



Annual Report 2019

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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
Olivia Lønager Boesen
Mikkel Bogh
Dorte Brix
Carsten Krogh Gomard
Jesper Grodal
Jan S. Hesthaven
Ida Karoline Bach Jensen
Agnete Raaschou-Nielsen
Birgitte Vedersø
Eske Willerslev

Rector

Henrik C. Wegener

Prorector for Education

Bente Merete Stallknecht

University Director

Jesper Olesen

Auditors

Danish National Audit Office
Landgreven 4
DK-1301 Copenhagen K

Institutional Auditors

Deloitte Statsautoriseret
Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Attorneys

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

Bank

Danske Bank
Holmens Kanal 2
DK-1092 Copenhagen K

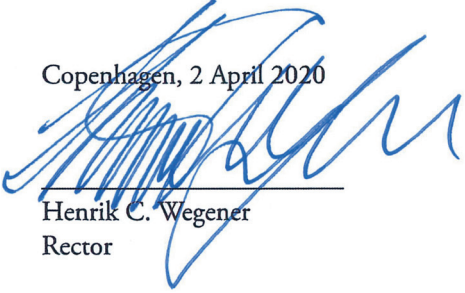
Management's Statement

The Board and Executive Management have today considered and approved the Annual Report of the University of Copenhagen for 2019

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. Pursuant to section 39 (4) of the Executive Order it is hereby declared:

1. 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,
2. 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
3. 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, 2 April 2020




Henrik C. Wegener
Rector




Jesper Olesen
University Director

Board



Merete Eldrup
Chair



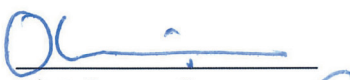
Dorte Brix



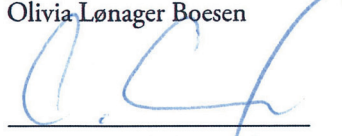
Jan S. Hesthaven



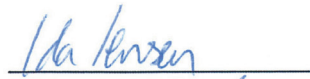
Birgitte Vedersø



Olivia Lønager Boesen



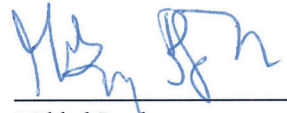
Carsten Krogh Gomard



Ida Karoline Bach Jensen



Eske Willerslev



Mikkel Bøgh



Jesper Grodal



Agnete Raaschou-Nielsen

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 Auditor General Act.

To the University of Copenhagen Board

Auditor's 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 2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies and supplementary financial information. The financial statements are prepared in accordance with Ministerial Order no. 870 of 26 August 2019 on funding and auditing etc. at universities as well as the directions and instructions on financial statements issued by the Danish Ministry of Higher Education and Science, and including the Danish Agency for Institutions and Educational Grants, hereinafter referred to as state accounting rules.

We believe that 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 the Danish Agency for Higher Education's Ministerial Order no. 870 of 26 August 2019 on funding and auditing etc. at universities and agreement on internal audits at universities entered into between the Minister for Higher Education and Science and the Auditor General (Rigsrevisor) in pursuance of Section 9 of The Auditor General Act (Rigsrevisorloven). 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. 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, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 870 of 26 August 2019 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 pursuant to Ministerial Order no. 870 of 26 August 2019 on funding and auditing etc. at universities issued by the Danish Ministry of Higher Education and Science, we exercise professional judgement and maintain professional scepticism throughout the audit. Moreover we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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

The management report also includes reporting of the strategic framework contract and financial highlights, hereinafter referred to as 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

It is Management's responsibility to ensure that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements as well as usual practice and that financial consideration was made when managing the funds and the operations of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting economy, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of 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 appropriations, laws and other regulations, agreements as well as 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 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 respect.

Copenhagen, 2 April 2020

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

Management Report 2019

The University of Copenhagen's (UCPH) Annual Report for 2019 summarises the most important development trends at the University. UCPH is a knowledge and culture-bearing institution, which supplies knowledge and new insights to society through research and education of the highest international quality. The results of the research are disseminated broadly to society in the form of publications, teaching activities, lectures and so on, and through teaching excellence the knowledge is passed on to students, who bring what they have learned to workplaces, voluntary associations etc. UCPH's strong and intensive collaboration with the private sector contributes directly to addressing tomorrow's challenges.

Strong academic teaching and research environments are at the heart of UCPH's activities. In 2019, UCPH has

continued to implement the University's strategy *Talent and collaboration – Strategy 2023 (Strategy 2023)*, which focuses on developing and retaining academic talent, on creating degree programmes which are more closely integrated with the latest research and practice, as well as on actively participating in the development of the Danish and international society through collaboration with knowledge-based institutions, businesses, authorities etc. Internally at UCPH, the strategy has focused on supporting a unified and focused university. One of the means of achieving this are the multi-year goals and action plans in the strategic annual cycle, which set the overall strategic direction for the departments, faculties and the University as a whole.



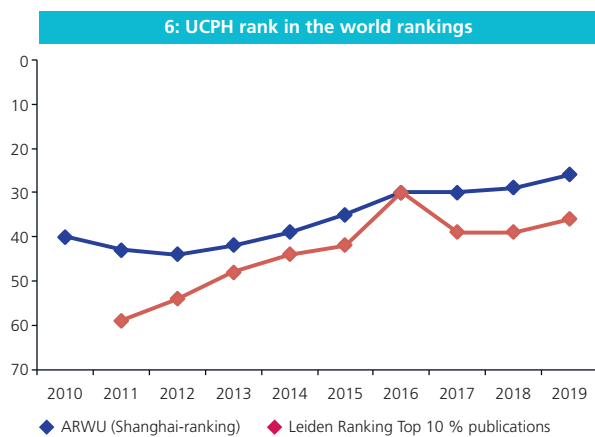
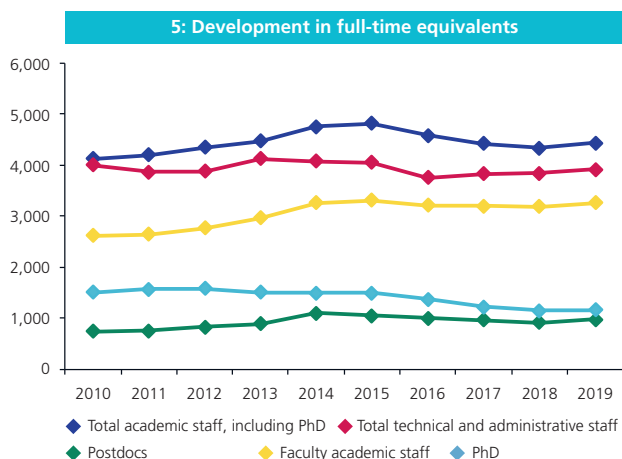
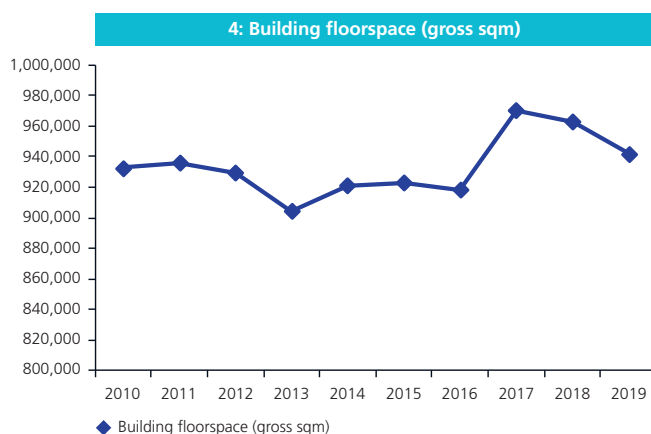
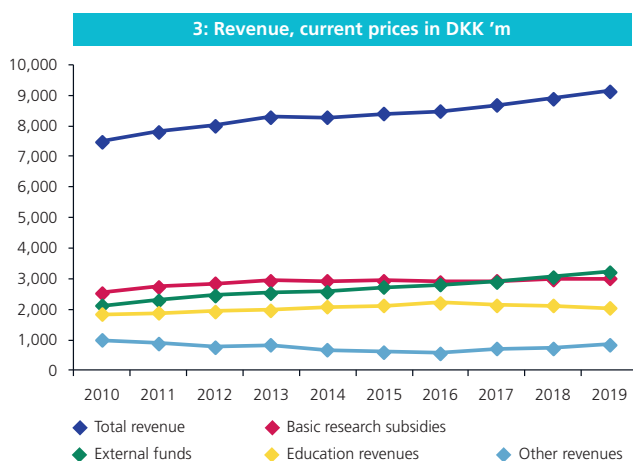
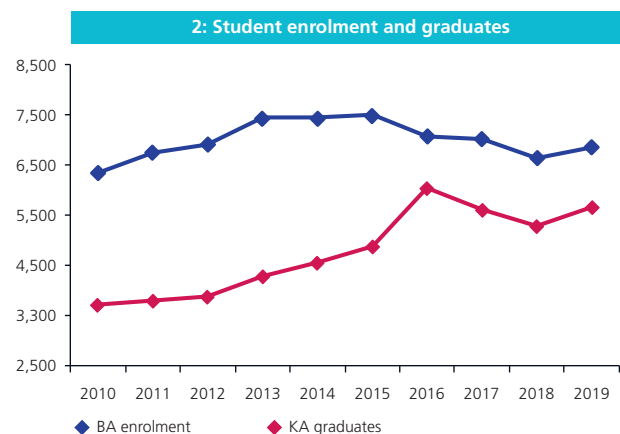
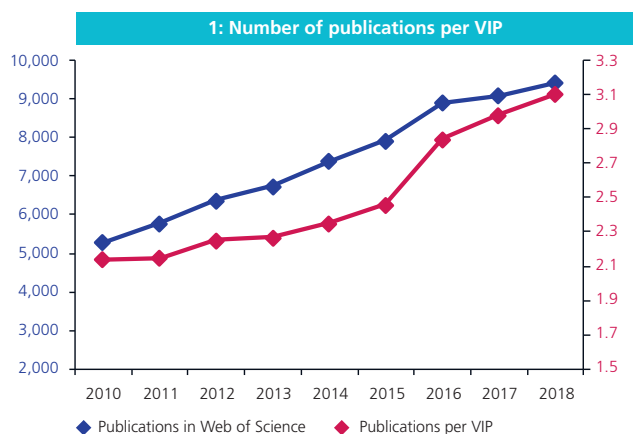
The University Board and the Rectorate February 2020

Top row from left: Jesper Olesen, Olivia Lønager Boesen, Jan S. Hesthaven, Eske Willerslev, Dorte Brix, Mikkel Bogh

Bottom row from left: Jesper Grodal, Bente Merete Stallknecht, Carsten Krogh Gomard, Merete Eldrup, Ida Karoline Bach Jensen, Agnete Raaschou-Nielsen, Birgitte Vedersø, Henrik C. Wegener.

UCPH financial highlights

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



Sources: 1: Publications in ISI Web of Science, academic staff, cf. University of Copenhagen's Statistical Data; 2 + 3 + 4: University of Copenhagen's Statistical Data; 5: ISOLA data; 6: Academic Ranking of World Universities (Shanghai) & Leiden Ranking

University of Copenhagen in 2019

For UCPH, 2019 was another year of progress. The University is still well positioned in the international rankings of the world's best universities, and is only surpassed by the Universities of Cambridge, Oxford and London in obtaining the most competitive EU research funding. With 50 grants, in 2019 UCPH could unofficially call itself 'European champion' in Individual Fellowships under the mobility programme Marie Skłodowska-Curie Actions per university. At the end of 2019, the EU framework programme for research and innovation had invested almost DKK 2 billion in research at UCPH, and with more than 500 Horizon 2020 projects at UCPH, this number is only surpassed by the Universities of Oxford and Cambridge. In competition with leading Danish and international research environments, UCPH's researchers have managed to consolidate and further increase the external research funding attracted to the University. The funding attracted is thus up by DKK 148 million relative to 2018, topping DKK 4 billion for the first time in 2019.

In 2019, UCPH welcomed 6,859 new undergraduate students, while 5,659 students completed their Master's degrees. At the same time, the University obtained a positive institutional accreditation, which means that over the next six years, it can develop and offer degree programmes without them having to be accredited, which has been necessary to date. At the same time, UCPH is delighted that the Danish Parliament has given priority to abolishing the reprioritisation payment and investing more in education from 2020, while securing the continued funding of the humanities, social sciences, law and theology programmes up until 2023.

2019 was also the year when climate and sustainability won a place on the political agenda. The climate was one of the main topics debated in connection with the general election in June, and in the agreement on the research reserve in 2020, the political parties agreed to earmark DKK 1.5 billion for research into the green transition. At the same time, both the private business sector and the political system have set ambitious climate targets for Denmark. As one of the country's leading educational and research institutions, UCPH is able to actively contribute to the green transition of Danish society.

Despite the favourable development in 2019, there are dark clouds on the horizon. UCPH rents most of its build-

ings from the Danish state through the state-owned property scheme, and substantial budget overruns and delays to the completion of a number of new buildings have greatly inconvenienced our researchers and students. Despite increased educational funding, this means that further densification and greater efficiency will probably be needed in the coming years for the University's building finances to balance.

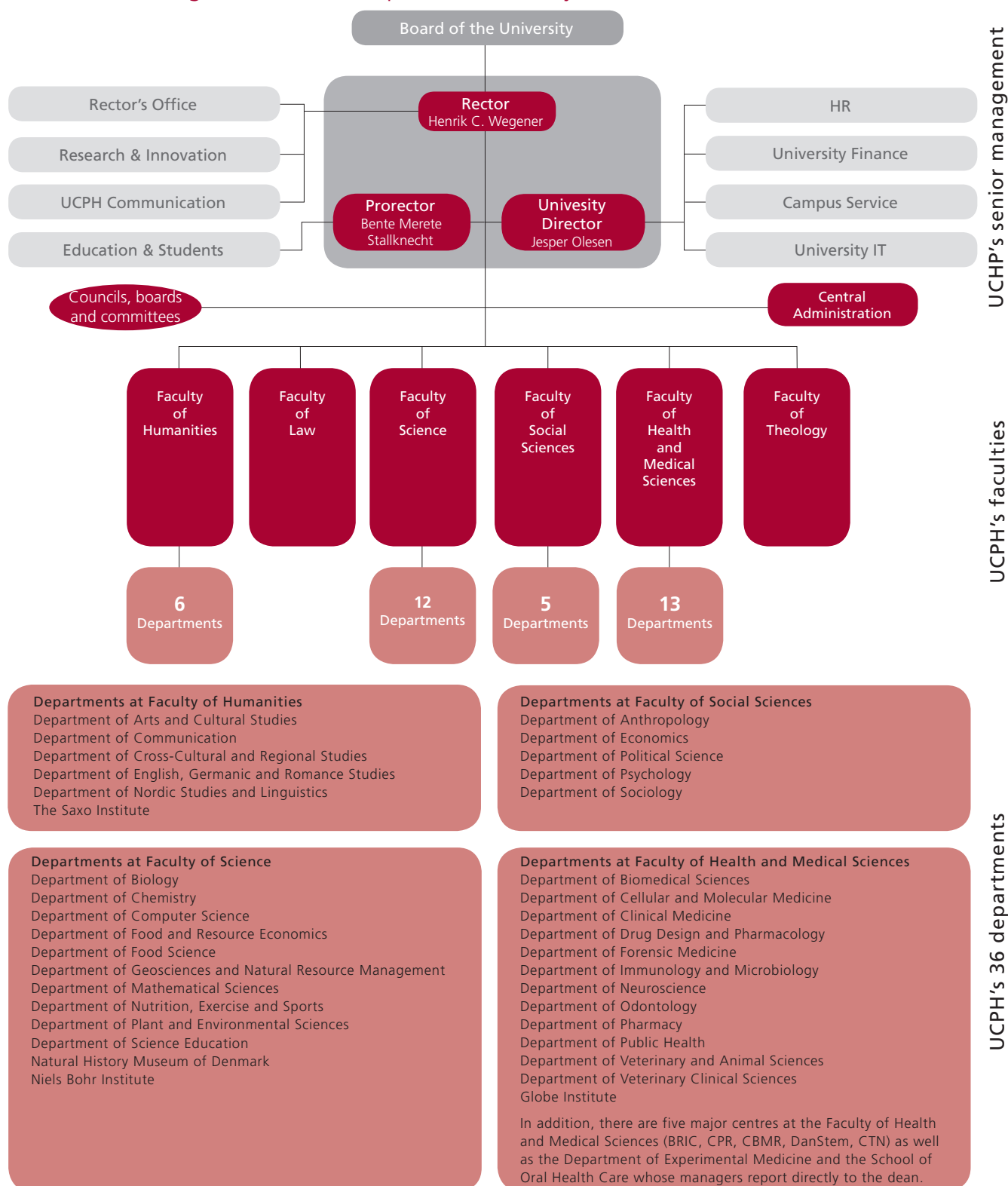
Science is a constant quest for the truth. In order to gain new insights and scientific breakthroughs, science must constantly question and challenge existing knowledge. It is therefore only natural for there to be a lot of debate at a university when different opinions and perceptions clash. This was also the case at UCPH in 2019, and identity politics was a particularly hotly debated topic both at and outside the University. It has been important to make it clear that the University attaches the greatest importance to safeguarding academic freedom, and this has therefore been emphasised in the guidelines on the prevention and handling of offensive behaviour, including bullying and sexual harassment.



New chair of the Board Merete Eldrup

At the end of 2019, chair of the Board Mads Krogsgaard Thomsen, stepped down and UCPH welcomed Merete Eldrup as new chair of the Board.

The UCPH organisation as per 1 January 2020



Financial framework

Revenues at UCPH totalled DKK 9,073.4 million in 2019, which represents an increase of DKK 165.5 million compared to 2018. Thus, UCPH's revenues topped DKK 9 billion for the first time ever.

The increase is primarily attributable to external grants for research activities, which increased by DKK 163.6 million, an increase in the government-financed subsidy of DKK 76.0 million, as well as a number of other minor changes.

With the 2019 Finance Act, the funding reform is now reflected in UCPH's expected future education revenues, implying a restructuring of our education funding. New programme elements have been introduced: base subsidies, study grants, employment subsidies, quality grants and other fixed education subsidies. In this connection, the full-time education rates have been reduced by approximately 25%.

Generally, the 2019 Finance Act came with no surprises as the implementation of the readjustment reserve and research funds as well as the Rate-1 increase had been guaranteed up to and including 2019.

Research and talent

A university at the highest international level needs strong academic environments. To deliver on the University's vision of being among the world's best universities, focus on recruiting, retaining and developing talented academic staff is crucial.

Talent and collaboration – Strategy 2023

New research results must be brought into play and create positive change in society. Therefore, UCPH's researchers collaborate extensively with businesses, the authorities, other educational institutions etc. The University thus works actively with the entire research value chain from basic idea and strategic application to practical implementation and commercialisation. The competition with leading Danish and international research environments is intense, and the University has managed to further consolidate its strong positions in 2019.

Publications

According to the latest figures from the Web of Science (WoS) database, which compiles research publications, 9,420 UCPH publications were registered in 2018. In 2018, the figure was up slightly compared to 2017, which is illustrated in Figure 1 on page 9. The number of publications from UCPH on the WoS more than doubled in the 2007-2018 period, while the number of UCPH publications included in the bibliometric research indicator increased by more than 32% in the years 2013-2018.

Rankings

In 2019, UCPH was again highly ranked in the leading international rankings of the world's best universities, see Figure 6 on page 9. UCPH is the highest-ranked university in Denmark, and is often also the highest-ranked Nordic university.

- In the Academic Ranking of World Universities (ARWU), UCPH advanced to a position as no. 26 in the world, while maintaining a sixth place in Europe.
- The Centre for Science and Technology Studies (CWTS) Leiden Ranking had UCPH as no. 36 in the world and no. 6 in Europe, when measured on the number of publications in the top 10% of the world's most cited publications.
- The QS World University Ranking had UCPH as no. 81 in the world and no. 26 in Europe.
- In the Times Higher Education Ranking (THE), UCPH is no. 101 in the world and no. 38 in Europe.

Rankings

Each year, a number of global rankings seek to compare universities with each other. UCPH focuses on four leading global rankings: ARWU (also known as the 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 rankings from ARWU and CWTS Leiden have been the most stable for a number of years, and UCPH has really moved up these rankings over the last 5-10 years.

External funding

In 2019, UCPH – in competition with the best universities in Denmark, Europe and globally – attracted research

funding totalling DKK 4,039.8 million. This is DKK 148 million more than in the previous year, and means that UCPH has attracted funding in excess of DKK 4 billion for the first time ever. In particular, UCPH has been very successful at attracting funding from Danish private research funds and the EU. For example, UCPH's researchers were awarded 11 ERC Grants in 2019, widely distributed across the University's main academic areas.

Commercialisation

In 2019, UCPH again saw progress within commercialisation. In particular, the number of licensing agreements for the commercial use of technologies from UCPH increased significantly. In 2019, UCPH signed 38 such licensing agreements, which is the highest number ever, and 12 more agreements than in 2018. Also, 81 inventions were registered at UCPH in 2019, the second-highest figure ever. At the same time, the number of cooperation agreements entered into by the University in 2019 was also the highest ever at 1,285 – 200 more than in 2018. This is a positive development.

Research-based public-sector services

In 2019, the research-based public-sector services area was impacted by the Ministry of Environment and Food cancelling the competitive procurement of services totalling approx. DKK 750 million. As a result, UCPH is keeping its existing public contracts within forest and landscape as well as environmental economics at the Faculty of Science. However, the veterinary public service agreement was put out to tender in 2017, and the contract was transferred from Technical University of Denmark (DTU) to the Faculty of Health and Medical Sciences (Medical Sciences) at UCPH, which in collaboration with Statens Serum Institut has gradually taken over the public sector services within the veterinary area in Denmark. From 2020, all tasks have been transferred to the new joint consortium DK-VET. 2019 was also the year in which all departments at the Faculty of Science (Science) and selected departments at Medical Sciences implemented the joint manual for the quality assurance of research-based consultancy, which the two faculties developed together in 2018. The Centre for Military Studies at the Faculty of Social Sciences (Social Sciences) renewed its agreement with the Danish Ministry of Defence up until 2023. Moreover, the contract was extended to include a subcontract within international law, which the Faculty of Law (Law) bid for and won.



Research integrity

Research integrity and researchers' collaboration with private companies and public institutions is an area that received considerable attention in 2019, both in the public domain and at UCPH. In summer 2018, UCPH adopted a comprehensive Code of Conduct for Responsible Research. Subsequently, a study was launched into the University's work on research integrity. The purpose of the study was to shed light on the extent to which and the ways in which UCPH's work with research integrity helps to ensure good scientific practice at the University.

The study concluded that UCPH has clear standards for good scientific practice, and that people are generally happy with the code of conduct and with the procedures in place for investigating any suspected breaches of good scientific practice. However, the study also found that the University's code of conduct and standards within this field must be communicated even more clearly to the University's researchers. This will be followed up on in the coming years.

Open Science at UCPH

UCPH wishes to promote Open Science, and an interdisciplinary project has therefore been initiated for the purpose of creating the best possible conditions for Open Science at UCPH in the coming years. This includes, for example, creating a stronger culture around data sharing and use, as well as creating better incentives for engaging in Open Science among the University's researchers and providing more opportunities for publishing with Open Access. Since the introduction of the national Open Access strategy in 2015, UCPH has provided unrestricted digital access to

2023 project: Data research at UCPH

The project *Data research at UCPH* aims to strengthen researchers' opportunities for carrying out data-based research and for processing research-based knowledge using digital technologies. The ambition is for UCPH researchers to make increased use of the possibilities offered by, for example, artificial intelligence, big data and machine learning. Under the auspices of the project, three initiatives are established which will help to strengthen data research: The *Data+ pool* is an internal pool of funds earmarked for educating a new generation of interdisciplinary researchers who, with computer science skills, will be able to expand and combine subject disciplines. *KU Data Labs* are five units that, in the coming years, will serve all interested UCPH researchers by giving them insights into all aspects of data management for the benefit of their work. Four of the five labs will be located on campus, while the fifth lab will be established under UCPH IT, with expert knowledge in accessing Danish and international HPC facilities. The *Advanced Data Infrastructure* project will recommend how UCPH's researchers can gain access to the best possible digital research infrastructure, and increase access to digital and data infrastructure and HPC systems to all employees. The project is linked to the collaboration on the development of the national data research infrastructure under the auspices of the Danish e-Infrastructure Corporation (DeIC).

more and more research publications, and the share of Open Access research publications doubled from just over 20% in 2017 to 41% in 2019.

Student-driven innovation and entrepreneurship

For several years, UCPH has been working to promote innovation and entrepreneurship in its degree programmes and to support the lecturers accordingly, among other things through the continued development of UCPH's innovation and entrepreneurship toolbox. The toolbox has approximately 70,000 unique users each year, including lecturers and students from UCPH and many external users from other universities in Denmark and abroad.

As more and more people have become aware of UCPH's three innovation hubs, the number of affiliated student teams working on a startup or an innovation project has steadily increased. UCPH Innovation Hubs participate in *Startup in Practice*, where students have the opportunity to do academic internships, which focus on innovation and entrepreneurship in their own or another startup. So far, 50 students have participated in *Startup in Practice* across the three UCPH Innovation Hubs.

The entrepreneurial ventures of students and graduates contribute in particular to creating new jobs and economic growth. The analysis also showed that in spite of a stagnation in the general level of entrepreneurial activity in

Denmark since the financial crisis in 2008, there has been a significant growth in the number of UCPH-based entrepreneurs.

In 2019, UCPH submitted applications to the *Innoexplorer* programme launched by Innovation Fund Denmark in 2019. The programme provides grants to projects based on research results with commercial potential. In all, 32 UCPH applications were assessed, resulting in five projects being awarded grants totalling DKK 7.1 million.

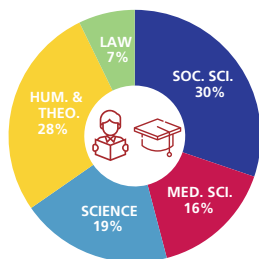
In 2019, a new initiative was launched at UCPH: Medical Sciences' new innovation pipeline. The purpose of the pipeline is to contribute to creating even more research with commercial and societal potential. In 2019, our innovation activities also centred on providing input for the new business promotion reform, and UCPH provided input both to the reform itself, to the formation of new clusters as well as to the Danish Executive Board for Business Development and Growth's business strategy.

The establishment of the BioInnovation Institute (BII) in collaboration with the Novo Nordisk Foundation has created a new opportunity for maturing UCPH spin-outs. In particular, the BII programme *Creation House*, which offers office and laboratory facilities and, not least, DKK 10 million in convertible loans to participants, is relevant for already established spin-outs. Of the eight companies which are currently affiliated with *Creation House*, five have affiliations with UCPH, and of these, three have signed licensing agreements in order to commercialise inventions owned by UCPH. The three companies are PanCryos, ADCendo, and Ankrin.

Analysis of entrepreneurship at UCPH

In 2019, a comprehensive register-based analysis was conducted based on data from Statistics Denmark to document the level of entrepreneurship at UCPH. The analysis showed that the University's researchers, students and graduates together established more than 4,600 new companies in the 2001-2016 period – an average of almost 290 a year. The natural and health sciences dominated among the companies started by researchers, while students and graduates starting a business often come from the social sciences and the humanities.

Distribution of UCPH entrepreneurs among students and graduates



Distribution of UCPH entrepreneurs among researchers (incl. spin-outs)

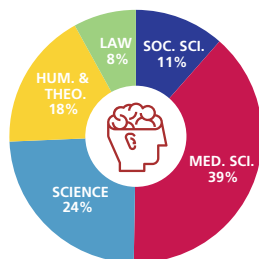


Figure 7

Recruitment and careers at UCPH

Excellent research and teaching needs space to test and pursue ideas and be inspired by each other, and UCPH is working hard to attract, develop and retain academic talent. It requires, among other things, attractive career systems, focus on talent development and a better framework for the career development of academic staff.

Management development for heads of research groups

Since autumn 2015, UCPH has offered internal courses in research management. In the same period, research management has become a discipline which is given a high priority by foundations, the university management and heads of research. In 2019, four courses at UCPH attracted a total of 92 new course participants. The content and teaching methods are continually adjusted, and efforts are being made to find out how to offer heads of research the best and most relevant training. Demand for the courses has been growing steadily since they started, and at the end of 2019, 251 heads of research had completed the courses.

UCPH Forward talent programme

UCPH Forward offers an intensive talent development programme for UCPH researchers who demonstrate extraordinary scholarly excellence, creativity, talent, motivation and the courage to bridge disciplines. The programme participants join a network of the most dedicated UCPH researchers with whom they can share ideas and ambitions, and they participate in exclusive talks and debates on a variety of relevant topics with select representatives from the Danish and international academic, industrial, social, commercial and political sectors. Participants are offered professional coaching, and experienced mentors monitor

2023 project: Academic staff career development programme

The career development programme supports UCPH's ambition of attracting, developing and retaining academic talent. Under the auspices of the programme, in 2019 a programme was proposed for promotions from associate professor to professor without vacancy announcements. The implementation of the programme will require legislative changes, and concurrently with its own work on the promotion programme, UCPH has contributed to the work involved in revising the legislation.

The programme also proposes criteria for recognising the merit of assistant professor, associate professor and professor positions at UCPH in order to make the recruitment and career development processes clearer and more transparent. Recommendations for the career work with PhDs and postdocs and for recognising excellent teaching are available in two reports, and must be implemented in 2020.

Eight departments and two faculties are busy preparing action plans and benchmarks for their work with unconscious bias in recruitment and the psychological working environment. The efforts will contribute to meeting UCPH's wish of creating an attractive and transparent career system.

their development and goals. In 2019, 24 researchers from UCPH participated in the talent programme.

Reporting for the Arnamagnæan Commission in 2019

In 2019, the Arnamagnæan Commission at UCPH received a Finance Act grant of DKK 4.4 million dedicated to the publication of a dictionary of Old Norse prose, to a scholarship for Icelandic researchers to study manuscripts at the Arnamagnæan Manuscript Collection, and to publishing two scientific series (*Editioes Arnamagnæanæ* and *Bibliotheca Arnamagnæana*). In 2019, the editors of the *Dictionary of Old Norse Prose* continued editing the dictionary, and developed a new online app for the continuous publication of new dictionary articles.

In 2019, the journal *Opuscula XVII* was published, which is part of the *Bibliotheca Arnamagnæana* series. Furthermore, more work was done on *Breta saga*, *Guðmundar sögur biskups III* and *Göngu-Hrólfs saga*, *Catalogue of the Icelandic Manuscripts in the British Library* as well as the first two editions of the new digital series *Editioens Arnamagnæanæ Electronica*, *Marine Jespersdatters bønnebog* and *Morkin-skinna*. In 2019, government grants were awarded to Icelandic researchers to fund stays in Copenhagen lasting a total of 12 months. Three researchers stayed at the Department of Nordic Studies and Linguistics for a total of nine months, while the fourth researcher's stay will take place at the beginning of 2020.



Education

The University of Copenhagen educates graduates for a wide range of jobs, both in Denmark and globally, and must support students' career planning and clarify how degree programmes can be used to enable individuals to realise their potential. We must develop the ties between programmes and practice to ensure that graduates bring analytical insight and academic skills to the job market.

Talent and collaboration – Strategy 2023

Intake 2019

In 2019, UCPH enrolled 6,859 Bachelor's degree students and 5,917 Master's degree students – see Figure 2 on page 9. 44% of the applicants for UCPH's Bachelor's degree programmes were first-priority applications, and the number of enrolled Bachelor's degree students increased by 3.3% relative to 2018. This is primarily due to the fact that the Ministry of Higher Education and Science has increased the number of places for medicine, and because in 2019 UCPH opened up for admissions to two new Bachelor's degree programmes: Computer Science – Economics and Machine Learning and Computer Science. Both programmes attracted a large number of applicants, and in total the number of first-priority applications for IT programmes at UCPH increased by 31%. In addition, the intake to several existing programmes increased significantly, for example Communication and IT, where admissions were up by 36%, and Rhetoric, where admissions increased by 41%.

The unemployment-based programme resizing of the Bachelor's degree programmes is basically fully phased in, and thus has not resulted in any further decrease in admissions. The intake for Master's degree programmes showed a slight decrease of 0.7% compared to 2018. The decrease is due to the unemployment-based programme resizing, and a reduction in the number of places on English-language programmes in 2019 following a request by the then Minister for Higher Education and Science Tommy Ahlers.

Master's degree graduates

The lower intake at UCPH in recent years has impacted the number of student full-time equivalents (FTE). In 2019, 26,809 student FTEs were produced against 27,092 in 2018, corresponding to a 1.0% decrease. However, despite the lower student FTE count, an increase was seen in earned ECTS per full-time student. In 2018, a full-time Bachelor's degree student earned 46.3 ECTS, while in 2019 this number increased to an average of 47.1 ECTS. For Master's degree students, the average ECTS earned also rose, from 45.2 in 2018 to 45.4 in 2019. Fewer students and an increase in ECTS earned per full-time student may indicate that more students graduated with a degree from UCPH, which is supported by the number of Master's degree graduates, which increased by 7% from 5,285 in 2018 to 5,659 in 2019.

New degree programmes and discontinued degree programmes

At the Faculty of Humanities (Humanities), no elective study courses were offered in modern Icelandic and Faroese and Old Norse from autumn 2018. This was due to declining applicant numbers, and for financial reasons, the faculty introduced a requirement of min. 30 participants on all electives. The faculty continues to offer a number of courses and educational activities giving students an opportunity to work extensively with West Nordic languages and

In 2019, two new Master's programmes offered by UCPH were approved – one in neuroscience and the other in STEM education – as well as a new Bachelor's programme in medicinal chemistry. The new degree programmes will be established with expected admission from 2020.

The Master's programmes in Polish studies and in Russian studies were discontinued as of 31 August 2019 as independent degree programmes. The programmes had very few students, partly because of the unemployment-based programme resizing, and thus the financial basis was inadequate. The subject areas continue as specialisations under the Master's programme in East European Studies.

cultures. The research performance in Old Norse is maintained at a high level.

Globalisation is reducing distances between people and nations, and is making it necessary to have strong language skills and cultural understanding. Despite this, UCPH has unfortunately experienced a general decline in applicants for its language degree programmes. Admissions to UCPH's degree programmes in Spanish, French, German and Italian have thus been declining for a number of years, and since 2015 UCPH has enrolled approx. 40% fewer students on the four programmes. 2019 saw an increased intake for French compared to 2018, but the intake in 2019 is still about 40% lower than the intake for 2015. The decline in admissions must be seen in light of a similar trend in Danish upper secondary schools, where students are choosing to study these subjects to a lesser degree at a high enough level.

As part of the previous government's strategy to strengthen foreign languages, UCPH has based the eastern section of the Danish National Centre for Foreign Languages (NCFE) at Humanities. The purpose of the centre is to strengthen foreign languages throughout the Danish educational system, and UCPH expects the centre will be able to help strengthen language programmes at the universities.

2023 project: Research integration

The project will further develop and publicise the way in which research is integrated in the teaching at UCPH. Among other things, the project has produced a 'research teaching staircase', which illustrates the characteristics of research integration and how this concept differs from research-based education. The research teaching staircase is intended to inspire lecturers to develop their own courses. Experiments with research-integrating elements will be initiated in the coming years.

Institutional accreditation

In June 2019, UCPH was awarded a positive institutional accreditation by the Accreditation Council. UCPH had reapplied for an institutional accreditation in 2018 as a follow-up to the conditional positive institutional accreditation received in 2017. UCPH had been criticised for not setting sufficiently ambitious measurable standards for measuring the quality and relevance of its degree programmes, and for not monitoring the programmes' research base often enough. The accreditation panel visited UCPH in February 2019, and found that these areas had been rectified. The accreditation is valid for six years.

Quality initiatives

In 2019, UCPH received DKK 17.7 million in quality grants to support the use of academic feedback and technology on the degree programmes. The University has implemented various initiatives aimed at digitalising the programmes, including a digitalisation check-up of subjects. A UCPH model for students' digital literacy has been prepared, which is being followed up by a digital competence package which includes data management, digital design, research and methodology, technological understanding as well as digital reflection and ethics. In terms of feedback, the focus is on making feedback more widespread as an integral part of the teaching on all degree programmes. The feedback field in UCPH's course descriptions has become mandatory. Lecturers are thereby being encouraged to consider how feedback can be used to a greater extent in the planning of courses. Likewise, students are given clearer information on how feedback is used in each course across the various degree programmes. The initiative is supported by guidance and examples of good practice.

Study environment survey 2019

UCPH conducted a study environment survey in spring 2019. A total of 10,857 students completed the survey, which corresponds to a response rate of 31. The survey showed that students are generally satisfied with their study environment, but that there is scope for improvement in some areas. Approximately 70% are generally satisfied or very satisfied with their study environment, while 64% agree or totally agree that their degree programme is going well. In general, students are positive about the student community at UCPH, which has a key bearing on the gen-



eral level of satisfaction with the study environment. The study environment survey also showed that students are generally very satisfied with the digital study environment. Here, 72% are satisfied or very satisfied with the digital study environment. In particular, the level of satisfaction with Absalon (the digital learning platform) has increased significantly since the last study environment survey in 2016.

The study environment survey showed a significant improvement in the level of satisfaction with the physical environment at the Faculty of Law, which since the last study environment survey in 2016 has moved from facilities in central Copenhagen to new facilities on South Campus, and satisfaction with the physical environment is also generally high at Humanities and at Faculty of Theology (Theology), which are also situated on South Campus.

However, the study environment survey unfortunately showed that almost half of the students are experiencing stress symptoms on a daily basis and no less than approx. 70% experience similar symptoms in the run-up to exams. Therefore, UCPH has established a think-tank on stress and student well-being, which is intended to improve the psycho-social study environment for students and to support good degree programmes with greater well-being and less stress in everyday life. In autumn 2019, all the faculties prepared action plans for improving the study environment based on the study environment survey. The action plans will run over the next three years. In addition, in December 2019, the Danish Parliament provided a one-off grant for measures aimed at promoting well-being at UCPH.

2023 project: Digitalisation of degree programmes

The project supports UCPH's ambition of promoting digital learning and the digitalisation of core academic content as well as the students' digital literacy. Three tracks have been established under the auspices of the project which focus on the students' digital literacy, the digitalisation of degree programmes (among other things that the lecturers have the necessary digital skills) and the use of digital didactic tools in the teaching.

years, the association has been through a process whereby its relationship with UCPH has been clarified, and which has also involved drawing up new statutes. The agreement ensures that three employees, who have been made available to the sports association for about 25 years, will from 2019 be paid directly by the sports association and with a fixed salary subsidy from UCPH. The University's student sports association can also use the University's rooms for sporting purposes when they are not being used for anything else.

Continuing and further education

In 2019, an interdisciplinary working group was set up under the University of Copenhagen's Academic Board on Education Strategy to strengthen the University's initiatives within further education (FE). At the moment, UCPH has a relatively low profile as far as FE is concerned. The University's Board has therefore designated FE as an area of untapped potential, as UCPH must bring its research-based knowledge into play to a greater extent and actively contribute to continually enhancing the skills of the Danish workforce. In 2019, the FE working group worked on proposals and recommendations for the strategic development of FE at UCPH, which are expected to be ready in spring 2020.

Continuing and further education is also included in the goals and action plans of the six faculties, especially at Medical Sciences, at Science and at Social Sciences, where large strategic development initiatives have been launched. The Faculty of Social Sciences has also started collaborating with the three faculties at South Campus on setting up a new centre for Innovation & Public Policy, which will focus in particular on customised continuing and further education programmes for companies. The centre is expected to open in 2021. Medical Sciences and Science have already gained positive experience from collaborating with large companies, for example Topdanmark and Novo Nordisk, on developing tailor-made research-based courses for their employees.

The University's student sports association 'KU Studenteridræt (KSI)'

In 2019, the University's student sports association entered into a new agreement with UCPH. In recent

Collaboration and societal commitment

The University of Copenhagen's activities generate considerable value for society, and the University must become even better at demonstrating the value of its research and education. Many of the world's greatest challenges call for interdisciplinary collaboration. More focus should be given to utilising knowledge across disciplines and sectors in collaboration with Danish and global knowledge-intensive organisations and businesses.

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It is one of UCPH's ambitions to actively support sustainable and positive social development in Denmark as well as internationally. The University's researchers contribute expert knowledge, opinions and perspectives to the public debate, while developing tomorrow's solutions in collaboration with the private business community, public authorities, hospitals and so on. For example, a number of UCPH researchers attended the 2019 C40 World Mayors Summit in Copenhagen. The University's students bring new knowledge into play when they engage with the community, for example as volunteers in associations or at the university together with their fellow students. In 2019, UCPH focused in particular on sustainability and internationalisation.

Sustainability at UCPH

Status on Green Campus 2020

UCPH has worked actively with sustainability since 2008, and in 2014, the University decided to set out goals for its sustainability efforts in the form of its Green Campus 2020 strategy. The primary objectives of the strategy are carbon/climate and energy-efficiency improvements, and in these areas, UCPH has achieved significant results over the past 10 years. Thus, UCPH's carbon emissions fell steadily between 2008 and 2017. However, from 2017 to 2018, UCPH saw a slight increase in carbon emissions. This was mainly due to the full occupation of the Maersk Tower, and to 2018 not being a very windy year, which meant that less renewable energy was produced.

So far, the efforts to improve sustainability at UCPH have covered utilising premises and facilities more efficiently, energy-optimising buildings and laboratories, energy-effi-

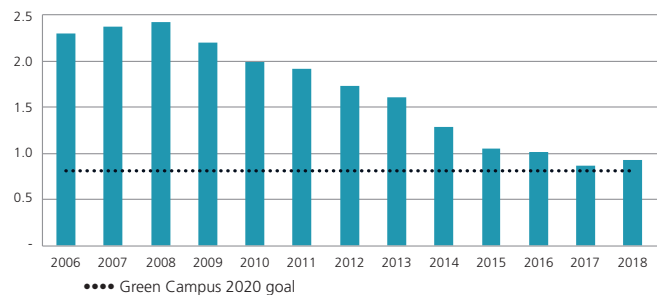


Figure 8: Carbon emissions in tonnes per FTE 2006-2018

cient behavioural initiatives in collaboration with departments and more sustainable canteens with a wider choice of vegetarian meals, efforts to reduce food waste, organic foods etc. UCPH's Green Campus 2020 strategy runs until 2020, but the University's sustainability efforts must be strengthened, and the University Board has decided that new climate and sustainability targets will be adopted in 2020 for UCPH as an institution. In the short term, increased recycling/the circular economy, strengthened energy efficiency improvements and the development of a climate-friendly travel policy will all be prioritised.

New climate and sustainability initiatives at UCPH from 2020

In 2020, UCPH will formulate an ambitious vision for the University's work with climate awareness and sustainability in its degree programmes, research, organisation and external relations. The faculties at the University are already working towards a greener future, where research and education must play a more central role in solving societal challenges in a more sustainable and climate-conscious way which harmonises with UCPH's high standards of academic freedom and quality. In addition to the work of the faculties, in the coming years UCPH will launch initiatives

2023 project: Branding of a unified UCPH

The purpose of the project is to initiate activities that support a unified narrative about UCPH – among the public and among stakeholders. The focus of the activities is externally oriented and primarily national. At the same time, the programme must support enhanced collaboration across the University's communication units. Among other things, the following will be developed: joint podcasts focusing on interdisciplinarity, an impact campaign, stakeholder events where UCPH researchers provide input for specific stakeholders' challenges as well as communication of UCPH's degree programme development together with employers. These sub-projects will be launched from the beginning of 2020. In addition, it has been decided that from 1 January 2020 UCPH will phase out the faculties' individual logos, so that in the future the University only uses its joint red logo.

which can support the climate and sustainability efforts across the organisation.

Student exchanges and intake of international students

UCPH enables its students to add an international dimension to their studies, either by going abroad to study for a while, or by working with international students at UCPH. Continual efforts are being made to quality-assure UCPH's portfolio of exchange agreements and to offer students different types of semester and summer school stays, academic internships and field work.

In the 2018/19 academic year, 2,083 students went abroad to study, of whom 1,830 students were away for more than three months, which represented an increase of approximately 5% relative to the year before. According to the graduate survey of UCPH students, 37% of students who graduated in the 2011-2016 period had been abroad. According to the OECD, this compares with an average of 12% for Danish higher education institutions in general. In 2018/19, UCPH welcomed 1,556 international students on mobility stays. Most of the outbound and inbound mobility takes place under UCPH's exchange agreements.

The intake of international students on full Master's degree programmes in 2019 was influenced by UCPH having to reduce the intake by 110 students on programmes for which employment rates are low in the Danish labour market for English-language graduates. Most of the reduction at UCPH was in the intake to Science's English-language Master's degree programmes.

UCPH sees international students as being highly valuable both for the study environment and for the Danish labour market. Via Universities Denmark, UCPH has therefore participated in the *Partnership for retaining international graduates in the Danish labour market*, which has drawn up seven recommendations. Based on the recommendations, UCPH will continue and further develop its work to equip the international graduates for a future in the Danish labour market.

International university alliances

UCPH has been a member of the 4EU+ European University Alliance since 2018. Set up in 2017, 4EU+ aims

to bring the participating universities – i.e. their organisations, education and research – closer together. In June 2019, 4EU+ was selected by the European Commission as one of 17 alliances to receive financial support as a pilot for the Erasmus+ programme European Universities, and in October 2019, UCPH signed an inter-institutional exchange agreement with its 4EU+ partners. The agreement takes effect in 2020. In October 2019, UCPH hosted a 4EU+ student conference, which was attended by 35 student representatives from the alliance's six partner universities. The conference resulted in a series of recommendations for the 4EU+ Alliance Steering Committee.

UCPH has also been a member of the League of European Research Universities (LERU) since 2018. In 2019, LERU had 22 working groups, where management representatives and academic staff meet and discuss current issues and exchange best practice. The alliance provides UCPH with a stronger European network among Europe's best universities, and also acts as a political mouthpiece vis-à-vis the EU. LERU maintains a strong focus on promoting the agenda of the research-intensive universities in the EU Framework Programme for Research and Innovation.

In 2019, UCPH continued its close collaboration as a member of the International Alliance of Research Universities (IARU), whose members comprise 11 elite universities, including Yale University, University of Oxford, UC Berkeley, National University of Singapore, ETH Zurich and Peking University. UCPH plays an active role in the different working groups in the alliance, which works with issues such as healthy ageing, gender equality, sustainability, cyber security and so on.

In October 2019, UCPH also joined the EUROPAEUM network, which consists of 17 top European universities,

2023 project: Strategic partnerships

UCPH would like to promote collaboration with the world's best international universities. UCPH's first priority partnership agreement was signed in 2017 with the University of Sydney. The partnership was evaluated in 2019, and based on the report, a number of criteria will be defined for future priority partnerships. UCPH's ambition is to enter into up to five new priority partnerships by 2023.

In 2019, UCPH and the University of Edinburgh signed a Memorandum of Understanding, which describes a common platform for increased collaboration between the two universities, including at PhD level. In both 2018 and 2019, UCPH delegations visited Edinburgh with the aim of strengthening the cooperation and student mobility between the two universities.

including the University of Oxford and Sorbonne University. Among other things, the network allows UCPH's PhD students within the social sciences, the humanities, theology and law to take courses at some of Europe's best universities. Through collaboration and academic mobility, the network shares a common aim of promoting an understanding of Europe among future European researchers and managers, and addressing the challenges that Europe is facing.

One unified and focused university

The vision of becoming one of the world's best universities is primarily being realised through continuing to enhance the quality of the University's research and education. All employees must support this ambition by collectively striving for an efficient and effective organisation that is clearly focused on its core activities. This requires that UCPH develops its human resources and talents in all staff groups, and uses its resources as efficiently as possible.

Talent and collaboration – Strategy 2023

Organisational changes

University elections and new members of the UCPH Board

Following a recommendation from UCPH's appointment body, in December 2019 the Minister for Higher Education and Science Ane Halsboe-Jørgensen approved the appointment of Merete Eldrup, former CEO of TV 2 Danmark, as chair of the UCPH Board with effect from 1 January 2020. She replaced Mads Krogsgaard Thomsen, who stepped down from the Board at the end of his term of office.

Following recommendations from UCPH's nomination bodies, the University's appointment body appointed Mikkel Bogh, Director of the National Gallery of Denmark, Jan S. Hesthaven, Dean of the School of Basic Sciences, École Polytechnique Fédérale de Lausanne, and Agnete Raaschou-Nielsen, professional board member, as new external members of the UCPH Board as of 1 January 2020. They replace the external members Sine Sunesen, Kari Melby and Jakob Thomasen.

Changes were also made to the internal Board members. Anja C. Andersen, Signe Møller Johansen and Rebecca Ingemann Madsen stepped down from the Board. Following the 2019 university election, Jesper Grodal and Dorte Brix are joining the Board as academic staff representative and technical and administrative staff representative, respectively, while Olivia Lønager Boesen will replace Rebecca Ingemann Madsen as student representative on the Board. Eske Willerslev was re-elected to the Board as an academic staff representative.

The new Board took office on 1 January 2020. The Board members' term of office is four years. However, the term of office for the Board's student members is two years.

At the university elections in 2019, in addition to new Board members, student representatives were also elected to the Academic Council and to the study boards, and PhD students and academic staff were elected to PhD committees. The elections comprised a total of 132 sub-elections for the above-mentioned bodies, with a total of 616 candidates.

New deans

Mikkel Vedby Rasmussen became Dean of Social Sciences on 1 May 2019, taking over from Troels Østergaard Sørensen, who had been dean of the faculty since 2006. Katrine Krogh Andersen was appointed Dean of Science in 2019, and on 1 January 2020 replaces John Renner Hansen, who has been dean since 2012.

New departments at UCPH in 2019

The Department of Communication was established on 1 September 2019 following a recommendation from the Dean of Humanities. The department was the result of a merger between the Department of Media, Cognition and Communication and the Department of Information Studies. Following the merger, the department has acquired a more distinctive research profile, and is altogether stronger within communication and information technology. The Department of Communication offers a range of Bachelor's and Master's degree programmes within all its subject areas, for example philosophy, communication and IT, information studies, film and media studies and cultural dissemination.

Following a joint recommendation to the Rector from the Deans at Medical Sciences and Science, the GLOBE Institute was established on 1 July 2019 as a new department at Medical Sciences. The institute will develop interdisciplinary educational programmes, disseminate knowledge widely to the public and provide research-based consultancy to public institutions.

The GLOBE Institute was established at Medical Sciences shortly after the merger between the Natural History Museum of Denmark and the Department of Biology, which was intended to address challenges relating to running the museum and its organisation. Following the establishment of the GLOBE Institute, as from 1 January 2020, the Natural History Museum of Denmark has been reestablished as an independent department at Science with museum activities (exhibitions and collections), including research and education, and still with high ambitions to collaborate with academic environments outside the museum.

Adjustments at Humanities

In order to counter future reductions in government-financed subsidies, in spring 2019, adjustments were made at Humanities in the form of job cuts, reductions in key costs and initiatives aimed at increasing revenue. Together, these measures are expected to counter a decline in income as a result of, among other things, a declining intake, the resizing of the degree programmes etc. at the faculty.

New budget model at UCPH

In 2019, UCPH adopted a new budget model for the University designed to streamline the financial management and support cross-organisational collaboration and at the same time ensure increased budgetary security internally within the organization. The budget model comprises, among other things, a transition from student FTE-based revenue allocations to framework-managed budgeting, with a particular focus on financial sustainability and covering costs. At the same time, UCPH will work to increase coverage of the overhead expenses associated with externally funded research in dialogue with the Ministry of Education and Research and the foundations. Internally, the University's co-funding for the individual research projects must be made clearer. In 2019, focus was on linking the University's finances and strategy more closely, and the strategic

budget dialogue has become an active part of the strategic annual cycle. The implementation of the budget model will continue in 2020.

Staff policy issues

Workplace assessment (WPA) in 2019

In spring 2019, a survey was conducted of the physical and psychological working environment at UCPH. The response rate was 78%. Overall, there was a positive development in the physical working environment from 2016 to 2019. Progress can be traced in areas such as instruction and training, information about accidents, evacuations and fire preparedness as well as work on substances and materials. Problems with noise and poor lighting as well as physical strain on the body are generally the biggest challenges for our employees' physical working environment.

Generally speaking, there has been a positive development in the psychological working environment since 2016. Employee satisfaction has been successfully maintained or even increased in by far the majority of areas. Some areas, however, have seen a deterioration, for example the degree to which employees experience stress. 4% state that they have experienced bullying within the past 12 months, while 1% say they have experienced threats of violence, physical violence and unwanted sexual attention.

Over the next three years, all levels in the organisation will be following up on the results of the WPA. The follow-up will happen in dialogue with our employees, and managers will use the results of the WPA in both their day-to-day management and in strategic discussions. In the WPA 2019, there was considerable focus on dialogue and on following up on the results of the WPA, and tools have been prepared for using in conjunction with the local dialogue on the WPA results.

Revision of guidelines for the prevention of and dealing with offensive behaviour, including bullying and sexual harassment

Following internal and external debate at UCPH on the guidelines in 2018, the General Collaboration Committee decided in December 2018 to review the guidelines for the prevention of and dealing with offensive behaviour, including bullying and sexual harassment, to provide greater clarity on academic freedom in relation to such behaviour.

Diversity at UCPH

UCPH wishes to attract the most talented students and staff – regardless of background. The University emphasises the importance of creating an inclusive culture where everyone is treated with respect, and where diversity is considered a strength. Equal opportunities and diversity are issues which must be addressed together, and in 2019 a number of initiatives were launched across the University to support this work:

- Ten working groups across UCPH's six faculties are participating in a project on unconscious bias in recruitment and the working environment
- Initiatives focusing on gender diversity in recruitment have been continued from the action plan *Career, Gender and Quality*
- A diversity management programme for UCPH's senior management and the faculty and departmental heads
- UCPH has partnered with the association DANWISE, which works to promote increased gender equality in research, with a special focus on STEM
- An employee network has been established, and an LGBTQIA+ student network has been set up
- At the beginning of 2019, UCPH hired a diversity consultant

In October 2019, the General Collaboration Committee approved a revision of the *Guidelines for the prevention of and dealing with offensive behaviour, including bullying and sexual harassment*, as well as a template for local action plans. The guidelines cover both staff and students, and have also been approved by the Student Council.

The guidelines emphasise the importance of striking a good balance between the regard for academic freedom on the one hand and the working and study environment on the other. At the same time, the guidelines emphasise that our focus should be on preventing offensive behaviour, and on how employees, students and managers should handle a situation if such behaviour nevertheless occurs. In order to ensure a good dialogue on the guidelines in the organisation, an internal consultation process has been carried out, where staff, students and managers on relevant councils and committees have discussed the General Collaboration

2023 project: Language policy for UCPH

The aim of the project is to develop a language policy for UCPH which aims to promote a working and study environment of parallel language use to attract and retain talent, and which at the same time must support UCPH's position as an international university rooted in a Danish, national context with special obligations towards the Danish language. This requires a language policy that provides principles for language use at UCPH as a workplace and principles for language use in our teaching activities and degree programmes that equip UCPH's graduates for a global labour market.

In autumn 2019, working group meetings and workshops were held for both the steering committee and the working groups to agree on concrete proposals for implementation and monitoring. At the meetings, recommendations were agreed for, among other things, the students' English-language proficiency, Danish as an academic language, and the Danish-language proficiency of international employees.

Committee's proposals for the guidelines. The consultation process has sparked important and instructive discussions locally on the topic, and this dialogue is ongoing, among other things because all departments and administrative units are required to devise local action plans describing how to prevent and deal with offensive behaviour for the employees. Likewise, the faculties must prepare action plans for students.

Information security

In 2019, an external consulting firm conducted a regular audit of the key financial IT systems at UCPH; the audit gave rise to only a few comments. In 2019, a follow-up was conducted on the measures resulting from Rigsrevisionen's criticism in 2018. In order to ensure a satisfactory level of IT and information security at UCPH, an information security programme has been established which brings together the initiatives launched by the Executive Management. The programme steering group has followed up each month on the way in which any identified issues have been handled, and has, among other things, updated existing policies and guidelines on the storing of research data and the monitoring of emails, as well as more active organisational ownership of information security at departmental level.

Data protection and personal data

In 2019, UCPH drew up a number of policies and guidelines designed to assist employees when working with data protection and personal data. The work on guidelines and procedures was completed in 2019, with the exception of the tasks relating to procedures for GDPR risk assessments, which are ongoing and expected to be completed in 2020. All the necessary policies and procedures for working with personal data will then have been prepared and will be ready to be implemented.

As stated in the data protection officer's annual report for 2019, UCPH has reported 90 security incidents to the Danish Data Protection Agency since the obligation to notify was introduced on 25 May 2018. In one case, UCPH was severely criticised by the Danish Data Protection Agency after a student lost sensitive personal data. In its decision, the Danish Data Protection Agency makes it clear that the University is responsible for the handling of personal data by students in cases where the University

regulates the students' purposes and tools for handling such data. The Danish Data Protection Agency is considering five cases in which external parties have complained about the processing of personal data by UCPH, but no decisions were made in 2019.

Physical facilities

New master plan and future campus plans

UCPH's main education and research activities are spread across four campus areas in central Copenhagen, including a number of new buildings which in several cases have received awards for their outstanding architecture. Preserving the campus areas is important for the sense of cohesion at the University, and in 2019 work therefore started on a master plan for the University's buildings, the overall purpose being to ensure the financially and sustainable management of UCPH's joint facilities. The facilities must be of high quality, and must generally be used more intensively, among other things through the optimised use of space. The master plan is expected to be adopted by UCPH's Board in early 2020. In 2020, UCPH's Campus Service will, within the framework of the master plan and in cooperation with the faculties, prepare operational campus plans, which will be implemented through specific projects involving the departments and other units.

Status of major building projects

The Niels Bohr Building, which was due to be delivered to UCPH in 2016, is still under construction. The building covers approximately 52,000 square metres (gross), and will be used by the Department of Chemistry, the Niels Bohr Institute and the Department of Science Education. In September 2019, UCPH started using a small number of areas for teaching purposes to avoid the costs associated with renting several temporary premises, which would have been necessary as a result of the delays. However, the delays still give rise to considerable financial and practical challenges, and in 2019, UCPH was again forced to revise plans for the expected occupancy of the building. The rent to be paid by the University for the Niels Bohr Building is still unknown, and is the subject of an internal state arbitration case between UCPH and the Building and Property Agency.



Karen Blixens Plads on South Campus

On 28 August 2019, a groundbreaking ceremony was held for the building of the new Natural History Museum of Denmark in the Botanical Garden. The construction work involves alterations to existing buildings and approximately 30,000 square metres of new premises. The new museum is expected to be completed in 2024. A number of foundations and the Danish state have generously donated funds for the project.

On 22 August 2019, UCPH inaugurated Karen Blixens Plads, a new 20,000-square-metre square on South Campus with 2,000 covered bicycle parking spaces. The A.P. Møller Foundation has donated DKK 65 million to the construction of the square.

Financial review

Results 2019

In 2019, UCPH posted a profit of DKK 272.2 million against a profit of DKK 266.4 million in 2018 and a budgeted profit for 2019 of DKK 24.5 million. The discrepancy between the budgeted profit and the actual profit can be ascribed to an upwards adjustment of income from full-time programmes in connection with the reporting of student FTE numbers, the technical transfer of small programmes to UCPH's Finance Act budget rather than being funded through ministerial pool funds as well as increased income from forensic services.

On the cost side, the change is due, among other things, to lower property taxes, deferred rent costs due to delays in UCPH's construction projects as well as general restraint in operations, especially in connection with departmental mergers/reorganisations. Furthermore, a number of pools allocated in the budget, both centrally and at faculty level, have not been fully used, which also contributes to the positive results. In addition, UCPH's increased financial income is primarily due to positive stock market developments in 2019.

In 2019, UCPH's total revenues amounted to DKK 9,073.4 million, an increase of DKK 165.5 million (current prices) compared to 2018 excluding financial income.

The education revenues increased by DKK 15.0 million, due among other things to increased student FTE numbers and the technical transfer of funding for small programmes directly to UCPH's Finance Act budget rather than being financed through the ministerial allocations.

External subsidies for research activities (income from foundations etc.) increased by DKK 163.6 million to DKK 3,221.4 million in 2019 compared to 2018. The increase is mainly due to the growth in funding from private sources.

UCPH's ordinary operating costs amounted to DKK 8,857.9 million in 2019, an increase of DKK 221.5 million (current prices) compared to 2018 excluding financial income.

UCPH's payroll spending totalled DKK 5,188.1 million against DKK 5,046.2 million in 2018, which is an increase of DKK 141.9 million. This increase is due to a small net increase in total FTEs at UCPH as well as the effect of the general pay increases that follows the collective agreement for state employees.

UCPH's ordinary operating costs excluding salaries totalled DKK 3,669.7 million in 2019, which was DKK 79.5 million more than in 2018. The building area saw a decrease relative to 2018, which was as expected. It covers lower rental costs and property taxes, which were counterbalanced by higher maintenance costs as well as increased building operation costs.

Furthermore, there was an increase in depreciation/amortisation as a result of increased investments in previous years.

Similarly, there was an increase in other operating costs, mainly due to increasing revenue from external subsidies. In addition, costs for IT services were up.

Financial income rose by DKK 55.7 million compared to 2018 and by DKK 40.1 million relative to the budget. The positive change is mainly due to increases in the stock market in 2019 relative to 2018, where UCPH suffered losses of DKK 6.0 million in unrealised returns on its portfolio of securities with the asset managers.

Overall, the results for 2019 are considered to be satisfactory.

Financial outlook

On 2 October 2019, the Danish government presented its proposal for Finance Act 2020. In the Finance Act bill, the government cancelled the annual 2% reprioritisation payment on education and other areas, which means that DKK 45 million, DKK 90 million and DKK 133 million will revert to the University in the years 2020, 2021 and 2022. With the final Finance Act 2020, which was adopted by the Danish Parliament on 19 December 2019, the Rate-1 increase will also be continued in the years 2020-2022 (UCPH expects well over DKK 60 million per year). The final Finance Act for 2020 has therefore had a positive impact on the University's finances for the coming budget years compared to recent years, as the University has faced declining government funding since the Finance Act 2016. However, due to the reprioritisation payment, UCPH still continually have a government funding for the coming years which is approximately DKK 180 million lower a year than before the introduction of the reprioritisation payment in 2016.

As a result of the implementation of the Danish state rent allowance scheme (the SEA reform) from 2020 and new property valuations for educational and research buildings, the appropriations have been reduced from 2020 onwards as a result of lower annual rent. Specifically, this means that UCPH's basic subsidy has been reduced correspondingly by DKK 217.7 million,

The Finance Act provides budget security in the three-year perspective for research funding, as funding from both the readjustment reserve and the research reserve has been allocated for the years up to and including 2022. In 2023, the research reserve will contain DKK 3.5 billion, of which UCPH expects to receive a part of.

At the same time, external funding is expected to continue to increase – by almost DKK 400 million in 2019-2023 (12% overall). The increase is due to an expected increase in external research funding, given that private foundations, in particular, are expected to increase their distribution of funding considerably. In addition, other revenues are expected to increase, primarily as a result of UCPH being granted the contract for public sector services within the veterinary area in collaboration with Statens Serum Institut from 2020, which is expected to generate revenue of approximately DKK 40 million.

Education finances are impacted by a large number of new educational initiatives whose specific long-term effects at UCPH are still largely unknown. This causes uncertainties in the forecasting of education revenue. Examples of recent educational initiatives which can affect the education finances both positively and negatively are flexible degree programmes, including the extension of the legal right of admission to three years and the introduction of one-year academic graduate programmes as well as the continued implementation of a new funding system in the education sector, which includes funds for multiple politically prioritised allocations.

UCPH's overall financial framework is also challenged by the delayed construction projects with regard to future rent levels. UCPH continues to focus on ensuring the best possible basis for the university's key tasks: Research, education and innovation. That is why it is imperative for the University to invest in and innovate the organisation, IT and buildings. In this context, it is important for UCPH to retain the autonomy needed to assess the priorities of the proposed investments for the benefit of our core tasks: world-class education and research.

Financial risks

As regards the government-financed subsidies, the uncertainties relate primarily to the education subsidies and the basic research subsidy.

In relation to the education subsidies, there is some uncertainty as to how the base subsidy of 25% will be recalculated in 2023. Partly because there is a risk that the base subsidy will be recalculated on the basis of student FTE production, which have declined partly in relation to 10% of the base subsidy, which in 2023 will depend on the elements of 'the strategic framework contract' (5%) and the 'learning questionnaire'¹ (5%). As regards the Rate-1 increase, for now the situation is that it is extended for another three years under the Finance Act 2020, and thus runs until 2022, but from then on it is uncertain as to whether the increase will continue.

The basic research subsidy is also subject to uncertainty. Although the 2020 Finance Act providing budget security in the three-year perspective for research funds the funding rely on both the readjustment reserve and the research reserve and they are allocated only up to and including 2022. However, based on the experience of previous years, UCPH expects to receive funding corresponding to about DKK 200 million from the research reserve from 2023 onwards.

On the projects, the uncertainty relates to UCPH's ability to attract external funding. In recent years, UCPH's external funding has been growing by about 4-5% a year, and the same trend is expected in the budget for the years 2020-2023.

On the costs side, labour costs are relatively stable, and are not deemed to carry any risks. The uncertainties relate primarily to rent levels in UCPH's new buildings, but there are also risks associated with other operations, primarily the IT area (unforeseen IT costs, general investments in IT infrastructure, the ongoing replacement of obsolete systems

¹The learning questionnaire asks students to evaluate the learning environment on their degree programme and their own learning approach. It is a research-based survey consisting of 38 questions. The survey was carried out at all institutions of higher education in autumn 2018 ('baseline survey'). The plan is to repeat the survey in autumn 2020, autumn 2021 and then every other year in the autumn (odd years).

Important points of interest in UCPH's building finances for the period 2020-2030:

- A significant risk scenario for current construction projects (approx. DKK 158 million in increased annual rent)
- Effect of arbitration proceedings on UCPH's rent
- Uncertainty about the consequences of implementing the reform of the state-owned property scheme 2020 on rent levels
- Significant costs for the university hospital for family pets and other small animals
- Liabilities from Stables and facilities at museums
- Large backlog of reinvestments in older buildings
- Natural History Museum of Denmark (SNM)

as well as investments in additional storage capacity as a result of ever-increasing data volumes).

As regards UCPH's buildings, there are still considerable and unclarified risks associated with the Mærsk Tower, the Niels Bohr Building and the other construction projects at UCPH. In autumn 2019, the total risk was estimated at approximately DKK 2.7 billion in capital expenditure, corresponding to an annual increase in rental costs of approximately DKK 158 million.

UCPH therefore faces considerable challenges in the building area. The University has generally decided that the overall costs for the area should not exceed 20% of the University's total revenue. However, the state-owned property scheme (SEA) means that UCPH has experienced rent increases as a result of the more costly building projects, so the total costs today are actually approaching 25%. With the current view of risk, the higher-than-agreed price for the new buildings can lead to annual costs of up to 30% of UCPH's revenue.

In autumn 2019, UCPH – like the other universities – was informed of the way in which the Danish Building and Property Agency handles new property valuations and of its wish to reform the SEA scheme. With the Finance Act for 2020, the SEA scheme's rate of return was lowered from 7% to 5.5%, which is expected to result in a reduction of DKK 217.7 million in UCPH's rent. The reduction in rent is financed by reducing the size of the government-financed subsidy received by UCPH by a corresponding amount (DKK 217.7 million).

Given the challenges which the University faces in the building area, the Management has introduced a qualified

building stop and started working on a new master plan for the area. This should culminate in campus plans with additional emphasis on optimising area use. Finally, UCPH has filed a number of arbitration cases against the Danish Building and Property Agency in which the rent levels as well as the responsibility for the construction project budget overruns are contested. Decisions in the first arbitration cases are expected in 2020.

Events after the end of the financial year

The Covid-19 epidemic, which has hit Denmark in the first quarter of 2020, must, in relation to the budget adopted in December 2019, be expected to have a negative effect on the University financial result for 2020. However, at the time of the annual financial statements for 2019, it is not possible to provide a more precise picture of the specific extent, as the epidemic's further development is highly uncertain. It is the management's assessment that the condition is not relevant to the submitted annual report for 2019.

Equity

UCPH's equity consists of a technical and a flexible part. The technical equity consists of accounting items covering debt instruments on buildings and the initial capital from when UCPH became a self-governing institution in 2005. The flexible part consists of retained earnings from previous financial years. Internally, Management needs to be able to use equity as a management tool that makes the University less vulnerable in times of serious changes in revenues and expenses, such as major future investments for relocation to new buildings. Therefore, Management has defined an appropriate size of the flexible part of equity as 7.5% of revenues as a long-term goal.

UCPH's total equity was DKK 2,547.7 million at year-end 2019, up DKK 272.2 million compared to 2018. At the end of 2019, technical equity amounted to DKK 970.8 million, which is unchanged since 2018. At the end of 2019, flexible equity amounted to DKK 1,576.8 million, or 17.4% of revenue. This is an increase of DKK 272.2 million relative to 2018 as a result of the profit for the year. The 7.5% flexible equity target may come under pressure if all the risks in the building area should materialise.

Reporting on the strategic framework contract

Overall evaluation

Status

This year, UCPH is providing a status on the second year of the current contract period, which runs until 2021. The work to achieve the various goals has been in progress for some time, and concrete results can be seen. The overall impression is that there good progress on all fronts, and that the results for the selected indicators are satisfactory. In 2019, the implementation of the strategic annual cycle and the strategy implementation concept was almost completed, and at the same time, the rectorate started introducing the principle of portfolio management for the most important university-wide initiatives – including the strategic ones. UCPH's ability to implement the strategic changes is therefore expected to be strengthened in the coming years. The close linking and alignment of strategy implementation and budget model (see goal no. 8) is a cultural change that will take time to implement. There are also likely learnings along the way that will develop the model. However, in this area too, it will strengthen UCPH's long-term capacity for change.

In the field of research, standards are high and increasing further all the time. The efforts must therefore maintain the level just as much as developing it. There are a few minor challenges with Open Access and with demonstrating how UCPH's research is contributing to society. However, in all other respects, progress is excellent.

In the field of education, the large cross-organisational programmes are making good progress, and UCPH is working with the digitalisation of our degree programmes and research integration as well as teaching excellence and much more. Compared to previous years, there is an increase in numbers of academic staff per student, while students are passing more ECTS. The slightly negative trend seen previously was thus reversed in 2019.

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 are found to be ambitious, and progress is satisfactory.

There is considerable strategic focus on creating attractive frameworks for attracting and developing academic talents at UCPH and good progress is being made. Strengthening a brand is long and hard work, and the result is not always immediately apparent.

Our academic staff career development programme is on schedule and follows its delivery plan, and is strengthening focus both on the development of young research talent and on career paths for established researchers. A systematic approach is being taken to management development for all managers at UCPH.

Goal 2

UCPH wants to conduct research at the highest international level

The activities aimed at meeting this goal are found to be ambitious, and progress is satisfactory.

In 2019, a report based on the research evaluations from 2016-2018 concluded that the level of research at UCPH is very high. Our strategic efforts are 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. The development prospects are not the same for all units at UCPH, 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. The small drop seen in the number of research publications in the most recognised journals happened from a high level, but will be investigated further.

Goal 3

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

The activities aimed at meeting this goal are seen as very ambitious, but projects relating to this goal are progressing well.

In our research-integrating teaching activities, the planned milestones have been reached, and experiments have been successfully initiated earlier than expected. In recognition of teaching excellence, the recommendations have been prepared as planned, and an analysis and preparations for implementation are being initiated. The fulfilment of the goal is thus well

underway. The negative development in the academic staff-to-student ratio has been reversed, and UCPH is back where it was when the framework contract was concluded.

Goal 4

UCPH students must achieve a high and digitally updated learning outcome

The activities aimed at meeting this goal are deemed to be sufficient, and developments are deemed to be satisfactory.

The project on practice-integrating types of instruction will be launched in 2020. The digitalisation of degree programmes project has achieved the set milestones and is progressing well. Seen in the context of the far-reaching activities in which the faculties are engaged, the level of activity within digitalisation and education at UCPH is very high. Good progress is being made with the implementation of feedback in the course descriptions, as expected. Completion times have decreased slightly, which is positive, but this still requires attention.

Goal 5

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

The activities aimed at meeting this goal are deemed to be sufficient, and developments are deemed to be satisfactory.

The project on practice-integrating types of instruction will be closely linked to the current project on research-integrating teaching activities, which is why it is expected to be able to reach the execution phase in summer 2020. The initiatives on entrepreneurship and innovation have been analysed. Both the indicators from here and in the framework contract show that there is still considerable work to be done to strengthen this area further. Knowledge is lacking on why more students do not write their theses with an external party. A new activity has been initiated which involves participating in the EU-supported 4EU+ European University Alliance, which is expected to support the international aspect of the strategic goal on graduates being 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 are found to be sufficient, and developments are very satisfactory.

UCPH has given strategic priority to actively promoting the work of the Tech Transfer Office to the faculties to make it easier for researchers to seize any opportunities for commercialisation. The indicators show a very satisfactory development, and UCPH must therefore work to maintain the high level. On all parameters, UCPH is ahead of schedule. Systematic work is done on analyses of and action plans for the area to ensure that the pace is being maintained.

Goal 7

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

It is estimated that the activities for achieving the goal are still at an early stage, and that developments are not yet satisfactory.

UCPH has established an Open Science task force, which in 2019 worked with clarification and coordination, and work is also being done on principles for handling research data. A project to strengthen cooperation with the upper secondary school sector is also in a clarification phase. The efforts have therefore not yet started in earnest, and thus the indicators have not developed significantly. There is a need to closely monitor this goal in 2020.

Strategic 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 are deemed to be sufficient, and developments are deemed to be satisfactory.

With the decision in 2019 on a new budget model, UCPH has changed the paradigm for the financial priorities. Progress is as planned, and the first strategic budget dialogue took place in 2019. As this involves major changes for the entire organisation, implementation will take place over a number of years, and the processes, data etc. are expected to need adjusting on an ongoing basis. In addition, specific action plans and projects are focusing on improving selected parts of the administration.

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. 870 of 26 August 2019 on university funding and accounts etc. and the guidelines and instructions for financial statements issued by the Danish Ministry of Higher Education and Science, including the Agency for Institutions and Educational Grants, in the following collectively referred to as the *state accounting rules*.

The accounting policies are unchanged from last year. As a result of the reorganisation of educational grants, textual changes have been made to the description of recognition. The changes do not affect the comparative figures.

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 liability, respectively, can be measured reliably.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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

Translation policies

Payments in foreign currencies are applied at the exchange rates at the date of the transaction. Receivables and liabilities at the balance sheet date are measured at the market value and are applied at the time of the transaction. Securities in foreign currencies are measured at fair value at the balance sheet date like that the balance sheet date is the date of the exchange rate.

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 they are spent. Unused funds are recognised as a deferred income item and as a liability under 'prepaid 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.

For other customers, the result 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 complete duration of the deposits. Both realised and unrealised capital losses/gains and interest on cash, cash equivalents and securities under current assets are recognised in financial items 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 life 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 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
<i>Acquired concessions, licences etc.</i>	
Licences etc.	3 years
Other acquired rights where the life expectancy has been laid down contractually	Contract term
<i>Development projects</i>	
Development projects in progress – <i>are not amortised but transferred to completed development projects at commissioning</i>	–
Completed development projects – Special development of critical system 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 recognition less accumulated depreciation. Assets are amortised on a straight-line basis over the useful life of the assets.

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.

Capital equipment, 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
Ongoing construction work (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 building work in progress in connection with leasehold improvements.

Building 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, known as 'accrued donations', are recognised as counter-items 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 public accounting rules, the value of works of art and collections are recognised in the Financial Statements.

Fixed asset investments

Investments and instruments of debt

Investments include investments in companies in which UCPH has neither a controlling nor a significant influence in. Investments are measured at cost price less any write-downs due to permanent impairment.

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 time of the occupation and over the period described in the contracts interminable lease.

Current assets

Deposits

Deposits mainly comprise of rent deposits measured at cost price.

Trade receivables

Trade receivables etc. are measured at nominal value in the balance sheet with reduction from any devaluation of bad debts.

Devaluation of bad debts are assessed individually on the basis of each receivable.

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.

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 services 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. 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 the technical equity is made up of 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 the flexible equity is made up of retained earnings or losses.

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 it is probable that economic benefits must be given up to settle the obligation, and that this can be measured reliably.

When a leased premise is vacated and the University is obliged to restore the premises as stipulated in the lease, the estimated provision is built up in linear stages over several years.

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 constitutes the full salary commitment that has been earned.

Liabilities

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

Holiday pay obligation

Holiday pay obligations are calculated on the basis of all paid holidays not yet taken which have been earned by the employees in the current year and the previous year. The calculation is based on the standard government model under which the total holiday pay obligation is calculated on the basis of an average number of accrued holidays per employee and the average expense per accrued holiday. The obligation is calculated on the basis of salaries to academic staff (VIP) and technical/administrative staff (TAP).

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 it is 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 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.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term 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 is included in cash and cash equivalents in the cash flow statement.

Income Statement

1 January - 31 December

Note	2019 DKK '000	2018 DKK '000
Education	2,046,575	2,031,558
Research	3,001,628	2,989,187
External grants	3,221,416	3,057,851
Basic subsidies	446,998	461,335
Building-related revenues	73,840	81,718
Other revenues	282,960	286,249
1 Total revenues	9,073,418	8,907,897
Salaries – Academic staff	3,041,260	2,990,706
Salaries – technical/administrative staff	2,146,862	2,055,475
Building operations	1,877,552	1,886,870
Other operating expenses	1,654,980	1,576,809
Depreciation and amortisation	137,214	126,525
2 Total ordinary operating expenses	8,857,869	8,636,386
Profit before financial income and expenses	215,550	271,511
Financial income	57,105	1,414
Financial expenses	468	6,536
Net profit for the year	272,187	266,389
Proposed transfer of net profit for the year:		
Retained earnings	272,187	266,389
Total	272,187	266,389

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

Balance Sheet at 31 December

Assets

	2019	2018
Note	DKK '000	DKK '000
3 Acquired concessions, software, licences, etc.	14,083	18,311
3 Completed development projects	33,790	37,306
3 Intangible development projects in progress	6,356	700
Intangible assets	54,229	56,317
4 Buildings	165,094	168,136
4 Leasehold improvements	442,187	354,218
4 Scientific equipment, fixtures and fittings, work equipment and machinery	488,339	443,853
4 Work in progress at UCPH's own expense	127,025	137,162
Property, plant and equipment	1,222,645	1,103,368
5 Investments, instruments of debt and long-term receivables	903,702	883,702
Fixed asset investments	903,702	883,702
Fixed assets	2,180,576	2,043,387
6 Deposits	68,801	67,247
Trade receivables	153,339	127,159
7 Receivables from grant activities in progress	622,558	673,308
8 Other receivables	538,530	368,828
13 Prepayments and accrued income	22,032	16,551
Receivables	1,405,260	1,253,093
17 Securities	2,148,579	2,112,801
17 Cash and cash equivalents	1,626,245	1,134,347
Current assets	5,180,084	4,500,241
Total assets	7,360,661	6,543,628

Balance Sheet at 31 December

Equity and liabilities

Note	2019 DKK '000	2018 DKK '000
Equity at 1 January	2,275,468	1,971,324
Increase in reserved equity	-	37,755
Retained earnings	272,187	266,389
Equity	2,547,655	2,275,468
9 Provisions	78,511	50,233
Provisions	78,511	50,233
10 Donation of commercial concessions, software, licences, etc.	1,870	1,704
11 Donation of buildings	928	961
11 Donation of leasehold and interior design improvements	28,664	34,407
11 Donation of scientific equipment, fixtures and fittings, work equipment, machinery	299,509	293,116
11 Donation of work in progress at UCPH's own expense	-	10,416
– transferred to current liabilities	(116,917)	(112,554)
Non-current liabilities	214,053	228,051
Trade payables	374,770	360,267
12 Grants administered by the University	700	-
Holiday pay obligations	665,300	637,400
Prepaid government grants	470,135	483,382
7 Prepaid restricted contributions	2,698,289	2,187,402
Accrued donations (current liabilities)	116,917	112,554
Settlement account for forensic medicine services	9,931	11,122
13 Deferred income	16,890	22,952
14 Other payables	167,509	174,798
Current liabilities	4,520,442	3,989,877
Liabilities	4,734,495	4,217,928
Total equity and liabilities	7,360,661	6,543,628

15 Real estate finance

16 Staff

17 Financial instruments

18 Contingent assets

19 Contingent liabilities

20 Contractual obligations

21 Related parties

22 Separate financial statements for activities under Act no. 580 of 1 June 2014 on technology transfer (the Tech-Trans Act)

23 Students from US Virgin Islands

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

26 Programmes offered by the University abroad

27 Subsidies to the Arnamagnaeian 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

31 Key ratios

Statement of Changes in Equity

1 January - 31 December

Note	2019 DKK '000	2018 DKK '000
Adjusted equity (initial capital at 1 January 2005)	243,273	243,273
Reserved equity at 1 January	727,533	689,779
Increase in instruments of debts from the Danish state	-	37,755
Reserved equity at 31 December ¹⁾	727,533	727,533
Technical equity at 31 December	970,806	970,806
Retained earnings at 1 January	1,304,662	1,038,273
Transferred from net profit for the year	272,187	266,389
Retained earnings (flexible equity) at 31 December	1,576,849	1,304,662
Equity at 31 December	2,547,655	2,275,468

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 43).

Cash Flow Statement

1 January - 31 December

	2019	2018
Note	DKK '000	DKK '000
Operating profit for the year	272,187	266,389
Depreciation, amortisation and non-cash operating items	260,560	243,027
Depreciation of donations	(124,045)	(119,724)
Net impairment of fixed assets and donations etc.	1,129	5,175
Changes in provisions	28,278	(1,096)
Changes in receivables	(152,167)	(114,794)
Changes in short-term debt	526,202	(55,566)
Cash flows from operating activities	812,143	223,411
Acquisition of intangible assets	(17,657)	(23,025)
Acquisition of property, plant and equipment	(361,322)	(271,492)
Fixed asset investments (shares)	(20,000)	(40,000)
Cash flows from investing activities	(398,979)	(334,518)
Increase in obligations from donations - intangible assets	1,453	242
Increase in obligations from donations - property, plant and equipment	113,059	82,193
Cash flows from financing activities	114,512	82,435
Change in cash flow for the year¹⁾	527,676	(28,671)
Specified as:		
Cash and cash equivalents and securities at the beginning of year	3,247,148	3,275,819
Cash and cash equivalents and securities at end of year	3,774,824	3,247,148
Change in cash and cash equivalents¹⁾	527,676	(28,671)

1) The cash flow for the year 2018 was actually not reduced by DKK 28.7 million, but improved by DKK 227.3 million since a DKK 256.0 million invoice regarding rent for Q4 2017 was not paid until January 2018.

Notes to Financial Statements

1. Total revenues

	2019 DKK '000	2018 DKK '000
Full-time degree programmes (Finance Act)	1,270,589	1,833,862
Base subsidy (Finance Act)	467,059	-
Completion time subsidy (Finance Act)	61,486	-
Employment subsidy (Finance Act)	55,988	-
Quality grants (Finance Act)	17,703	-
Other fixed education subsidies (Finance Act)	9,742	-
Part-time degree programmes (Finance Act)	11,710	13,998
Exchange students (Finance Act)	12,646	13,332
Small programmes (Finance Act)	8,405	8,812
Free places and scholarships (Finance Act)	12,392	12,799
Tuition fees, part-time programmes	35,162	33,664
Self-funded (foreign/capitalised)	40,223	37,970
Other education subsidies (Finance Act)	43,470	77,121
Education	2,046,575	2,031,558
Research subsidies	3,001,628	2,989,187
Research (Finance Act)	3,001,628	2,989,187
Grant-funded research	2,827,243	2,655,069
Other subsidised activities	90,942	115,989
Forensic medicine services	216,298	202,435
Commercial activities	86,934	84,358
External grants	3,221,416	3,057,851
Other purposes	416,161	438,433
Public-sector services	30,837	22,902
Basic subsidies (Finance Act)	446,998	461,335
Subletting, operational reimbursement, etc.	73,840	81,718
Building-related revenues	73,840	81,718
Other revenues	282,960	286,249
Other revenues	282,960	286,249
Total revenues	9,073,418	8,907,897

In 2018, Administrative efficiency has been moved from Basic subsidies to be include in Full-time degree programmes. Public-sector services have been moved from Other revenues to Basic subsidies (Finance Act).

2. Total ordinary operating expenses

Expenses are classified by finance account in the income statement. Expenses classified by purpose are disclosed in this note.

Methodology and definitions

The key figures for the University's costs has been broken down into purposes and are prepared in according to the Danish Agency for Universities and Internationalisations "Guidance on cost allocation for primary areas and purposes for the universities" from December 2012.

	2019 DKK '000	2018 DKK '000
Total ordinary operating expenses as per Income Statement	8,857,869	8,636,386

Miscellaneous adjustments:

Expenses relating to corresponding revenue from external tenants ¹⁾ (51,055) (53,798)

Donation adjustments ²⁾:

Change in donation investments for the year (114,512) (82,435)

Written-down donation obligations for the year 124,045 119,724

Total miscellaneous adjustments (41,521) (16,509)

Total expenses for allocation 8,816,347 8,619,877

1 Education	2,258,301	2,237,233
2 Research	5,185,249	5,029,056
3 Dissemination and knowledge exchange	390,871	370,385
4 Research-based public-sector services	266,383	255,067
5 General management, administration and service	715,544	728,136
Total allocated expenses	8,816,347	8,619,877

Gross revenues as per Income Statement 9,073,418 8,907,897

Miscellaneous adjustments, see above (41,521) (16,509)

Revenues after adjustment 9,031,897 8,891,388

Administrative percentage ³⁾ 7.9 % 8.2 %

1) Deducted as expenses relating to external tenants are not attributable to the actual purposes of the University.

2) Donation investments are eliminated on the revenue side of the income statement. Therefore, for the purpose of calculating the total expenses for allocation, this year's donation investments are offset, which are substituted by the written-down donation liabilities.

3) The administrative percentage is defined as:

$$\frac{\text{General management, administration and service}}{\text{Revenues after adjustment}}$$

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 2019	49,895	51,371	700	101,966
Additions	4,974	6,327	8,905	20,206
Disposals			(2,549)	(2,549)
Cost at 31 December 2019	54,868	57,698	7,056	119,623
Amortisation and impairment				
Balance at 1 January 2019	31,583	14,065		45,649
Amortisation and impairment for the year	9,202	9,843		19,045
Amortisation on disposals for the year				0
Impairment losses for the year			700	700
Impairment losses on disposals for the year				0
Amortisation and impairment at 31 December 2019	40,785	23,908	700	65,394
Carrying amount at 31 December 2019	14,083	33,790	6,356	54,229

4. Property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equip- ment, fixtures and fittings, work equipment and machinery	Own work in progress	Total
Acquisition cost					
Cost at 1 January 2019	199,894	575,467	1,912,943	137,162	2,825,466
Additions	1,003	145,714	224,742	113,370	484,829
Disposals		(2,439)	(47,806)	(123,507)	(173,753)
Cost at 31 December 2019	200,897	718,742	2,089,878	127,025	3,136,542
Depreciation and impairment					
Balance at 1 January 2019	31,758	221,250	1,469,089	0	1,722,097
Depreciation and impairment for the year	4,044	57,744	179,726		241,514
Depreciation on disposals for the year		(2,439)	(47,276)		(49,715)
Depreciation and impairment at 31 December 2019	35,802	276,555	1,601,539	0	1,913,896
Carrying amount at 31 December 2019	165,094	442,187	488,339	127,025	1,222,645

... Note 4 continued

Total amortisation on intangible assets	19,045
Total depreciation on property, plant and equipment	241,514
Total depreciation and amortisation, all partial financial statements	260,560

Impairment	700
Depreciation of donation liability and external grants (DR50/60)	124,045
Total depreciation and amortisation in the balance sheet	137,214

Total depreciation and amortisation, cf. the income statement	137,214
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				Property	Gross sqm	Public
				number	total area	property
				Land registry		value
Properties owned by UCPH						
Main building	Fiolstræde 1 etc.	200	138275	4,739	44,381	
Academic Council Building	Nørregade 10 and Krystalgade 29A	200	138275	195	1,826	
The Storehouse	Fiolstræde 1 etc.	200	138275		-	
University library	Fiolstræde 1 etc.	200	138275	2,327	21,793	
Observatory	Gothersgade/Øster Farimagsgade	162	184935	2,084	13,205	

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

UCPH holds investments in three enterprises.

	2019	2018
	DKK '000	DKK '000
Symbion A/S, acquired in 1997, 2000 and 2012	25,643	25,643
VAR2 Pharmaceuticals ApS, originally acquired in 2012	6	6
Mobile Fitness A/S in liquidation, acquired in 2005 (written down to DKK 0 in 2008)	0	0
Total shares	25,650	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	37,755	37,755
Total debt instruments	727,533	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	130,519
Total long-term receivables	150,519	130,519

Total Investments, instruments

of debt and long-term receivables	903,702	883,702
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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

2019	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	632,871	(2,263,827)	(1,630,956)
Provision for loss on grant activities	(10,313)	-	(10,313)
Unutilised donation for the Natural History Museum of Denmark	-	(404,000)	(404,000)
Unutilised donation for Karen Blixens Plads (University Square), South Campus	-	(30,461)	(30,461)
Total at 31 December 2019	622,558	(2,698,289)	(2,075,731)

Total provisions for loss on grant activities receivable of DKK 10.3 million cover the estimated risk of loss.

The provision was DKK 11.8 million in 2018.

2018	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	685,100	(1,906,157)	(1,221,057)
Provision for loss on grant activities	(11,792)	-	(11,792)
Unutilised donation for the Natural History Museum of Denmark	-	(255,000)	(255,000)
Unutilised donation for Karen Blixens Plads (University Square), South Campus	-	(26,246)	(26,246)
Total at 31 December 2018	(673,308)	(2,187,402)	(1,514,094)

8. Other receivables

At year-end 2019, other receivables came to DKK 538.5 million, up DKK 169.7 million from 1 January to 31 December 2019.

Other receivables consist primarily of prepayments of DKK 358.4 million to external project partners, UCPH's DKK 31.0 million receivable from the Danish state regarding the special VAT refund scheme and two receivables of DKK 70 million and DKK 30.5 million from the Building and Property Agency concerning donations to the Natural History Museum of Denmark and Karen Blixens Plads (University Square) on South Campus, for which UCPH has not yet received a debt instrument from the government (see also notes 5 and 7).

The 169.7 million increase in 2019 is primarily attributable to an increase in advance payments to external project partners with DKK 111.3 million and payment of DKK 70 million to the Building and Property Agency for the Natural History Museum of Denmark.

9. Provisions

	2019	2018
	DKK '000	DKK '000
Payroll-related liabilities (limited tenure, early resignations, etc.)	17,073	18,333
Restoration liability	59,638	30,854
Other provisions	1,800	1,046
Total provisions	78,511	50,233

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 most significant part of this year's increase is DKK 24.4 million, which refer to the lease for the former municipal hospital, where the re-establishment obligation has increased from DKK 500 to DKK 1,000 per m².

10. Donations of intangible assets

DKK '000	Acquired concessions, software, licenses, etc.
Acquisition cost	
Cost at 1 January 2019	6,056
Additions	1,453
Additions	-
Cost at 31 December 2019	7,509
Amortisation and impairment	
Balance at 1 January 2019	4,352
Amortisation for the year	1,287
Amortisation on disposals for the year	-
Amortisation at 31 December 2019	5,639
Carrying amount at 31 December 2019	1,870

11. Donations of property, plant and equipment

DKK '000	Buildings	Leasehold improvements	Scientific equip- ment, fixtures and fittings, work equip- ment and machinery	Own work in progress	Total
Acquisition cost					
Cost at 1 January 2019	1,000	70,477	1,137,731	10,416	1,219,624
Additions	-	1,100	122,375	-	123,475
Disposals	-	-	(36,052)	(10,416)	(46,468)
Cost at 31 December 2019	1,000	71,577	1,224,053	0	1,296,630
Depreciation and impairment					
Balance at 1 January 2019	39	36,070	844,614	-	880,723
Depreciation for the year	33	6,844	115,881	-	122,758
Depreciation on disposals for the year	-	-	(35,951)	-	(35,951)
Depreciation at 31 December 2019	72	42,913	924,544	-	967,530
Carrying amount at 31 December 2019	928	28.664	299.509	0	329.101

12. Grants administered by the University

	2019	2018
	DKK '000	DKK '000
Current account of grants at 31 December	700	-

The University, or more precisely its employees, administers a combined grant portfolio of DKK 134,5 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 up DKK 5.5 million in 2019, totalling DKK 22.0 million at year-end 2019. The item comprises prepaid salaries of DKK 9.1 million and prepaid expenses of DKK 12.9 million. Deferred income was down DKK 6.1 million in 2019, totalling DKK 16.9 million at year-end 2019. This item comprises income received concerning 2019.

14. Other payables

Other payables were decreased by DKK 7.3 million from 1 January to 31 December 2019, composed of various opposite movements on different short-term payables accounts.

Other payables were DKK 167.5 million at year-end 2019, consisting of salaries, pension contributions, personal income tax etc. of DKK 77.5 million, holiday pay to hourly staff of DKK 48.6 million and DKK 41.4 million to other creditors and accrued items.

15. Real estate finance

UCPH has no mortgage loans and no derivatives.

16. Staff

	2019	2018
	DKK '000	DKK '000
Actual salaries	4,617,063	4,526,979
Pensions	658,827	627,520
Reimbursements and grants	(115,668)	(120,533)
Change in holiday pay obligations	27,900	12,215
Total	5,188,122	5,046,181

Remuneration to Senior Management and Board:

Senior Management	13,620	13,925
The Board	888	913
Total	14,508	14,838

Senior Management consists of the Rector, the prorector, the university director and six deans. The remuneration was approximately DKK 0.3 million lower in 2019 compared to 2018 due to the number of prorectors being reduced from two to one in 2018 thereby reducing the remuneration in 2019.

The Board consists of a chair and nine members. In 2019, the externally elected board members consisted of three women and three men, which are also effective in the new board as per 1/1 2020.

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 85% in government and mortgage bonds, while up to 15% 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.

Financiell instruments	Conditions	2019 DKK '000	2018 DKK '000
Securities ¹⁾		2,148,579	2,112,801
Bank deposits ²⁾ and cash in hand	Primarily in DKK and small holdings of foreign currencies	1,626,245	1,134,347
Total cash and cash equivalents and securities		3,774,824	3,247,148

1) Securities at 31 December 2019 (2018) er sammensat af 92% (87%) Danish mortgage and government bonds, 1.5% (5%) corporate bonds, while shares represent 6.5% (8%). UCPH did not change the amount invested in 2019.

2) Bank deposits at 31 December 2019 included DKK 23 million in bank accounts linked to the asset managers' depositary, which are up DKK 20 million relative to 31 December 2018. As a result the account for marketable securities increased from 2018 to 2019 with just DKK 36 million even though the positive return on securities in 2019 was DKK 56 million. UCPH has not held fixed-term deposits since 2015.

18. Contingent assets

Four arbitration cases against the Building and Property Agency is 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 are entitled to up to three years' availability pay if they cannot be hired for other positions within the state. At the end of 2019, UCPH employed a total of 54 public servants, involving a maximum liability of DKK 102.6 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 towards third parties at 31 December 2019.

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

20. Contractual obligations

UCPH has 3,088 PhD students enrolled of which approximately 56% 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.

21. Related parties

Related parties	Basis
The Danish Ministry for Higher Education and Science	Subsidies for education, research and knowledge dissemination activities. Powers under the University Act and the Executive Order on subsidies and accounts.
The Ministry of Education	Subsidies for teaching activities.
Board and day-to-day management	Management control.
Student associations	Subsidies for student associations and student sports. In addition, UCPH makes premises available (Studenterhuset) and subsidises the Studentergården dormitory.

Transactions

The University received total subsidies of DKK 5,360.3 million in 2019 from the Ministry of Higher Education and Science (Danish Agency for Institutions and Educational Grants) (monthly payments from section 19.2).

From the Ministry of Higher Education and Science (Agency for Institutions and Educational Grants) and the Ministry of Education, the University received subsidies of DKK 43.5 million in 2019, primarily in relation

to programmes at the Danish Forest and Landscape College and the School of Oral Health Care. The decrease compared to 2018 is due to a technical restructuring in connection with the funding reform.

In 2019, UCPH, contributed support corresponding to DKK 5.9 million to student associations.

No loans were granted to related parties.

22. Separate financial statements for activities pursuant to Ministerial Order no. 580 of 1 June 2014 (the Tech-Trans Act)

In 2019, UCPH did not inject funds in foundations whose main purpose is to establish housing close to universities, in accordance with section 10(2) of the Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations.

In 2019, UCPH had no costs for the administration of foundations and associations, including corporate funds, under section 11(1) of the Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations.

UCPH did not invest in or acquire shares in companies in 2019, see Danish Act on Public Research Institutions' Commercial Activities and Collaboration with Foundations (sections 4(1) and 4a(1)), implying no revenue or expenses relating to such companies.

23. Students from US Virgin Islands

Utilisation of scholarships in the period 1 September 2018 to 31 August 2019

	Students enrolled on full or part-time scholarships	No. of scholarship recipients	Payment of scholarships (DKK)	Funds used for scholarships (DKK)
Rate 1	0	7	0	361,946
Rate 2	0	0	0	0
Rate 3	0	0	0	0

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 2018 to 31 August 2019, 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)
2018	500,000	-	99,105	400,895
2019	500,000	-	361,946	138,054

24. Utilisation of funds for free places and scholarships

Utilisation of scholarships in the period 1 September 2018 to 31 August 2019

	Students enrolled on full or part-time scholarships	No. of scholarship recipients	Payment of scholarships (DKK)	Funds used for scholarships (DKK)
Rate 1	38	31	1,049,373	2,977,915
Rate 2	20	13	888,247	1,271,722
Rate 3	109	72	4,401,246	6,866,465

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 2018 to 31 August 2019, 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)
2016	13,303,087	-	12,232,717	1,070,370
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)

25. The University's use of INNO+ scholarships

Year	No. of students enrolled under scholarships	Subsidies from Agency DKK '000	Funds used during the financial year DKK '000
2015	3	1,800	301
2016	13	3,600	1,460
2017	18	1,400	2,752
2018	15	-	1,545
2019	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.

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 2019, a total of 42 students from the two programmes graduated, 9 Danish students and 35 Chinese students. 36 students were admitted to the two programmes in 2019, 5 Danish students, 30 Chinese students and 1 from other countries.

27. Subsidies to the Arnmagnaean Commission

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

Reporting of the Arnmagnaean Commission's financial statements for 2019 in DKK

Subsidies					
transferred from previous years	Subsidies for the year	Other income	Expenses for the year	Profit/(loss) for the year	Accumu- lated profits
2,346,306	4,402,914	29,343	6,033,076	(1,600,819)	745,487

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

	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000
General activities (DR10)				
Revenues ¹⁾	5,852,002	5,850,046	5,866,227	5,635,509
Internal net transfer of overhead	361,411	351,530	349,270	362,597
Staff expenses	(3,404,779)	(3,362,816)	(3,379,324)	(3,579,978)
Operating costs ¹⁾	(2,558,850)	(2,584,227)	(2,537,949)	(2,321,687)
Profit/(loss) for the year	249,783	254,533	298,224	96,441
Commercial activities (DR30)				
Revenues	86,934	84,358	79,176	76,970
Staff expenses	(26,231)	(22,411)	(22,346)	(21,052)
Operating costs	(54,981)	(52,292)	(57,427)	(50,032)
Profit/(loss) for the year ²⁾	5,722	9,655	-597	5,886
Forensic medicine services (DR40)				
Revenues	216,298	202,435	199,497	220,492
Staff expenses	(108,051)	(104,872)	(99,210)	(95,174)
Operating costs	(91,566)	(95,362)	(94,372)	(84,122)
Profit/(loss) for the year ³⁾	16,681	2,201	5,915	41,196
Grant-funded research (DR50)				
Revenues	2,827,243	2,655,069	2,499,412	2,402,098
Staff expenses	(1,624,750)	(1,523,610)	(1,393,819)	(1,299,433)
Operating costs	(860,992)	(791,594)	(758,857)	(742,342)
Internal net transfer of overhead	(341,501)	(339,865)	(346,735)	(360,323)
Profit/(loss) for the year	0	0	0	0
Other subsidised activities (DR60)				
Revenues	90,942	115,989	134,777	106,310
Staff expenses	(24,312)	(32,472)	(28,193)	(19,555)
Operating costs	(46,720)	(71,853)	(104,049)	(84,481)
Internal net transfer of overhead	(19,910)	(11,665)	(2,535)	(2,274)
Profit/(loss) for the year	0	0	0	0

1) The comparative figures for revenues and operating expenses from general activities (DR10) for 2017 are both up DKK 132,446 thousand as a result of the change in the accounting policy regarding termination of the neutralisation of investments for externally funded projects. The comparative figures for 2016 have not been restated.

2) Profit for the year from commercial activities (DR30) totalled DKK 20.3 million. of which transfer of profits from projects relating to DR30 to general activities during the year was DKK 14.6 million. Similarly, profit for 2018 totalled DKK 19.7 million , including transfer of profits from DR30 to general activities. Accumulated profits from commercial activities (calculated from 2007) totalled DKK 128.6 million.

3) Profit for 2016 from forensic medicine services (DR40) of DKK 41.2 million also includes profits from the 2015 financial year for of DKK 10.7 million (as a result of changed accounting policy in 2016) with retroactive effect from 2015.

... Note 28 continued

	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000
Total				
Revenues ¹⁾	9,073,418	8,907,897	8,779,089	8,441,380
Total institutional transfers	361,411	351,530	349,270	362,597
Staff expenses	(5,188,122)	(5,046,181)	(4,922,891)	(5,015,192)
Operating costs ¹⁾	(3,613,109)	(3,595,327)	(3,552,655)	(3,282,665)
Total institutional transfers	(361,411)	(351,530)	(349,270)	(362,597)
Profit/(loss) for the year	272,187	266,389	303,542	143,523

29. Overview of accumulated results for commercial activities

	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000
Revenues	86,934	84,358	79,176	76,970
Direct and indirect costs	(66,647)	(64,698)	(61,926)	(54,799)
Result (transferred to DR10)	20,287	19,660	17,250	22,171
Accumulated result	128,602	108,315	88,655	71,405

The accumulated result for 2016 contains accumulated results for the period 2007-2016, of which 2007 is the first year of accrual.

30. Asset account

There were no activities under this type of appropriation in 2019.

31. Key ratios

In its guidance up to 2014, the Agency for Modernisation recommended compiling and enclosing a statement of key ratios. UCPH has opted to maintain this statement in 2019. The mandatory key ratios were profit margin, average annual salary and salary cost share. The key ratios have since been supplemented by a liquidity ratio and a financing ratio. Only key ratios within resource administration are included. It is defined for the key ratios included how they have been compiled in relation to the figures in the annual report.

Definition:			2019	2018	2017	2016	2015
Profit margin	Profit/(loss) for the year	272,187					
	Revenues	9,073,418	3.0%	3.0%	3.5%	1.7%	(0.8%)
Average yearly salary (DKK '000)	Total staff expenses	5,188,122					
	Full-time equivalents	9,405	552	540	524	514	501
Salary cost share ¹⁺⁶⁾	Total staff expenses	5,188,122					
	Revenues	9,073,418	57.2%	56.6%	56.1%	59.4%	60.6%
Capital share ³⁾	Financial expenses + depreciation	137,682					
	Revenues	9,073,418	1.5%	1.5%	1.3%	1.6%	1.2%
Liquidity ratio	Total current assets	5,180,084					
	Total short-term debt excl. holiday pay obligations	3,855,142	134.4%	134.2%	129.1%	125.0%	123.4%
Financing ratio ⁵⁾	Total long-term debt	214,053					
	Total property, plant and equipment	1,222,645	17.5%	20.7%	25.3%	25.1%	21.2%
Maintenance ratio ²⁺³⁾	Net annual additions, fixed assets	264,467					
	Annual depreciation and amortisation, fixed assets	137,214	192.7%	167.6%	216.3%	124.2%	202.2%
Solvency ratio (total equity) ⁴⁾	Total equity	2,547,655					
	Total equity and liabilities	7,360,661	34.6%	34.8%	31.1%	28.7%	28.1%
Solvency ratio (flexible equity)	Flexible equity	1,576,849					
	Equity and liabilities - technical equity	6,389,854	24.7%	23.4%	19.2%	15.0%	13.1%
Equity to revenue ratio ⁶⁾	Flexible equity	1,576,849					
	Revenues	9,073,418	17.4%	14.6%	11.8%	8.7%	7.1%

1) The calculation of the salary cost share is calculated so as to include UCPH's revenues in income from ordinary operations, see income statement.

2) The calculation of the maintenance ratio is calculated so that donations of all types of fixed assets reduce additions for the year. Comparative figures for 2016 and 2018 have been corrected due to a correction in the calculations.

3) In 2016, UCPH changed useful lives of dental chairs and certain microscopes from 15 to 5 years.

4) Total equity is composed of the technical equity and the flexible equity.

5) Long-term debt is composed of donations of fixed assets. The calculation is an expression of how large a share of property, plant and equipment has been financed by donations (beyond one year).

6) The comparative figures for 2017 have been restated to reflect the change in the accounting policy regarding termination of the neutralisation of investments for externally funded projects. The comparative figures for 2014-2016 have not been restated.

Financial highlights of the University of Copenhagen

	2019	2018	2017	2016	2015
Revenues including interest (DKK '000):					
Education	2,046,575	2,031,558	2,130,929	2,211,280	2,115,746
Research	3,001,628	2,989,187	2,921,986	2,896,671	2,940,710
External grants	3,221,416	3,057,851	2,912,862	2,805,871	2,727,888
Basic subsidies	416,161	438,433	354,599	314,437	316,687
Research-based public-sector services	30,837	22,902	21,400	21,116	21,755
Other revenues ¹⁾	413,437	362,844	471,401	221,669	262,667
Expenses broken down by purpose (DKK '000): ²⁾					
Education	2,258,301	2,237,233	2,181,670	2,216,829	2,236,496
Research	5,185,249	5,029,056	4,906,300	4,818,942	4,914,663
Dissemination and knowledge exchange	390,871	370,385	352,060	360,025	348,189
Research-based public-sector services	266,383	255,067	278,053	271,395	274,420
General management, administration and service	715,544	728,136	717,296	715,680	702,880
Staff, full-time equivalents: ³⁾					
Academic staff	4,841	4,856	4,966	5,166	5,311
Part-time academic staff	445	462	464	478	520
Technical/administrative staff	4,119	4,030	3,960	4,119	4,309
Balance sheet:					
Equity (DKK'm)	2,548	2,275	1,971	1,668	1,524
Balance sheet (DKK'm)	7,361	6,544	6,338	5,821	5,433
Buildings sqm total	942,184	962,769	970,448	918,247	922,809
Activity and production information:					
Students					
Bachelor students at 1 October	6,859	6,642	7,023	7,084	7,500
Master's degree students at 1 October	5,917	5,957	6,106	6,425	5,799
Total students at 1 October	37,493	38,324	38,481	38,615	40,486
Student full-time equivalents ⁴⁾	27,238	27,660	28,100	29,038	27,276
Graduates:					
Bachelor graduates	4,680	4,501	4,598	5,488	4,749
Master's degree graduates	5,659	5,285	5,623	6,052	4,882
Open and part-time programmes:					
Tuition-paying students	4,472	4,816	5,053	5,127	4,580
Total yearly students	695	748	812	848	776
Graduates from full programmes (master's, diplomas)	125	174	117	141	105

	2019	2018	2017	2016	2015
Internationalisation:					
Outbound exchange students ⁵⁾	2,287	2,244	2,511	2,515	2,276
Inbound exchange students	1,556	1,634	1,769	1,752	1,721
Total international students on full programmes ⁶⁾	3,890	3,939	3,873	3,676	3,977
Research programmes:					
Total PhD students enrolled	3,088	3,086	3,096	3,106	3,119
Total PhD students admitted	876	884	789	820	867
Total approved PhD dissertations	779	811	780	746	730
Research and dissemination results:					
Research publications ⁷⁾		12,933	12,982	12,858	12,372
Publications in accordance with the BFI categories ⁷⁺⁸⁾		10,764	10,353	10,302	10,012
Educational publications ⁷⁾		93	105	151	103
Registered patents	32	39	28	33	15
Reported inventions	81	78	77	88	70
Projects with businesses (private sources) ⁹⁾	2,750	2,199	1,936	1,940	1,800
External projects ⁹⁾	5,068	5,000	4,548	4,747	4,519
Financial scope of collaboration with businesses (DKK'm)	1,565	1,388	1,187	1,038	1,007

- 1) In comparative figures for 2018, Administrative efficiencies have been moved from Basic subsidies and placed under Education. Other income in these Financial highlights consists of Building-related income and Other income (cf. note 1) and Financial income (cf. income statement).
- 2) UCPH's expenses are allocated in accordance with 'Guideline on allocation of university expenses to main areas and purpose'.
- 3) Full-time equivalent = 1,924 hours. Unlike Faculty as calculated in Management's review using ISOLA data (FTE=headcount).
- 4) 1 student full time equivalent = 60 ECTS credits. The figure is student FTE production settled with the Ministry (26,809 in 2019, 27,092 in 2018). In addition, professional bachelors, tuitionpaying international students etc.
- 5) Of the 2,287 outbound exchange students, 204 were granted a study-abroad scholarship.
- 6) 23.9% of international students are from the other Nordic countries.
- 7) Research and educational publications for 2019 will be reported at the end of June 2020 due to a change of reporting schedule compared to UFM. The figures for 2019 can be seen in the 2020 annual report.
- 8) 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.
- 9) Defined according to Universities Denmark's key ratio definitions. Only externally financed research activities (DR50).

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