The plan is to define a framework for diversity and inclusion at the University to meet the new criteria set out in the Horizon Europe programme. In 2021, membership of the LGBTQIA+ staff network topped 100 members, including both academic and technical/administrative staff. For last autumn's DHL relay running event, UCPH's commitment to promoting diversity was marked with rainbow-coloured merchandise, and UCPH flew the Pride flag on all campuses throughout the whole of the Pride week.

During the corona lockdowns, UCPH paid close attention to the well-being of staff and their physical working environment – not just for staff working from home, but also for the relatively large group of employees who carried on working on campus. In the run-up to the reopening in August 2021, focus was on ensuring the successful return to the campuses for everybody. For this purpose, a list of general staff policy and working environment issues and concerns was drawn up to support the dialogue between staff and their managers. At the same time, a dialogue has been initiated about UCPH as a flexible workplace.

In 2021, UCPH remained committed to preventing and dealing with offensive behaviour. A number of workshops were held to support local dialogues about workplace culture, sexism etc., and materials were also prepared. UCPH will be conducting a workplace assessment (WPA) in 2022,

and questions about offensive behaviour will be included to paint a more real picture of the nature and scope of such behaviour. Moreover, UCPH has adopted and implemented a whistleblower scheme, which came into force in December 2021.

Physical facilities

In the coming years, the University's finances will come under pressure due to increasing building costs. This is partly due to increasing maintenance costs as well as the inauguration of new buildings, which have become significantly more expensive than originally assumed. In order to mitigate the most drastic consequences for education and research, in the coming years UCPH will seek to reduce its area use through the optimised use of the available space across departments, faculties and campuses.

Internal state arbitration cases

In 2018, UCPH filed three internal state arbitration cases against the Danish Building and Property Agency. The purpose was to obtain a legal assessment of the terms of UCPH's lease agreements and to have responsibility assigned for a number of problematic construction projects marked by very considerable delays and budget overruns. The Danish Building and Property Agency instituted proceedings against UCPH because the University refused to pay increased rent for the defective Pharma Science Building. The Pharma Science Building case was decided in 2020, and the arbitration tribunal found that UCPH had failed to prove that the Danish Building and Property Agency had acted in a tortious manner.

The question concerning the presuppositions introduced by the state-owned property (SEA) scheme was considered in November 2021. In a ruling delivered on 13 January 2022, UCPH's claim for a rent reduction was dismissed with reference to there being no grounds for changing the underlying presuppositions, including the required returns stipulated by the Danish Parliament as underlying the calculation of the rent payable by UCPH. The main negotiations in the arbitration proceedings concerning the Niels Bohr Building and the Maersk Tower are not expected to take place until 2023.

Master plan and campus plans

UCPH's master plan from 2020 sets out the objectives and principles for the optimum use of the University's facilities. The goal is for campus and building costs to equate to a maximum of 20% of UCPH's total revenues in 2030. The campus plans are thus intended to ensure that the University's core activities are affected as little as possible by the rising building costs. At the same time, the goal is to contribute to meeting the University's sustainability goals for 2030. Through a qualified process, campus plans will be drawn up for the four urban campuses. The campus plans are to promote a development of buildings and campuses that is centred on maintaining and developing world-class research, education, innovation and communication environments.

Work on the campus plan for South Campus kicked off in June, followed by the plan for Frederiksberg Campus in December. Each campus plan is developed as a project headed by a local steering committee, chaired by the dean of the campus area in question. The campus plans are being developed in accordance with a university-wide concept involving both staff and students.

Systematic and data-driven campus services at UCPH

UCPH's joint digital facility management (FM) system supports the University's day-to-day operations. The digital infrastructure helps to ensure that any problems encountered by users are solved quickly and efficiently by the University's campus service departments. Campus Service and the local campus service organisations handled a very large number of user error reports in 2021.

Joint test centres

In connection with the COVID-19 pandemic, UCPH was tasked with establishing and running five test centres on the University's campuses, which required rapid and efficient coordination across the entire University. The initiative helped create a sense of security for all students, staff and guests.

Status of major building projects

Status of the Niels Bohr Building (including occupation and arbitration case)

The arbitration proceedings concerning the considerable budget overruns and delays that have affected the Niels Bohr Building and the Maersk Tower projects are still pending.

Under the University's conditional lease with the Danish Building and Property Agency, the Niels Bohr Building was to be handed over to UCPH in May 2017. Unfortunately, the construction work has not yet been completed: By the end of 2021, the project work had been delayed by almost five years, and a number of agreed tests of the complicated technical systems to control building functionality and security still remain to be carried out. In 2021, the takeover date was postponed by the Danish Road Directorate more than once. The status at the beginning of 2022 is that the directorate expects to be able to hand over the building to UCPH in July 2022. UCPH objected and does not expect to be able to take over and start using the building until the second half of 2022 at the earliest. The delays are causing major financial and practical challenges for the University's students and staff. The construction budget has been exceeded by up to DKK 3 billion. In November 2021, the Danish Road Directorate estimated a total cost of DKK 4.6 billion.

In order to keep costs down for the state, UCPH has temporarily rented a small number of areas for teaching purposes in building section 2, but UCPH has not taken over the running of any parts of the building complex. In the course of 2021, UCPH began building a project organisation to be charged with preparing, managing and implementing the University's takeover and move to the Niels Bohr Building.

Status of Natural History Museum of Denmark

The construction of the new Natural History Museum of Denmark is so far proceeding as planned. The project covers a total of approx. 30,000 square metres. Construction is expected to be completed at the end of 2023, and the museum is expected to open to the public in 2024. A number of foundations and the Danish state have made generous donations to the construction project and exhibitions.

Financial review

Results 2021

UCPH posted a profit for 2021 of DKK 326.9 million after financial items against a profit of DKK 228.7 million for 2020 and a budgeted loss for 2021 of DKK 112.1 million. The improved results are ascribable primarily to an increase in education revenues due to higher-than-expected levels of study activity. In addition, a number of supplementary grants were received to boost German and French

in higher education as well as well-being initiatives and academic activities in the wake of COVID-19. Other income items were also higher than expected, among other things due to energy tax refunds.

Operating costs for 2021 were again impacted by the COVID-19 pandemic and the lockdowns in 2021, resulting in a decline in activity levels, which is reflected in considerably reduced expenses for travel, entertainment and other activities that were either cancelled or postponed. In addition, the delayed handover and commissioning of the Niels Bohr Building resulted in significantly lower operating costs than expected in the budget for 2021. Finally, depreciation and amortisation are lower than budgeted due to the delayed takeover of new buildings. Financial income is significantly higher than expected due to the positive development in equity markets in 2021.

In 2021, UCPH's total revenues amounted to DKK 9,387.0 million, which represents an increase of DKK 335.4 million (current prices) compared to 2020, exclusive of financial income.

Total education revenues were up DKK 48.7 million at DKK 2,123.5 million, primarily as a result of increased study activity levels and a supplementary grant to boost German and French in higher education.

The basic subsidy increased by DKK 15.4 million to DKK 305.0 million, among other things due to a number of corona-related supplementary grants, including extra funding for student well-being initiatives.

External revenues increased by DKK 232.1 million to DKK 3,519.6 million. However, the increase is lower than expected, as the COVID-19 situation again resulted in the postponement of research activities as trips etc. could not be undertaken as planned.

Other revenues rose by DKK 42.1 million to DKK 335.9 million due, among other things, to increased energy tax refunds.

UCPH's ordinary operating costs amounted to DKK 9,121.5 million in 2021, representing an increase of DKK 276.6 million compared to 2020, exclusive of financial expenses.

Payroll spending increased by DKK 188.3 million to DKK 5,620.7 million (current prices). Most of the increase is attributable to increases in academic staff salaries and increasing growth in grant-funded research activities as well as general salary increases negotiated under the collective agreement OK21. Technical and administrative staff salaries also increased, primarily due to the collective agreement OK21.

Other operating costs increased by DKK 24.6 million to DKK 1,617.7 million, primarily due to an increase in operating costs for grant-funded activities.

Building costs rose by DKK 44.5 million to DKK 1,725.1 million as a result of increased rent, energy, repair, maintenance costs and the purchase of services.

Depreciation and amortisation increased by DKK 19.3 million to DKK 158.1 million.

Financial income totalled DKK 61.4 million in 2021, representing an increase of DKK 39.5 million compared to 2020. The increase is due to a strong 2021 characterised by strong increases in the global equity markets despite COVID-19. The high positive returns on equities partly offset a loss on the bond portfolio.

The COVID-19 pandemic had a dampening effect on activity levels in 2021, as was also the case in 2020. Seen in this light, the results for 2021 are considered to be satisfactory.

Financial outlook

UCPH's total budget is expected to top DKK 9.6 billion in 2022, and the outlook is for a loss of DKK 276.4 million for 2022. Losses are also expected for the 2023-2025 period. The budgeted losses for 2022 onwards are ascribable, among other things, to increasing building costs in the coming years in the form of increasing rent, campus service and maintenance costs. Up until mid-2025, the increased building costs will be financed by previous years savings on building costs. From 2022 up to and including 2025, cutbacks are planned at the faculties in order to align with strategic priorities and cover non-recurring costs in connection with the fixtures, fittings and commissioning of buildings.

On 6 December 2021, a broad political majority adopted the Finance Act for 2022. It did not contain any major surprises in relation to UCPH's budget for 2022. Nor did it provide clarity about the budgetary implications of the agreement on improved access to higher education in all regions of Denmark concluded on 25 June 2021 or the continuation of the approx. DKK 70 million annual Rate-1 taximeter increase for primarily humanities and social science programmes. However, with the political agreement of 22 January 2022, a new reform package for the Danish economy confirmed the continuation of the Rate-1 taximeter increase.

The Finance Act reflects the government's desire for the public research budgets to constitute a minimum of 1.0% of GDP. The Finance Act provides budget security in the three-year perspective for research funding, as funding from the readjustment reserve and the research reserve has been allocated up to and including 2024. In addition, UCPH expects to receive a share of as yet unallocated funds for 2025. Consequently, research funding in the amount of DKK 200 million has tentatively been assumed in UCPH's budget for 2025.

UCPH's budget for 2022 does not take account of the agreement on improved access to higher education in all regions of Denmark concluded on 25 June 2021. On 12 January 2022, UCPH submitted a complete plan for reduced admissions to Bachelor's and Master's degree programmes equating to approx. 1,500 student places, primarily through the scaling-down of admissions in Copenhagen, but also through the relocation of student places in the 2023-2030 period, see the Danish government's regionalisation plan.

Education revenues depend on final student FTE production, and revenues are therefore always associated with some uncertainty, also because education revenues are greatly impacted by external initiatives. The student FTE projections are generally reasonably reliable in the short term, but less useful in years with considerable fluctuations. For example, it was impossible to predict the positive effect of the coronavirus crisis on study activity levels in 2020 and 2021, which goes some way towards explaining the deviations compared to the budget. The same was the case in 2016 due to the Study Progress Reform. The corona cri-

sis has boosted student FTE production in the short term, but it is highly uncertain what the long-term effects will be. In addition, the agreement on improved access to higher education in all regions of Denmark must be expected to reduce education revenues in the long term, although it is hard to predict exactly by how much as the reductions will lead to stricter admission requirements and consequently lower drop-out rates.

External revenues are expected to continue to increase – by DKK 240 million from 2021 to 2025 (just under 7%). The increase will primarily come from an expected increase in grant-funded research activities, based on the expectation that especially private foundations will continue to increase their funding allocations. In addition, UCPH's efforts to ensure greater visibility and increased external coverage of overheads will hopefully also increase revenues in the coming years.

UCPH's overall financial framework is challenged, primarily by the impact of the construction budget overruns on future rent levels.

Efforts are therefore being devoted to finding good solutions to reducing the costs in the buildings sector in general – solutions based on plans to optimise UCPH's area use and other efficiency enhancements. The idea is to focus at all times on ensuring the best possible basis for delivering the University's core services: research and education.

It remains imperative for the University to invest in and innovate its organisation, IT and buildings, and it is equally important for UCPH to retain the autonomy needed to assess the priorities of the proposed investments for the benefit of its core tasks: world-class education and research

Financial risks

As mentioned above, the political agreement on improved access to higher education in all regions of Denmark gives rise to some uncertainty and entails a risk of a possible loss of education revenues in the amount of DKK 130-200 million for the period up until 2030. However, the loss of revenues will depend largely on the results of the political negotiations expected to be concluded in spring 2022. The financial consequences can then be estimated more precisely. Some uncertainty also surrounds the recalculation of the

base subsidy from 2023 onwards, as it is unclear to what extent the reductions in enrolment will affect the subsidy. At the same time, the basic research subsidy is also subject to uncertainty as the Finance Act for 2022 only allocates research reserve funding up until 2024. UCPH still expects the funding to be continued in next year's Finance Act. At present, the consequences and risks for UCPH in the short term are believed to be insignificant as budgetary certainty is ensured for three years. In the field of research, uncertainty is associated with UCPH's ability to attract external funding for its grant-funded research activities. In recent years, UCPH has attracted external funding at a satisfactory level, and the same trend is expected in the 2022-2025 budget years.

On the cost side, payroll spending is relatively stable, and is not deemed to be associated with substantial risks. The financial uncertainties that UCPH is facing on the cost side in the coming years relate primarily to rent levels in UCPH's new buildings, but risks are also associated with other operations, primarily structural increases in the area of IT. These are expected investments due to the continually increasing demand for IT server capacity, networks, storage and support.

As mentioned above, the greatest cost-related risks relate to UCPH's construction projects. With reference to announcements from the Danish Road Directorate, as owner-developer of the Niels Bohr Building project, the budget for 2022 presented by UCPH is based on the assumed takeover date of 1 July 2022. However, the takeover date announced is believed to be associated with considerable uncertainty, resulting in related budgetary uncertainty. In addition, the budget factors in technical corrections/structural deficits of DKK 75 million in 2022, rising to DKK 180 million in 2025, with DKK 135 million being ascribable to the UCPH buildings sector in 2025. The structural adjustments are based on the assumption that costs will be adapted accordingly. In addition, some uncertainty still surrounds the level of rent to be paid by UCPH in the future; in early 2022, UCPH lost the second out of four arbitration cases against the Danish Building and Property Agency.

If UCPH does not act in accordance with the above plans and does not find good ways of cutting buildings sector

costs in general (master plan for campuses and buildings), realising the plans to optimise UCPH's area use and other efficiency enhancement measures, the increased costs may result in annual increases in building costs over and above the ones factored into the budget.

Equity

UCPH's equity consists of a technical part and a flexible part. The technical equity consists of an accounting portion covering accounting items and including debt instruments on buildings and the initial capital from when UCPH became a self-governing institution in 2005. The flexible part consists of profit/loss carried forward from previous financial years. Internally, UCPH's management needs to be able to use equity as a management tool that makes the University less vulnerable in times of significant changes in revenues and costs, such as major future investments when moving into new buildings. Therefore, the management has defined a 7.5% flexible equity target as being an appropriate long-term target.

UCPH's total equity was DKK 3,072.6 million at year-end 2021, up DKK 359.7 million compared to 2020. The increase is explained by the profit of DKK 326.9 million for 2021 as well as an amount of DKK 32.8 million relating to a debt instrument in respect of Karen Blixen's Square on South Campus.

At year-end 2021, technical equity amounted to DKK 1,003.6 million, which is an increase of DKK 32.8 million since 2020 (debt instrument Karen Blixen's Square). At year-end 2021, flexible equity amounted to DKK 2,069.0 million, equal to 22% of revenues. This represents an increase of DKK 326.9 million relative to 2020 as a result of the profit for the year. In 2021, a large scale and inclusive analysis of the University's savings was conducted with a view to raising awareness of deviations between budget and realised figures, while creating transparency about savings at all levels of the organisation. UCPH's equity, in the form of savings both centrally and at faculty level, can act as a financial buffer that will ensure a longer approach and softer landing when it comes to meeting both the faculty-related challenges and the building-related challenges that UCPH will be facing in the coming years.

Reporting

Reporting on the strategic framework contract

Overall evaluation

In 2018, the University of Copenhagen entered into a four-year strategic framework contract with the Danish Ministry of Higher Education and Science. The strategic framework contract period thus ends in 2022, and a final assessment of the eight strategic goals will therefore be made this year. The purpose of the final assessment of goal attainment for the contract period is to document the efforts that have gone into fulfilling the goals and to provide an adequate basis for the Ministry's overall assessment of the University's fulfilment of the contract.

The conclusion of the strategic framework contract coincided with the development of the University's own new strategy, and the implementation of the strategy has therefore taken place in tandem with the realisation of the strategic action plans and the University's positive dialogue with the Danish Ministry of Higher Education and Science during the contract period.

Overall, the University is of the opinion that the strategic framework contract has been fulfilled. The conclusions from the University's assessment of the fulfilment of the individual strategic goals are set out below.

The eight strategic goals:

Goal 1

UCPH's research environments must be internationally leading through the attraction, retention and development of talent

The activities aimed at meeting this goal were ambitious, and progress has been very satisfactory.

At the beginning of the period, the University launched several ambitious new initiatives to strengthen the research environments. Through a strong strategic focus on creating attractive frameworks for attracting and developing academic talents at UCPH, good progress was made. Lately, UCPH has also communicated the University's contributions to solving global problems as well as the development

of Danish society – with special focus on the extraordinary circumstances associated with COVID-19 this year.

Goal 2

UCPH wants to conduct research at the highest international level

The activities aimed at meeting this goal were ambitious, and progress has been satisfactory.

UCPH started out from a high level. The strategic efforts during the period have therefore aimed at maintaining the University's position, while at the same time addressing any weaknesses, for example to ensure a better gender balance and greater interdisciplinarity. Development prospects are not the same for all UCPH units, but follow-up is systematic and thorough. Given the University's strong research environments, it is excellently positioned to attract external funding, from both private foundations and the EU.

Goal 3

The ties between research and education at UCPH must be further strengthened

The activities aimed at meeting this goal were ambitious, and progress has been satisfactory.

At the beginning of the period, UCPH was undergoing a reaccreditation process ahead of a consolidation of the quality assurance system concurrently with the implementation of new strategic projects. Despite the difficult teaching conditions during the lockdowns, activity levels were maintained. Experiments and activities that had been planned under normal circumstances were reorganised, postponed or converted to virtual formats. The planned milestones were met, and a strong foundation has been created for developing the degree programmes in the future.

Goal 4

UCPH students must achieve a high and digitally updated learning outcome

The activities aimed at meeting this goal were ambitious, and progress has been satisfactory.

During the period, UCPH has maintained a high level of study intensity and met its own guidelines for the number of lessons to be offered on the Bachelor's and Master's

degree programmes. The efforts to digitalise degree programme content and strengthen the digital skills of both lecturers and students have been strengthened during the period. Seen in the context of the far-reaching activities in which the faculties are engaged, activity levels within digitalisation and education at UCPH are very high. At the same time, the implementation of feedback as part of the teaching has come a long way.

Goal 5

UCPH graduates are ready for the job market and have relevant skills

The activities aimed at meeting this goal were ambitious, and progress has been satisfactory.

As regards this goal, focus has been on continued innovation and entrepreneurship initiatives for students. The project on practice-integrating teaching activities was closely linked to the project on research-integrating teaching activities. During the period, UCPH has continued its efforts to remove administrative barriers and make it easier for students to exploit UCPH's academic breadth. UCPH's participation in the EU-funded 4EU+ Alliance is progressing as planned and is expected to support the international aspect of the strategic goal of ensuring that graduates are ready for the job market.

Goal 6

The activities at UCPH contribute to growth and development in Denmark

The activities aimed at meeting this goal were ambitious, and progress has been very satisfactory.

Through tenacious and persistent efforts on the part of UCPH, the positive trend observed at the beginning of the period has been upheld. UCPH has given strategic priority to actively promoting the work of the Tech Transfer Office to the faculties and made it easier for researchers to seize any opportunities for commercialisation. Systematic efforts in the form of analyses and action plans are helping to maintain momentum in this field.

Goal 7

UCPH activities must be of benefit to society through increased transparency and strengthened relations with the outside world

The activities aimed at meeting this goal were ambitious, but progress has not been satisfactory.

The use of Open Access and FAIR research data is a long-term initiative requiring long-term investments. The management is aware that considerable tenacity is needed to maintain success. The percentage of Open Access articles has increased significantly, but not sufficiently to meet the goal of full transparency in the contract period. UCPH set up an Open Science task force to work with principles for the handling of research data.

The lockdowns have generally proved challenging. Collaboration with the upper-secondary school sector was postponed, and UCPH was forced to develop a range of online guidance services for students (e.g. about the new Quota 2 model). A highly satisfactory and positive development has been seen for the bridge-building indicators, based on electronic solutions, and the guidance and advisory services offered to prospective students have been strengthened significantly.

Goal 8

UCPH is a unified and focused university with an administration that effectively supports the University's core activities, research and education

The activities aimed at meeting this goal were ambitious, and progress has been very satisfactory.

During the period, UCPH has kept an eye on general developments to ensure the right level of funding of the UCPH administration. At the beginning of the period, UCPH developed a new budget model, which involved documenting and prioritising tasks across the administration. This has been a major change for the entire organisation.

Efforts are still going into developing tools for applications for external research funding. The purpose is for UCPH as a whole to be able to better cover the actual costs of externally funded research.

Financial statements

Accounting policies

Basis of preparation

The Annual Report has been prepared in accordance with the Danish State Accounting Act, Executive Order no. 116 of 19 February 2018 on state accounting etc., the Ministry of Finance's Financial Administrative Guidelines, Executive Order no. 778 of 7 August 2019 on the University Act, Executive Order no. 1957 of 15 October 2021 on university funding and accounts etc. and, in so far as is possible, the guidelines and instructions for financial statements, see the description in the summary of significant accounting policies, as issued by the Danish Ministry of Higher Education and Science, including the Danish Agency for Higher Education and Science, in the following collectively referred to as the *state accounting rules*.

There have been no changes to the accounting policies other than clarifications of text.

Transition to a common chart of accounts

Effective from 2021, UCPH has implemented the common chart of accounts for educational institutions under the Danish Ministry of Higher Education and Science. The financial year 2021 is a 'pilot year'.

The common chart of accounts comprises the dimensions of type (state chart of accounts), sub-account, location and purpose. The common chart of accounts is used consistently with the Danish Agency for Higher Education and Science's classification and allocation guidelines, including related models and instructions.

The allocation of expenses by principal function pursuant to the common chart of accounts and the classification and allocation guidelines for 2021 is disclosed in note 2 to the Financial Statements.

The implementation of the common chart of accounts does not involve any changes in recognition or measurement, see 'Basis of preparation'.

Exemptions

In connection with the transition to the common chart of accounts and the implementation of a new annual report template, the Danish Agency for Higher Education and Science has granted two exemptions to UCPH.

The University has been allowed a conditional full exemption from using the annual report template for 2021 that the University has been in dialogue about with the Agency.

The University has used the annual report template for 2020 on this basis, subject to a few adjustments. These adjustments include, for example, note 2 'Expenses classified by purpose and nature in the income statement'. The University intends to implement further adjustments to the Agency's annual report template in subsequent financial years. The adjustments will include disaggregation of income statement items and balance sheet items and related notes. The disclosures omitted in the 2021 Financial Statements are of no relevance to recognition and measurement by the University nor to its financial position, but they are solely of a presentation nature.

The University has been granted partial exemption from using the common chart of accounts for 2021. Specifically, the University has been granted exemption from:

- Making changes to the accounts by ledger type in Navigation Stat on a number of specific and defined ledger types.
- Submitting the classification recorded by principal function and instead prepare manual purpose-specific financial statements for the 2021 Annual Report (note 2).

Recognition and measurement in general (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 the liability, respectively, can be measured reliably.

Recognition and measurement take into account predictable risks and losses occurring before the presentation of

the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Intercompany revenue between UCPH units and transfers between types of activities (i.e. sub-accounts) concerning intercompany revenue have been eliminated from the income statement.

Translation policies

For payments in foreign currencies, the exchange rates at the settlement date are applied. Receivables and liabilities at the balance sheet date are measured at the market value applicable at the date of transaction. Securities in foreign currencies are measured at fair value at the balance sheet date and hence the exchange rate at the balance sheet date.

Taxation

UCPH is not liable to pay taxes.

Income Statement

Revenues

Subsidies for basic research and education, which are distributed from the Danish Finance Act, are recognised as revenue in the year in which the funding is granted.

Subsidies to the University are granted as fixed subsidies, activity-related subsidies, performance-based subsidies and quality subsidies for education as well as fixed subsidies for research and other purposes. The size of the subsidies is determined by the annual Finance Acts.

Fixed subsidies for education are provided as basic subsidies, basic subsidies for decentralised educational programmes, compensation subsidies and other fixed subsidies for educational purposes.

UCPH also receives significant external funds in the form of grants and subsidies from external funding bodies. These funds are recognised as revenues as and when spent. Unused funds are recognised as a deferred income item in liabilities under 'Prepared restricted contributions'.

Revenues from forensic services provided are recognised at the time of delivery of the services. When UCPH carries the commercial risk regarding its customers, any surplus or deficit is recognised on an ongoing basis in UCPH's net profit.

Revenues related to the veterinary emergency response task are recognised in the period to which they relate.

For other customers, net results cannot affect UCPH's net profit. As a result, the accounting profit from forensic services is transferred to a deferred income item.

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

Financial income and expenses are recognised on the date of addition of bank interest in the case of on-demand deposits, whereas the interest on fixed-term deposits is accrued over the deposit's term to maturity. Both realised and unrealised capital losses/gains and interest on cash, cash equivalents and securities under current assets are recognised in financial income or expenses on an ongoing basis.

Expenses

Expenses comprise all expenses associated with the year's activities.

In the Financial Statements, expenses are broken down according to type – i.e. salaries, building operations, miscellaneous operating expenses and depreciation/amortisation. Salaries are broken down on academic staff and technical/administrative staff. Depreciation/amortisation for the year is calculated on a straight-line basis over the expected useful lives of the assets.

Balance Sheet

Fixed assets

Fixed assets are measured at cost price. The cost price 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 with an acquisition cost of less than DKK 100,000 are expensed in the year of acquisition. UCPH does not use bundling except in the case of large purpose-specific one-off investments, such as occupation of a new building, where investments in experimental equipment or more can be bundled.

If UCPH itself constructs a fixed asset, internally incurred payroll costs are included in the value of the asset if the total project costs for acquisition and development, including internal resource consumption, amount to DKK 10 million or more.

Intangible assets

Acquired concessions, patents, licences, etc.

Acquired concessions, patents and licences costing DKK 100,000 or more are included in the fixed assets register.

Development projects

Intangible development projects (for example mobile apps, IT development projects, patent development, etc.) costing DKK 100,000 or more are included in the fixed assets register. Development projects are capitalised on an ongoing basis as intangible work in progress but not amortised until they are ready for use.

All direct costs associated with the realisation of development projects are included in the acquisition price. Joint costs and overhead costs are not included in the acquisition price. In the case of permanent impairment of the value, the necessary impairment losses are 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:

Intangible assets	Useful life
Acquired concessions, licences etc.	
Licences etc.	3 years
Other acquired rights where useful life has been laid down contractually	Contract term
Development projects	
Development projects in progress – <i>are not amortised but transferred to completed development projects at commissioning</i>	–
Completed development projects – Special development of a system critical for the business	8 years
Completed development projects – Adjustment or new development of applications for an existing standard system	5 years
Completed development projects – Internally generated assets with rights as a result of a development project	The useful life of the right

Property, plant and equipment

Land and buildings

Land and buildings are measured at cost price on recognition. Buildings, greenhouses and leasehold improvements are measured at cost price on initial recognition and subsequently at cost price less accumulated depreciation. Assets are depreciated on a straight-line basis over their useful lives.

Scientific equipment, fixtures and fittings, tools and equipment

Fixed assets with an initial cost of DKK 100,000 or more are included in the fixed assets register.

Plant, machinery, IT equipment, vehicles and fixtures and fittings are measured at cost price 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:

Property, plant and equipment	Useful life
Land	Not depreciated
Buildings	50 years
Ships	40 years
Greenhouses (laboratories)	30 years
Plant and other special technical equipment	15 years
Construction work in progress (plant under construction)	Not depreciated
Leasehold improvements	10 years
Plant and machinery	5 years
IT equipment	5 years
Vehicles	5 years
Fixtures and fittings	5 years

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

Work in progress

This item is mainly composed of construction work in progress in connection with leasehold improvements. Construction work in progress is not subject to depreciation until it is completed.

Fixed assets received as donations

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

Long-term and short-term donation liabilities, referred to as 'Accrued donations', are recognised as counter entries to the recognised values of the fixed assets received as donations. As the donated assets are depreciated, the donation liabilities are recognised as income in the income statement. Therefore, donated fixed assets do not affect profit for the year.

Works of art and collections

In accordance with state accounting rules, the value of works of art and collections are not recognised at any value in the Financial Statements.

Fixed asset investments

Investments and instruments of debt

Investments include investments in companies in which UCPH does not have control. Investments are measured at cost price less any write-down for impairment of a permanent nature.

Moreover, the item includes debt instruments received from the state in connection with the University's transfer of donated buildings under the state rent allowance scheme. If the University has not yet received a debt instrument, the amount which is transferred to the state is recognised under other receivables.

Representing the Danish state, the Building and Property Agency is responsible for the construction of the new Natural History Museum of Denmark. UCPH's share of the financing is treated as a long-term receivable in the form of prepaid rent, which will be expensed from the date of occupation and over the contract's period of interminability (30 years).

Current assets

Deposits

Deposits mainly comprise rent deposits measured at cost price.

Trade receivables

Trade receivables etc. are measured at nominal value in the balance sheet less any write-downs for bad debts.

Write-downs for bad debts are calculated on the basis of an individual assessment of each receivable and recognised immediately in the income statement.

Receivables from grant activities in progress

UCPH regularly enters into agreements with businesses, 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 where the grants have not yet been received, the amounts due to UCPH are recognised as receivables from grant activities in progress.

Write-downs for bad debts are calculated on the basis of an individual assessment of each receivable and recognised immediately in the income statement.

Furthermore, general provisions for bad debts are made on grant activities for which the amount spent exceeds the amount granted, based on a general simplified model using historic data and trends.

Prepayments, accrued 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 or instalments charged for subsequent years.

Securities

Securities admitted for trading on an active regulated market and other short-term liquidity are measured at fair value at the balance sheet date. Securities comprise investment unit certificates the underlying assets of which are bonds and shares as well as direct placements in bonds (government, mortgage and corporate bonds). Value adjustments of these securities are made via the income statement.

Equity

The presentation of the statement of changes in equity is divided into technical and flexible equity, where technical equity is made up the initial capital as at 1 January 2005 with addition of the value of debt instruments relating to donated buildings included in the state property administration scheme, while flexible equity is made up of retained earnings.

Provisions

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

to settle the obligation, and that this can be measured reliably.

When a leased property is vacated and the University is obliged to restore the premises as stipulated in the lease, the estimated provision is built up on a straight-line basis over a period of years to the effect that the restoration liability has been provided for in full at the expected time of termination of the lease.

Provisions for severance pay for fixed-term employees are accumulated over the duration of the fixed-term contracts of employment. The provisions are based on the contracts concluded for fixed-term employment and constitute the full salary commitment that has been earned.

Liabilities

Liabilities are measured at amortised cost price, essentially corresponding to nominal value.

Holiday pay obligation and frozen holiday pay

Holiday pay obligations are calculated on the basis of all paid holidays not yet taken which have been earned by the employees prior to the balance sheet date. The calculation is based on the standard government model under which the total holiday pay obligation is calculated on the basis of a specific number of accrued holidays per employee and the specific cost per accrued holiday day per employee – inclusive of employer's pension contribution.

The obligation is calculated on the basis of salaries to academic staff (VIP) and technical/administrative staff (TAP).

Frozen holiday pay represents holiday days actually accumulated by the employees to be paid into the Danish Holiday Allowance Fund, equivalent to 12.5% of the salary qualifying for holiday pay in the freeze period. Frozen holiday pay is indexed per month or fraction of a month until the amount has been paid into the Fund. An estimated indexation rate is used. The indexation is recognised as an interest expense. Amounts which are payable or for which a decision has been made to pay them into the Holiday Allowance Fund in the next financial year, are presented within short-term liabilities.

In 2021, UCPH has paid the frozen holiday pay into the Fund.

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 income is recognised so that it equals the amount of expenses spent on grant-financed activities plus any overhead costs.

In connection with large construction projects UCPH often receives donations from foundations before construction work is carried out. Such donations are also recognised as prepaid restricted contributions until they are used either for operational and/or capital expenditure or paid to the Danish state against a debt instrument issued to UCPH. Fixed asset donations which are converted into debt instruments from the state are not recognised as income but as financial assets and equity.

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

Cash flow statement

The cash flow statement shows the cash flows for the year broken down into operating activities, investing activities and financing activities, as well as how these cash flows have affected cash and cash equivalents for the year. The cash flow statement is prepared using the indirect method and is based on profit for the year.

Cash flows from acquisition and divestment of enterprises are shown separately in cash flows from investing activities.

Cash flows from operating activities

Cash flows from operating activities 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, as well as interest received and interest paid and dividend received.

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, other long-term assets and securities not presented within cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as increases in obligations from donations when additions of fixed assets are financed by external funding bodies.

Cash and cash equivalents

Cash and cash equivalents consist of deposits on demand. The value of securities presented as current assets is included in cash and cash equivalents in the cash flow statement.

Income statement

1 January - 31 December

Note	2021	2020
	DKK '000	DKK '000
Education	2,123,540	2,074,856
Research	3,039,161	3,036,073
External grants	3,519,631	3,287,571
Basic subsidies	304,963	289,597
Building-related revenues	63,881	69,854
Other revenues	335,870	293,731
1 Total revenues	9,387,046	9,051,682
Salaries – Academic staff	3,336,172	3,224,790
Salaries – technical/administrative staff	2,284,500	2,207,627
Building operations	1,725,058	1,680,601
Other operating expenses	1,617,700	1,593,072
Depreciation and amortisation	158,114	138,810
2 Total ordinary operating expenses	9,121,545	8,844,900
Profit before financial income and expenses	265,502	206,781
Financial income	62,020	26,027
Financial expenses	585	4,112
Net profit for the year	326,937	228,696
<i>Proposed transfer of net profit for the year:</i>		
Retained earnings	326,937	228,696
Total	326,937	228,696

Deviations of totals may occur on the last digit due to rounding-off.

Balance sheet at 31 December

Assets

Note		2021 DKK '000	2020 DKK '000
3	Acquired concessions, software, licences, etc.	23,603	18,201
3	Completed development projects	48,066	23,679
3	Intangible development projects in progress	-	24,164
	Intangible assets	71,669	66,044
4	Buildings	159,824	161,025
4	Leasehold improvements	415,896	446,228
4	Scientific equipment, fixtures and fittings, work equipment and machinery	561,642	515,912
4	Work in progress at UCPH's own expense	241,385	153,314
	Property, plant and equipment	1,378,747	1,276,479
5	Investments, instruments of debt and long-term receivables	951,448	903,702
	Fixed asset investments	951,448	903,702
	Fixed assets	2,401,863	2,246,225
6	Deposits	63,903	67,894
	Trade receivables	118,691	128,583
7	Receivables from grant activities in progress	758,307	698,694
8	Other receivables	1,073,999	799,740
13	Prepayments and accrued income	19,769	28,227
	Receivables	2,034,670	1,723,138
17	Securities	2,253,655	2,192,630
17	Cash and cash equivalents	2,072,120	2,374,639
	Current assets	6,360,445	6,290,407
	Total assets	8,762,309	8,536,632

Balance sheet at 31 December

Equity and liabilities

Note	2021 DKK '000	2020 DKK '000
Equity at 1 January	2,712,874	2,547,655
Correction, beginning of year	-	(63,477)
Addition reserved equity	32,746	-
Retained earnings	326,937	228,696
Equity	3,072,556	2,712,874
9 Provisions	116,155	112,453
Provisions	116,155	112,453
10 Donation of commercial concessions, software, licences, etc.	4,897	6,576
11 Donation of buildings	1,748	895
11 Donation of leasehold and interior design improvements	16,748	21,818
11 Donation of scientific equipment, fixtures and fittings, work equipment, machinery	344,452	322,264
11 Donation of work in progress at UCPH's own expense	3,320	2,890
– transferred to current liabilities	-120,810	-121,404
Non-current liabilities	250,355	233,038
Trade payables	438,327	456,206
Frozen holiday pay funds	-	490,231
Holiday pay obligations	374,328	375,652
Prepaid government grants	482,359	484,203
7 Prepaid restricted contributions	3,612,162	3,367,321
Accrued donations (current liabilities)	120,810	121,404
Settlement account for forensic medicine services	9,206	9,210
12,13 Deferred income	15,131	17,775
14 Other payables	270,919	156,264
Current liabilities	5,323,243	5,478,267
Liabilities	5,573,597	5,711,305
Total equity and liabilities	8,762,309	8,536,632

15 The University's debt, including property financing

16 Staff

17 Financial instruments

18 Contingent assets

19 Contingent liabilities

20 Contractual obligations

21 Related parties

22 Information on activities under the Danish Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations (the Tech-Trans Act) as well as about equity interests in companies

23 Students from US Virgin Islands

24 Use of funds for free places and scholarships

25 The University's use of scholarships for particularly talented students

26 Programmes offered by the University abroad

27 Subsidies to the Arnamagnæan Commission

28 Separate account for general activities, commercial activities, forensic medicine services, research activities financed by grants and other activities financed by grants

29 Overview of accumulated results for commercial activities

30 Asset account

Statement of changes in equity

1 January - 31 December

Note	2021 DKK '000	2020 DKK '000
Adjusted equity (initial capital at 1 January 2005)	243,273	243,273
Reserved equity at 1 January	727,533	727,533
Change for the year in reserved equity	32,746	-
Reserved equity at 31 December 1)	760,279	727,533
Technical equity at 31 December	1,003,552	970,806
Retained earnings at 1 January	1,742,068	1,576,849
Correction, beginning of year 2)	-	(63,477)
Transferred from net profit for the year	326,937	228,696
Retained earnings (flexible equity) at 31 December	2,069,004	1,742,068
Equity at 31 December	3,072,556	2,712,874

- 1) Reserved equity constitutes the instruments of debt received by UCPH from the Danish state due to UCPH's investments in SEA properties (see note 5, page 38).
- 2) Correction, beginning of year 2020 as a result of changed accounting policy for the holiday pay obligations.

Cash flow statement

1 January - 31 December

Note	2021	2020
	DKK	DKK '000
Operating profit for the year	326,937	228,696
3,4 Depreciation, amortisation and non-cash operating items	295,805	271,569
10,11 Depreciation of donations	(137,691)	(132,758)
Net impairment of fixed assets and donations etc.	1,114	1,371
9 Changes in provisions	3,703	33,942
Changes in receivables	(311,531)	(317,878)
Changes in short-term debt	(154,431)	889,861
Cash flows from operating activities	23,906	974,803
3 Acquisition of intangible assets	(30,556)	(32,746)
4 Acquisition of property, plant and equipment	(380,475)	(315,842)
5 Fixed asset investments (shares)	(15,000)	-
Cash flows from investing activities	(426,031)	(348,588)
10 Increase in obligations from donations - intangible assets	654	7,290
11 Increase in obligations from donations - property, plant and equipment	159,978	158,941
Cash flows from financing activities	160,633	166,230
Change in cash flow for the year	(241,493)	792,445
<i>Specified as:</i>		
17 Cash and cash equivalents and securities at the beginning of year	4,567,269	3,774,824
17 Cash and cash equivalents and securities at end of year	4,325,776	4,567,269
Change in cash and cash equivalents	(241,493)	792,445

Notes to Financial statements

1. Total revenues

	2021	2020
	DKK 1.000	DKK 1.000
Full-time degree programmes (Finance Act)	1,334,872	1,294,923
Base subsidy (Finance Act)	476,692	473,297
Completion time subsidy (Finance Act)	67,977	67,089
Employment subsidy (Finance Act)	58,619	55,129
Quality grants (Finance Act)	-	16,377
Other fixed education subsidies (Finance Act)	27,164	15,742
Part-time degree programmes (Finance Act)	12,368	11,167
Exchange students (Finance Act)	5,858	10,667
Small programmes (Finance Act)	8,590	8,523
Free places and scholarships (Finance Act)	13,435	12,557
Tuition fees, part-time programmes	39,342	30,477
Self-funded (foreign/capitalised)	45,849	41,252
Other education subsidies (Finance Act)	32,773	37,656
Education	2,123,540	2,074,856
Research subsidies	3,039,161	3,036,073
Research (Finance Act)	3,039,161	3,036,073
Grant-funded research	3,095,862	2,915,933
Other subsidised activities	102,367	80,466
Forensic medicine services	214,504	202,685
Commercial activities	106,897	88,487
External grants	3,519,631	3,287,571
Other purposes	450,546	433,681
Public-sector services	23,584	23,416
Compensation from the SEA scheme	(169,167)	(167,500)
Basic subsidies (Finance Act)	304,963	289,597
Subletting, operational reimbursement, etc.	63,881	69,854
Building-related revenues	63,881	69,854
Other revenues	287,808	249,655
Research-based public-sector services – subsidies	48,062	44,076
Other revenues	335.870	293.731
Total revenues	9.387.046	9.051.682

2. Total ordinary operating expenses

Expenses are classified by nature in the income statement. In this note, expenses are classified by purpose.

Methodology and definitions

The key figures for the University's expenses classified by purpose have been prepared in accordance with the guidance issued by the Danish ministry of Higher Education and Science for 2021 (*Konterings- og fordelingsvejledning*).

	2021	2020
	DKK '000	DKK '000
Total ordinary operating expenses		
cf. the income statement	9,121,545	8,844,900
Operating expenses (by nature)		
Staff expenses	5,703,413	
Rent	1,039,774	
Depreciation, amortisation and impairment	158,114	
Other operating expenses	2,220,244	
Total operating expenses	9,121,545	8,844,900

Operating expenses (by purpose — new designations)

Education	1,797,845
Research and development	3,913,317
Dissemination and knowledge exchange	186,931
Public-sector services, advisory – and other services	289,600
Boarding unit and residence halls	2,539
General joint expenses	1,028,167
Buildings and building operations	1,903,145
Total operating expenses	9,121,545

The University of Copenhagen's note 2 for 2021 has been prepared in accordance with the guidance issued by the Danish Ministry of Higher Education and Science for 2021 (*Konterings- og fordelingsvejledning*), adjusted in accordance with exemption regarding the use of the joint chart of accounts 2021, as described under accounting policies. Comparative figures have not been prepared. As note 2 has been prepared in accordance with the annual report model for 2021, it is not directly comparable with the income statement and the other notes, which have been prepared in accordance with the annual report model for 2020, see accounting policies.

3. Intangible assets

DKK '000	Acquired concessions, soft- ware, licences, etc.	Completed development projects	Development projects in progression	Total
Acquisition cost				
Cost at 1 January 2021	69,676	57,409	24,164	151,249
Additions	16,982	37,738	11,039	65,759
Disposals	(20,539)	(8,310)	(35,203)	(64,052)
Cost at 31 December 2021	66,119	86,838	0	152,956
Depreciation and impairment				
Balance at 1 January 2020	51,475	33,731	-	85,206
Depreciation and impairment for the year	11,580	13,312	-	24,892
Depreciation on disposals for the year	(20,539)	(8,270)	-	(28,810)
Depreciation and impairment at 31 December 2021	42,516	38,772	-	81,288
Carrying amount at 31 December 2021	23,603	48,066	-	71,669
Depreciation on liabilities related to donations	2,334	-	-	2,334
Of which the carrying amount is financed via donations	4,897	-	-	4,897

4. Property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equipment, fixtures and fittings, work equipment and machinery	Own work in progress	Total
Acquisition cost					
Cost at 1 January 2021	200,897	782,125	2,280,974	153,314	3,417,309
Additions	2,955	34,948	254,501	128,109	420,513
Disposals	-	(10,479)	(219,618)	(40,038)	(270,135)
Cost at 31 December 2021	203,852	806,594	2,315,856	241,385	3,567,687
Depreciation and impairment					
Balance at 1 January 2021	39,872	335,897	1,765,061	-	2,140,830
Depreciation and impairment for the year	4,156	64,529	202,228	-	270,914
Depreciation on disposals for the year	-	(9,729)	(213,075)	-	(222,803)
Depreciation and impairment at 31 December 2021	44,028	390,698	1,754,214	-	2,188,940
Carrying amount at 31 December 2021	159,824	415,896	561,642	241,385	1,378,747
Cash valuation of land and buildings as at 31 December 2021	81,205	-	-	-	-
Depreciation on liabilities related to donations	38	5,071	130,248	-	135,357
Of which the carrying amount is financed via donations	1,748	16,748	344,452	3,320	366,268
					DKK '000
Total amortisation on intangible assets					24,852
Total depreciation on property, plant and equipment					270,914
Total depreciation and amortisation, all partial financial statements					295,805
Depreciation of donation liability and external grants (DR50/60), intangible assets					(2,334)
Depreciation of donation liability and external grants (DR50/60), property, plant and equipment					(135,357)
Total depreciation and amortisation in the balance sheet					158,114
Total depreciation and amortisation, cf. the income statement					158,114

5..Investments, instruments of debt and long-term receivables

UCPH holds investments in the following enterprises.

DKK '000	2021	2020
Symbion A/S	25,644	25,643
UCPH Ventures A/S	15,000	-
VAR2 Pharmaceuticals ApS	6	6
Total shares	40,650	25,650

Debt instruments from the Ministry to the University regarding donation made to construction projects under the Danish state allowance scheme situated at

Rolighedsvej 23, DK-1958 Frederiksberg C (Geosciences and Natural Resource Management)	43,000	43,000
Ole Maaløes Vej 5, DK-2200 Copenhagen N (Lundbeck Auditorium at Biocentre)	23,509	23,509
Blegdamsvej 3, DK-2200 Copenhagen N (Protein Centre at Panum)	20,000	20,000
Maersk Tower at Panum, DK-2200 Copenhagen N	603,270	603,270
Karen Blixens Plads (University Square), South Campus	70,500	37,755
Total debt instruments	760,279	727,533

UCPH's share of the funding of the new Natural History Museum of Denmark consists of prepaid rent, which will be expensed after UCPH's relocation to the new building, distributed over the period of non-terminability of the lease.

Prepaid rent for the new Natural History Museum of Denmark	150,519	150,519
Total long-term receivables	150,519	150,519

Total Investments, instruments of debt and long-term receivables	951,448	903,702
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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

2021	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	765,137	(3,012,162)	(2,247,025)
Provision for loss on grant activities	(6,830)	-	(6,830)
Unutilised donation for the Natural History Museum of Denmark	-	(600,000)	(600,000)
Total at 31 December 2021	758,307	(3,612,162)	(2,853,855)

Total provisions for loss on grant activities receivable of DKK 6.8 million cover the estimated risk of loss.

The provision was DKK 7.5 million in 2020.

2020	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	706,174	(2,800,860)	(2,094,686)
Provision for loss on grant activities	(7,479)	-	(7,479)
Unutilised donation for the Natural History Museum of Denmark	-	(536,000)	(536,000)
Unutilised donation for Karen Blixens Plads (University Square), South Campus	-	(30,461)	(30,461)
Total at 31 December 2020	698,694	(3,367,321)	(2,668,627)

8. Other receivables

At year-end 2021, other receivables came to DKK 1,074.0 million, up DKK 274.3 million from 1 January to 31 December 2021.

Other receivables consist primarily of prepayments of DKK 367.9 million to external project partners and receivables of DKK 575.7 million from the Building and Property Agency concerning donations to the Natural History Museum of Denmark for which UCPH has not yet received a debt instrument from the government (see also notes 5 and 7).

The 274.3 million increase in 2021 is primarily attributable to an additional payment of DKK 209.5 million to the Building and Property Agency for the Natural History Museum of Denmark and receivables from the Danish tax authorities of DKK 72.2 million concerning VAT and energy taxes.

9. Provisions

DKK '000	2021	2020
Payroll-related liabilities		
(limited tenure, early resignations, etc.)	14,599	12,164
Restoration liability	75,099	66,028
Provision for commitments given	17,457	29,760
Other provisions	9,000	4,500
Total provisions	116,155	112,453

The provision for fixed-term liabilities is an estimated based on average assessment limited tenure terms as well as monthly salaries and seniority from the state payroll system. The provision constitutes the maximum liability, as UCPH has estimated that the majority of the provision for limited tenure liabilities will be paid. The restoration liability is set to cover costs of restoring leased premises when vacating them. KU provides DKK 1,000 per m2 with a distributed provision over the rental agreements period of commitment or for the expected term of the lease. The item provisions for commitments given comprises UCPH's unpaid share of commitments given for capital injections to the Housing Foundation Copenhagen.

10. Donations of intangible assets

DKK '000	Acquired concessions, software, licenses, etc.
Acquisition cost	
Cost at 1 January 2021	14,799
Additions	654
Disposals	(1,645)
Cost at 31 December 2021	13,808
Amortisation and impairment	
Balance at 1 January 2021	8,223
Amortisation for the year	2,334
Amortisation on disposals for the year	(1,645)
Amortisation at 31 December 2021	8,911
Carrying amount at 31 December 2021	4,897

11. Donations of property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equipment, fixtures and work fittings, equipment and machinery	Own work in progress	Total
Acquisition cost					
Cost at 1 January 2021	1,000	71,577	1,351,571	2,890	1,427,038
Additions	892	-	158,656	6,958	166,506
Disposals	-	(56)	(82,850)	(6,528)	(89,434)
Cost at 31 December 2021	1,892	71,521	1,427,378	3,320	1,504,111
Depreciation and impairment					
Balance at 1 January 2021	105	49,759	1,029,308	-	1,079,172
Depreciation for the year	38	5,071	130,248	-	135,357
Depreciation on disposals for the year	-	(56)	(76,631)	-	(76,687)
Depreciation at 31 December 2021	144	54,773	1,082,926	-	1,137,843
Carrying amount at 31 December 2021	1,748	16,748	344,452	3,320	366,268

12. Grants administered by the University

Amounts of grants at 31 December

DKK 1,000,000	2021	2020
Total balance	150.4	130.8
Total intermediate account with the University	0.0	0.7

The University, or more precisely its employees, administers a combined grant portfolio of DKK 150.4 mio. kr. million. Danske Forvaltning manages the grant portfolio. The total number of grants is 54.

13. Prepayments, accrued and deferred income

Prepayments and accrued income were down DKK 8.5 million in 2021, totaling DKK 19.8 million at year-end 2021. The item comprises prepaid salaries of DKK 8.8 million and prepaid expenses of DKK 10.9 million.

Deferred income was down 2.6 million in 2021, totaling DKK 15.1 million at year-end 2021. This item comprises income received concerning 2022.

14. Other payables

Other payables were increased by DKK 114.7 million from 1 January to 31 December 2021, which is primarily due to an increase in VAT debt to the Ministry of Higher Education and Science.

Other payables were DKK 270.9 million at year-end 2021 consisting of salaries, pension contributions, personal income tax etc. of 83.7 million, holiday pay to hourly staff of DKK 29.2 million and DKK 157.9 million to other creditors and accrued items.

15. The University's debt, including property financing

UCPH has no central government debt, municipal debt, debt to mortgage institutions or debt to banks and no financial instruments (derivatives).

16. Staff

DKK '000	2021	2020
Actual salaries	5,044,359	4,789,083
Pensioner	718,821	690,963
Reimbursements and grants	(128,660)	(130,723)
Change in holiday pay obligations	(13,847)	83,094
Total	5,620,672	5,432,417

Average yearly salary

Total staff expenses	5,620,672		
Full time equivalents	9,982	563	567

Remuneration to Senior Management:

Senior Management	14,657	13,468
Total	14,657	13,468

Management salary, Board:

Number of externally board members	6	6
Remuneration paid to the Chairman	266	264
Total remuneration paid to other external members	444	426

Senior Management consists of the Rector, 2 prorectors, the university director and six deans.

The Board consists of a chair and 10 members. In 2021, the externally elected board members consisted of three women and three men.

On 19 March 2013, the Board decided that the target for the six externally elected board members is a gender balance of at least 2:4. The target has thus been met.

17. Financial instruments

A portfolio agreement has been made with three asset managers. The investment strategy aims at a minimum of 75% in government and mortgage bonds, while up to 25% can be invested in other asset classes (for example shares or corporate bonds).

According to the University's ethical policy, a green investment portfolio is called for.

Financial instruments	Conditions	2021 DKK '000	2020 DKK '000
Securities ¹⁾			
Bank deposits ²⁾ and cash in hand	Primarily in DKK and small holdings of foreign currencies	2,253,655	2,192,630
		2,072,120	2,374,639
Total cash and cash equivalents and securities		4,325,776	4,567,269

- 1) Securities at 31 December 2021 (2020) are composed of 82% (84%) Danish mortgage and government bonds, 6% (3%) corporate bonds, while shares represent 12% (13%).
- 2) Bank deposits at 31 December 2021 included DKK 4 million in bank accounts linked to the asset managers' depositary, which are up DKK 1 million relative to 31 December 2020.

18. Contingent assets

Two arbitration cases against the Building and Property Agency are pending concerning rent charging related to delays and budget overruns on large building projects. In the arbitration proceedings, UCPH Management has claimed that the rent charged is too high. The legal and financial outcome of the case is subject to uncertainty.

19. Contingent liabilities

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

UCPH has taken out independent insurances on its own buildings.

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 public servant staff given notice. Public servants with obligations are entitled to up to three years' availability pay if they cannot be hired for other positions within the state.

At the end of 2021, UCPH employed a total of 44 public servants, involving a maximum liability of DKK 85.7 million.

There are no plans of additional employment of staff with public servant status, therefore, this liability is expected to decrease in the coming years.

The University had not provided any bank guarantees of more than DKK 5 million towards third parties at 31 December 2021.

Leases for office, transportation and scientific equipment have been entered into to a minor degree. This level will be reduced continuously through self-financing.

20. Contractual obligations

UCPH has 3,416 PhD students enrolled of which approximately 54% are subject to contract under which UCPH is responsible for the students' pay for a three-year period, during which the contracts in most cases cannot be cancelled by the University. The liability may be relevant if the payroll costs are not covered by companies or institutions with which education agreements have been concluded.

UCPH has entered into an agreement with the Housing Foundation Copenhagen of 2008 on the cover of losses resulting from vacancies. The agreement may be terminated subject to a notice of three semesters (18 months), and it is estimated that the cost of vacancies will amount to a maximum of DKK 20 million during the notice period.

21. Related parties

Related parties	Basis
Ministry of Higher Education and Science (UFM)	Subsidies for education, research and knowledge dissemination activities. Powers under the Danish University Act and the Executive Order on Subsidies and Auditing.
Ministry of Children and Education (UVM)	Subsidies for teaching activities, primarily in relation to degree programmes at the Forest and Landscape College and the School of Oral Health Care.
Ministry of Food, Agriculture and Fisheries, Ministry of the Environment and Ministry of Defense	Subsidies for performance of public-sector services for ministries.
Board and day-to-day management	Management control.
Student associations	Subsidies for student associations and student sports. In addition, UCPH makes premises available (Studentterhuset) and subsidises the Studentergården dormitory.

Transactions

DKK '000	2021	2020
UMinistry of Higher Education and Science, monthly payments under section 19.2	5,358,560	5,290,556
Ministry of Higher Education and Science, other programme subsidies under section 19.3	318	399
Ministry of Children and Education, other programme subsidies	32,455	37,257
Public-sector services for ministries	48,062	39,776
Student political activities	3,905	2,292
Student social activities	3,712	3,921

22. Information about activities under the Danish Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations (the Tech-Trans Act) as well as about equity interests in companies

In 2021, UCPH had no costs for the administration of foundations or associations, including corporate funds, under section 11(1) of the Danish Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations.

UCPH has injected funds into foundations whose main purpose is to establish housing close to universities, in accordance with section 10(2) of the Danish Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations (the Tech-Trans Act).

DKK 1,000,000	Deposits in 2021	Accumulated deposits
The Housing Foundation Copenhagen	0	54,8
Total	0	54,8

Deposits comprise all deposits taken to the income statement, including subsidy commitments where the amount has not been transferred to the foundation as at the balance sheet date.

UCPH has entered into an agreement with the foundation to cover rent loss due to vacancy. The agreement is subject to a three-year notice period, and has been included under Note 20 – contractual obligations.

The vacancy cover is regulated under the Finance Act and is therefore not included in this statement.

UCPH has made deposits and acquired shares and shareholdings in companies.

Information about this is specified as follows:

Selskab	Authority for acquisition of shares etc.	Deposits in financial year DKK	Accumulated deposits DKK	Booked value of interest DKK	Interest %
Symbion A/S	Document 60 of 8 November 1999 and Document 13 of 22 November 2011	0	25,643,710	25,643,110	27
UCPH Venture A/S	Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations, section 4	15,000,000	15,000,000	15,000,000	100
VAR2 Pharmaceuticals ApS	Act on Inventions at Public Research Institutions, section 16(2)	0	6,486	6,486	6.4

UCPH's revenues and costs for the individual companies amount to:

Selskab	Revenues in the financial year DKK	Costs in the financial year DKK
Symbion A/S	0	0
UCPH Venture A/S	0	0
VAR2 Pharmaceuticals ApS	0	0

23. Students from US Virgin Islands

Use of free places 1 September 2020 to 31 August 2021

	Students enrolled full or part-time (free places)	No. of scholarship recipients	Payment of free places DKK	Funds used for scholarships DKK
Rate 1	-	-	-	-
Rate 2	-	-	-	-
Rate 3	-	-	-	-

The number of students shows the number of students with main enrolment in a programme under the three rates during the year. The number of FTE are reported for the period 1 September 2020 to 31 August 2021, this accrual has also been used in this calculation.

Funds used for payment of scholarships Accounts

Year	Transferred from the Agency for Institutions and Educational Grants DKK	Retained earnings, international tuition- paying students DKK	Funds used during the financial year DKK	Result DKK
2020	500,000	-	181,634	318,366
2021	500,000	-	-	500,000

24. Use of funds for free places and scholarships

Use of free places in the period 1 September 2020 to 31 August 2021

	Students enrolled full or part-time (free places)	No. of scholarship recipients	Payment of free places DKK	Funds used for scholarships DKK
Rate 1	24	13	380,523	1,295,346
Rate 2	10	4	214,138	392,874
Rate 3	89	30	3,322,946	2,785,894

The number of students shows the number of students with main enrolment in a programme under the three rates during the year. As student FTE was reported for the period 1 September 2020 to 31 August 2021, this accrual has also been used in this calculation.

Funds used for payment of scholarships Accounts

År	Transferred from the Agency for Institutions and Educational Grants DKK	Retained earnings, international tuition- paying students DKK	Funds used during the financial year DKK	Result DKK
2017	12,976,399	-	14,420,377	(1,443,978)
2018	12,799,022	-	16,517,587	(3,718,565)
2019	12,392,004	-	17,454,968	(5,062,964)
2020	12,557,033	-	9,796,080	2,760,953
2021	13,435,469	-	9,391,720	5,043,748

25. The University's use of scholarships for particularly talented students

Year	No. of students enrolled under scholarships	Subsidies from Agency DKK 1.000	Funds used during the financial year DKK 1.000
2017	18	1,400	2,752
2018	15	-	1,545
2019	0	-	-
2020	0	-	-
2021	0	-	-

No scholarships have been granted since 1 June 2018, as the scheme has ceased. Students were enrolled in 2015 and 2016, and the last report of expenditure was made in 2018.

27. Subsidies to the Arnamagnaeen Commission

The Ministry for Higher Education and Science grants subsidies to the Arnamagnaeen Commission.

Reporting of the Arnamagnaeen Commission's financial statements for 2021 in DKK

	DKK
Subsidies transferred from previous years	689,698
Subsidies for the year	5,500,271
Other income	11,663
Expenses for the year	-4,434,711
Profit/(loss) for the year	1,077,223
Accumulated profits	1,766,921

26. Programmes offered by the University abroad

Like the other Danish universities, UCPH participates in the Sino-Danish centre (SDC) in Beijing. Under SDC, UCPH offers master's degree programmes in Water and Environment and in Nanoscience and Technology. The programmes have existed since 2012 and 2013, respectively.

In 2021, a total of 38 students from the two programmes graduated, 5 Danish students and 32 Chinese students and 1 student from other countries. 34 students were admitted to the two programmes in 2021, 3 Danish students, 30 Chinese students, and 1 student from other countries.

In 2021, COVID-19 impacted both the number of students admitted and the number of students graduating within the prescribed completion time. Completion times are up due to students being unable to carry out trials and experiments, having to angle their Master's theses differently as a result, problems collecting data etc. However, COVID-19 does not seem to have had a significant impact on the new intake, as nobody from the two degree programmes have withdrawn late in the admission process.

28. Separate account for general activities, commercial activities, forensic medicine services,
research activities financed by grants and other activities financed by grants

DKK '000	2021	2020	2019	2018
General activities (DR10)				
Revenues	5,867,415	5,764,111	5,852,002	5,850,046
Internal net transfer of overhead	352,537	336,609	361,411	351,530
Staff expenses	(3,566,537)	(3,512,312)	(3,404,779)	(3,362,816)
Operating costs ¹⁾	(2,337,319)	(2,360,496)	(2,558,850)	(2,584,227)
Profit/(loss) for the year	316,097	227,913	249,783	254,533
Commercial activities (DR30)				
Revenues	106,897	88,487	86,934	84,358
Staff expenses	(28,458)	(23,998)	(26,231)	(22,411)
Operating costs	(69,497)	(52,918)	(54,981)	(52,292)
Profit/(loss) for the year ²⁾	8,942	11,571	5,722	9,655
Forensic medicine services (DR40)				
Revenues	214,504	202,685	216,298	202,435
Staff expenses	(120,011)	(117,494)	(108,051)	(104,872)
Operating costs	(92,596)	(95,979)	(91,566)	(95,362)
Profit/(loss) for the year	1,897	(10,788)	16,681	2,201
Grant-funded research (DR50)				
Revenues	3,095,862	2,915,933	2,827,243	2,655,069
Staff expenses	(1,883,288)	(1,754,225)	(1,624,750)	(1,523,610)
Operating costs	(870,772)	(839,576)	(860,992)	(791,594)
Internal net transfer of overhead	(341,802)	(322,132)	(341,501)	(339,865)
Profit/(loss) for the year	0	0	0	0
Other subsidised activities (DR60)				
Revenues	102,367	80,466	90,942	115,989
Staff expenses	(22,378)	(24,389)	(24,312)	(32,472)
Operating costs	(69,253)	(41,599)	(46,720)	(71,853)
Internal net transfer of overhead	(10,736)	(14,477)	(19,910)	(11,665)
Profit/(loss) for the year	0	0	0	0
Total				
Revenues	9,387,046	9,051,682	9,073,418	8,907,897
Total institutional transfers	352,537	336,609	361,411	351,530
Staff expenses	(5,620,672)	(5,432,417)	(5,188,122)	(5,046,181)
Operating costs ¹⁾	(3,439,438)	(3,390,568)	(3,613,109)	(3,595,327)
Total institutional transfers	(352,537)	(336,609)	(361,411)	(351,530)
Profit/(loss) for the year	326,937	228,696	272,187	266,389

... Note 28 continued

- 1) Net financials, including return on investments, are recognised in operating costs.
- 2) Result for the year from commercial activities (DR30) totalled DKK 31.9 million.
Of which transfer of profits from projects relating to DR30 to general activities during the year was DKK 22.9 million. Similarly, profit for 2020 totalled DKK 30.3 million, including transfer of profits from DR30 to general activities. Accumulated profits from commercial activities (calculated from 2007) totalled DKK 190.8 million.

29. Overview of accumulated results for commercial activities

DKK '000	2021	2020	2019	2018
Revenues	106,897	88,487	86,934	84,358
Direct and indirect costs	(75,029)	(58,197)	(66,647)	(64,698)
Result (transferred to DR10)	31,868	30,290	20,287	19,660
Accumulated result	190,760	158,892	128,602	108,315

30. Asset account

There were no activities under this type of appropriation in 2021.

Financial highlights of the University of Copenhagen

	2021	2020	2019	2018	2017
Revenues including interest (DKK '000)					
Education	2,123,540	2,074,856	2,046,575	2,031,558	2,130,929
Research	3,039,161	3,036,073	3,001,628	2,989,187	2,921,986
External grants	3,519,631	3,287,571	3,221,416	3,057,851	2,912,862
Research-based public-sector services	71,647	67,492	30,837	22,902	21,400
Basic subsidies	281,379	266,181	416,161	438,433	354,599
Other revenues 1)	413,124	341,424	413,437	362,844	471,401

Expenses broken down by purpose (DKK '000) ²⁾

Education	n.a.	2,272,359	2,258,301	2,237,233	2,181,670
Research	n.a.	5,122,876	5,185,249	5,029,056	4,906,300
Dissemination and knowledge exchange	n.a.	350,036	390,871	370,385	352,060
Research-based public-sector services	n.a.	316,595	266,383	255,067	278,053
General management, administration and service	n.a.	708,500	715,544	728,136	717,296

Staff, full-time equivalents ³⁾

Academic staff	5,311	5,047	4,841	4,856	4,966
Part-time academic staff	474	422	445	462	464
Technical/administrative staff	4,197	4,106	4,119	4,030	3,960

	2021	2020	2019	2018	2017
Balance sheet (DKK' m)					
Equity	3,073	2,713	2,548	2,580	1,971
Balance sheet	8,762	8,537	7,361	6,544	6,338

	2021	2020	2019	2018	2017
Buildings sqm total	938,093	940,464	962,184	962,769	970,448

Activity and production information

	2021	2020	2019	2018	2017
Students					
Bachelor students at 1 October	7,051	7,143	6,859	6,642	7,023
Master's degree students at 1 October	6,095	5,871	5,917	5,957	6,106
Corporate Master's degree students at 1 October	17	16	8		
Total students at 1 October	36,897	37,576	37,493	38,324	38,481
Student full-time equivalents ⁴⁾	28,303	27,392	27,238	27,660	28,100
Graduates					
Bachelor graduates	4,997	4,740	4,680	4,501	4,598
Master's degree graduates	5,867	4,994	5,659	5,285	5,623
Corporate Master's degree graduates	4	1	0	0	0
Open and part-time programmes					
Tuition-paying students	3,836	3,479	4,472	4,816	5,053
Total yearly students	612	606	695	748	812
Graduates from full programmes (master's, diplomas)	95	158	125	174	117
Internationalisation					
Outbound exchange students	641	1,675	2,287	2,244	2,511
Inbound exchange students	648	1,245	1,556	1,634	1,769
Total international students on full programmes ⁵⁾	3,681	3,991	3,890	3,939	3,873
Research programmes					
Total PhD students enrolled	3,416	3,216	3,088	3,086	3,096
Total PhD students admitted	924	898	876	884	789
Total approved PhD dissertations	650	618	779	811	780
Research and dissemination results					
Research publications ⁶⁾		13,389	13,103	12,933	12,982
Publications in accordance with the BFI categories ⁶⁺⁷⁾		11,296	10,891	10,764	10,353
Educational publications ⁶⁾		94	65	93	105
Registered patents	24	22	32	39	28
Reported inventions	65	57	81	78	77
Projects with businesses (private sources) ⁸⁾	2,793	2,690	2,750	2,199	1,936
External projects ⁸⁾	5,217	5,014	5,068	5,000	4,548
Financial scope of collaboration with businesses (DKK'm)	1,830	1,720	1,565	1,388	1,187
Key ratios (%) ⁹⁾					
Profit margin	3.5	2.5	3.0	3.0	3.5
Liquidity ratio	128.5	123.3	134.4	134.2	129.1
Solvency ratio	35.1	31.8	34.6	34.8	31.1
Financing rate	0.0	0.0	0.0	0.0	0.0
Debt ratio	0.0	0.0	0.0	0.0	0.0

... Financial highlights continued

- 1) In 2020, the statement has been adjusted to Universities Denmark's statement, which, for some elements, deviate from UCPH's itemisation in the income statement and note 1.
- 2) From 2021, UCPH's expenses are allocated in accordance with the annual report template for educational institutions under the Danish Ministry of Higher Education and Science, Appendix 1a: Template and guidelines for the expenses side of the income statement and related note for the universities, see statement in note 2. The new layout is not comparable to the model used in previous years.
- 3) Full-time equivalent = 1,924 hours.
- 4) 1 student full time equivalent = 60 ECTS credits. The figure is student FTE production settled with the Ministry (27,817 in 2021, 27,006 in 2020). In addition, professional bachelors, tuition paying international students etc.
- 5) 24.1% of international students are from the other Nordic countries.
- 6) Research and educational publications for 2021 will be reported at the end of June 2022 due to a change of reporting schedule from the Ministry of Higher Education and Science. The figures for 2021 can be seen in the 2022 Annual report.
- 7) Number of peer-reviewed research publications included in the BFI model: 1. Scientific monographs, 2. Scientific articles in journals, 3. Scientific articles in anthologies, 4. Doctoral dissertations.
- 8) Defined according to Universities Denmark's key ratio definitions. Only externally financed research activities (DR50).
- 9) Definition of key ratios, example for 2021:

Profit margin (%)	Profit/loss for the year x 100	326,937 x 100
	Revenues	9,387,046
Liquidity ratio (%)	Total current assets x 100	6,360,445 x 100
	Kortfristet gæld i alt ekskl. feriepengeforpligtelser	4,948,915
Solvency ratio (%)	Total equity x 100	3,072,556 x 100
	Aktiver i alt	8,762,309
Financing rate (%)	(Total long-term debt – frozen holiday pay funds – accrued donations) x 100	0 x 100
	Total property, plant and equipment	1,378,747
Debt ratio (%)	(Total long-term debt – accrued donations) x 100	0 x 100
	Revenues	9,387,046

University of Copenhagen
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