



# Annual Report 2013

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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

Nils Strandberg Pedersen, chairperson  
Peter Gæmelke  
Anja C. Andersen  
Gwen Gruner-Widding  
Jannik Johansen  
Joan Sonne Lykkeaa  
Kari Melby  
Emilie Nayberg  
Sine Sunesen  
Leif Søndergaard  
Mads Krogsgaard Thomsen

### Rector

Ralf Hemmingsen

### Prorector for Research and Innovation

Thomas Bjørnholm

### Prorector for Education

Lykke Friis

### University Director

Jørgen Honoré

### Auditors

Danish National Audit Office  
St. Kongensgade 45  
DK-1264 Copenhagen K

### Institutional Auditors

PricewaterhouseCoopers  
Strandvejen 44  
DK-2900 Hellerup

### Attorneys

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

### Bank

Danske Bank  
Holmens Kanal 2  
DK-1090 Copenhagen K

## Management's Statement


The Board and Executive Management have today considered and approved the Annual Report of the University of Copenhagen for 2013.

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

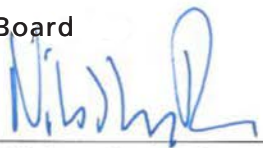
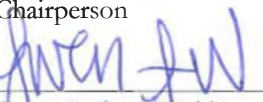
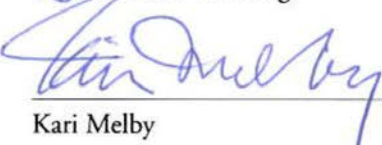



We hereby declare:

1. that we consider the accounting policies adopted appropriate and the accounting estimates made reasonable. The Annual Report therefore gives a true and fair view of the University of Copenhagen's assets, liabilities and financial position at 31 December 2013, and the results of the University's operations and cash flows for 2013, including the description of the targets set and the reporting on these targets in the Annual Report, are satisfactory,
2. that, in our opinion, Management's Review includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty faced by the University of Copenhagen,
3. that all transactions included in the Financial Statements are in accordance with relevant legislation and other regulations, as well as with agreements entered into and with established practice, and
4. that procedures have been introduced to ensure sound financial management of the resources covered by the Annual Report.

Copenhagen, 29 April 2014

  
\_\_\_\_\_  
**Ralf Hemmingsen**  
Rector  
\_\_\_\_\_  
**Jørgen Honoré**  
University Director

### Board

  
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**Nils Strandberg Pedersen**  
Chairperson  
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**Gwen Gruner-Widding**  
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**Kari Melby**  
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**Leif Søndergaard**  
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**Jannik Johansen**  
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**Emilie Nøyer**  
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**Mads Krogsgaard Thomsen**  
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**Anja C. Andersen**  
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**Joan Sonne Lykkeaa**  
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**Sine Sunesen**

## Independent Auditor's Report

The Board of the University of Copenhagen has appointed PricewaterhouseCoopers as institutional auditors of the University pursuant to Section 28(5) of the Danish University Act. The Danish National Audit Office is responsible for the overall audit under the Danish Auditor General's Act.

### To the Management of the University of Copenhagen

#### Report on the Financial Statements

We have audited the Financial Statements of the University of Copenhagen for the financial year 1 January–31 December 2013, which comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes 1–26. The Financial Statements have been prepared in accordance with the Danish State Accounting Act, rules laid down in the Financial Administrative Guidelines of the Danish Ministry of Finance and Ministerial Order no. 1281 of 15 December 2011 on funding and auditing, etc. at universities.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that are accurate, ie free from material misstatements and omissions, in accordance with the Danish State Accounting Act, the Ministry of Finance's Financial Administrative Guidelines (ØAV) and Ministerial Order no. 1281 of 15 December 2011 on funding and auditing, etc. at universities, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable under the circumstances.

Management is also responsible for ensuring that the transactions included in the Financial Statements are in accordance with funding granted, legislation and other regulations, as well as with agreements entered into and established practice.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation of Financial Statements that are accurate, ie free from material misstatements and omissions, 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 the University's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.



The audit also includes assessing whether procedures and internal controls have been established to ensure that the transactions included in the Financial Statements are in accordance with funding granted, legislation and other regulations, as well as with agreements entered into and established practice.

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

The audit has not resulted in any qualification.

### Opinion

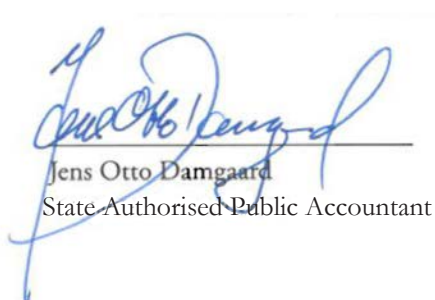
In our opinion, the Financial Statements of the University of Copenhagen for the financial year 1 January–31 December 2013 have in all material respects been prepared in accordance with the Danish State Accounting Act, rules laid down in the Financial Administrative Guidelines of the Danish Ministry of Finance and Ministerial Order no. 1281 of 15 December 2011 on funding and auditing, etc. at universities. It is also our opinion that procedures and internal controls have been established to ensure that the transactions included in the Financial Statements are in accordance with funding granted, legislation and other regulations, as well as with agreements entered into and established practice.

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

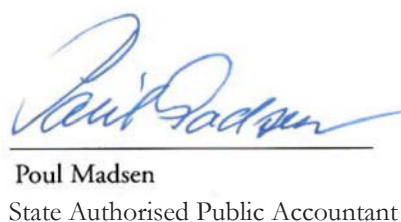
We have read Management's Review (pp. 7–23), Target Reporting (pp. 24–29) and Financial Highlights (pp. 48–49). We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review, Target Reporting and Financial Highlights is consistent with the Financial Statements.

Copenhagen, 29 April 2014

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab



Jens Otto Damgaard  
State Authorised Public Accountant



Poul Madsen  
State Authorised Public Accountant

## Results 2013

### Significant results achieved by the University of Copenhagen in 2013

The University of Copenhagen (UCPH) continues to develop. Student numbers continue to grow. At 7,445, the number of new students in 2013 was the highest ever. Revenue rose by more than 3% to DKK 8,262.9 million. Subsidised activities also increased, accounting for DKK 2,544.6 million of total revenues. These figures do not, of course, in themselves say anything about what the University actually does, but they are nevertheless indicative of UCPH's significance to society. Student intake at UCPH represents more than 10% of the annual cohort, and the University is also a major international player, as witnessed by the level of external funding from EU competitive tendering.

It is also clear that there is increasing political and social interest in universities – be it teaching conditions, study times, the range of programmes on offer or student academic life in general. Pressure on the universities to make their study programmes more efficient and reduce study times was high on the political agenda in 2013, as was the desire for more direct links between study programmes and the labour market.

UCPH welcomes all of this interest, but stresses that the foundation for progress, not only in education but also in the University's relationships with business and industry, remains – with undiminished attention and focus – original research on a par with the best in the world. UCPH constantly seeks to improve understanding and appreciation of the universities' contribution to science and social change, and finds it perfectly understandable that growing demands are placed on the universities. The University of Copenhagen's Strategy 2016 focuses precisely on education and on partnerships with the rest of society. The strategy's third pillar consists of internal collaboration and the UCPH identity. All of this work is based on continued excellence in research.

The strategy identifies important benchmarks for progress in 2013.

Education is a top strategic priority. A new position as Prorector for Education was established, and Lykke Friis took up the post on 1 August 2013. The new position supports the University's efforts to enhance the quality of education and develop important international relationships. The focus of these efforts is on improving the quality of the higher-education experience throughout the entire student lifecycle, from choice of study and enrolment to creating a solid foundation for active study, including encouraging the desire and opportunity for immersion, and raising awareness among students of the qualifications they will have upon graduating and entering the world of work. On taking up the post, Lykke Friis stated that her main goal is to make education more student-centred. A range of initiatives to achieve this was launched in 2013.

Efforts to attract researchers and students from around the world were stepped up. Competition for the best researchers and students is international in nature. In 2013, UCPH launched its Tenure Track plan to establish clear and attractive career paths for top talent. This also applies to PhD students. Like many American universities, UCPH now provides an internationally recognised option for talented students (both Danish and non-Danish) to take a five-year PhD programme immediately after completing their bachelor degree.

The social questions that science seeks to answer are no longer restricted to old and familiar academic categories. The new challenges cut across disciplines – and science has to follow suit. In 2013, UCPH incorporated 18 inter-faculty research projects into UCPH's Excellence Programme for Interdisciplinary Research. A budget of DKK 400 million has been earmarked for the programme. In addition to promoting excellent interdisciplinary research at UCPH, the projects aim to improve the University's ability to attract external funding, e.g. from the new EU framework programme Horizon 2020 and the Danish Innovation Fund.

Involvement and participation internally at the University have been top priorities in 2013. Department councils were set up in all UCPH departments, and the first elections to them were held during the year. An advisory council for the Rector was also set up. The Senate, as it is called, consists of the Rector and prorectors, the deans, academic

staff, technical and administrative staff, students from the academic council, the deputy chair of the General Collaboration Committee (HSU), and the chair of the student organisation represented on the UCPH Board. The Senate advises the Rector on major issues and themes that affect the whole University.

The main outline of the strategy will continue to provide pointers throughout 2014. The demand for greater study efficiency has to be met at the same time as the quality of the study programmes is enhanced. The University must actively develop its internationalisation strategy. Attracting and developing talent must be translated into specific actions. In terms of infrastructure, digitisation and major construction projects remain high on the agenda.

#### Higher intake

In 2013, 7,445 new students enrolled on bachelor programmes at UCPH, and a further 200 at the Royal School of Library and Information Science (RSLIS), which merged with UCPH in 2013 and is now a department of the Faculty of Humanities. This is the highest ever intake, up 526 students on 2012, when the corresponding figure was 6,919, and is mainly due to UCPH making better use of its capacity, which is now close to maximum optimisation. UCPH continues to reject many qualified applicants, particularly for popular programmes such as Medicine, Political Science and Psychology. Grade-point averages also rose for many programmes in quota 1, which accounted for 90% of the intake. Twelve programmes now require a GPA of more than 10, and three require over 11. The highest are Molecular Biomedicine (11.8), Psychology (11.2) and Medicine (11.1).

In 2013, a total of 4,298 students graduated with a master's degree. In 2012, the corresponding figure was 3,892.

#### DKK 1.4 billion from the EU

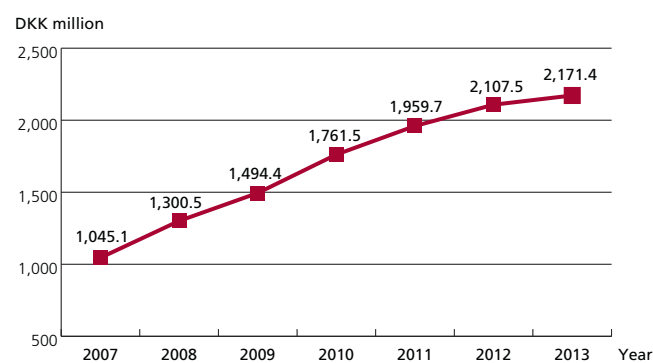
By the end of 2013, UCPH had passed the DKK 1.4 billion mark in total grants from the EU's Seventh Framework Programme (2007–2013) for research and innovation (FP7). This amount corresponds to the expected result from FP7 and includes 35 projects currently at the contract-negotiation stage and which are expected to be signed in Q1 2014. The money is mainly used to fund salaries, and corresponds to almost 2,800 full-time equivalents (FTEs).

The funds are, of course, paid out over several years, and a proportion of the research is conducted at partner institutions. EU funding accounts for a considerable proportion of UCPH's total external funding. The sixth "FP7 Monitoring Report", published by the European Commission in August 2013, ranks UCPH ninth on the list of universities with the most EU projects – a list topped by the University of Cambridge and the University of Oxford. UCPH has put a great deal of effort into FP7, and is working hard to offer greater assistance with applications and project management. The University is also a partner in the research office Capital Region EU Office (CreoDK) in Brussels.

#### Continued increase in externally funded research project revenues

In 2013, UCPH experienced growth in externally funded research activities of DKK 64 million compared with 2012, representing an increase of 3.0%. This grant-funded research activity now amounts to DKK 2,171.4 million (or 26.3%) of total revenues at UCPH. Growth continued in 2013, albeit slightly more slowly than the massive increases seen in previous years. The table below shows the trend for externally funded research activities since 2007.

Grant-funded research 2007-2013



#### Celebrating Søren Kierkegaard and Niels Bohr

The University of Copenhagen also celebrated two of its most famous alumni in 2013 – Søren Kierkegaard and Niels Bohr.

The 200th anniversary of Kierkegaard's birth was celebrated by the SK2013 initiative, with Her Majesty the



Queen as patron. Around the actual birthday on 5 May, the University's Ceremonial Hall was the setting for the international research conference "Kierkegaard Reconsidered in a Global World". At the event, the Søren Kierkegaard Research Centre formally presented the University with a new edition of Kierkegaard's writings.

A range of activities and events were held to celebrate the 100th anniversary of Niels Bohr's ground-breaking atomic model, which revolutionised our understanding of the physical world, formed the basis of the quantum-mechanics revolution, and earned Bohr the Nobel Prize in 1922. As part of the 100th anniversary, a conference was held at the University, entitled "An Open World", which followed up on Bohr's social commitment and his struggle for greater openness in the world. One outcome of the conference was a series of recommendations on how international openness can help society face technological and scientific challenges.

### Financial framework

UCPH's revenue for 2013 amounted to DKK 8,262.9 million, which represents a 3.6% growth over 2012 (current prices). The total growth comprises increases in subsidies for both education and basic research, as well as growth in external grants, building-related revenues and other revenues, whereas the basic subsidy has decreased.

In terms of actual amount, subsidies from the Danish Finance Act for 2013 were as expected, and in current prices they increased slightly from 2012 to 2013 (DKK 86.0 million).

With the Danish Finance Act for 2013, the Danish government created financial stability for the universities for a 3-year period, e.g. through allocation of new basic research funds from the research reserve. The funds are allocated to the universities under the "basic funds for performance" model, UCPH's share representing DKK 256.3 million in 2013. Moreover, the research funds of the readjustment reserve, which comprises the annual two percentage reduction of UCPH's subsidies, were allocated in the Danish Finance Act for 2013, UCPH receiving DKK 16.6 million.

In the same way, the Danish government ensured funding of the record-high intake to programmes in 2012, and

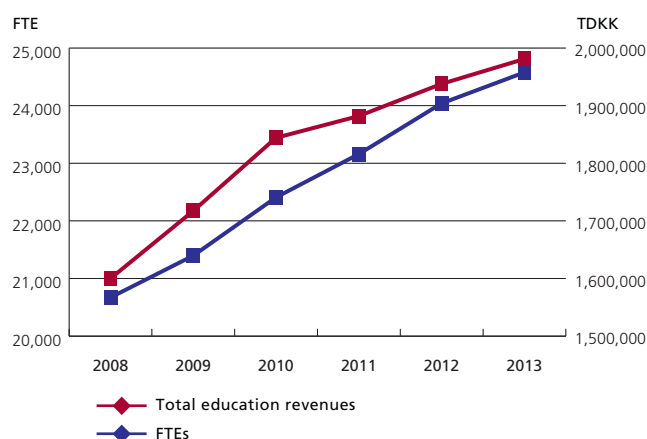
the rate-1 increase was maintained until 2015. Overall, the Danish Finance Act for 2013 thus facilitated long-term planning of research and educational activities.

However, the administrative savings due to streamlining requirements increased from a negative DKK 41.0 million in 2012 to a negative DKK 83.1 million in 2013 and have now turned into a permanent reduction of UCPH's basic subsidy due to the political 'Agreement on the recovery of the Danish economy' made in 2010. Due to lower public sector pay increases, in summer 2013 the Danish Ministry of Finance announced a general investment restriction of a negative DKK 16.3 million for UCPH.

In addition to the direct subsidies from the Danish Finance Act, UCPH received a transfer in 2013 totalling DKK 83.3 million due to the merger with RSLIS. In 2013 the funds have been recognised in 'Other revenues'.

As in previous years, UCPH maintained a high level of activity. The positive development in the educational activities thus continues with a 2.2% increase in total education revenues and a 2.2% increase in the number of student full-time equivalents (FTEs) over 2012. Both growth rates are, however, slightly below previous rates as the growth rates were 3.0% and 3.8%, respectively, from 2011 to 2012.

Growth in FTEs and total education revenues 2008-2013



As in 2012, UCPH's education subsidies were reduced in 2013 due to the ministerial requirement for financial balance between the subsidies earned on the basis of guest

students' earned FTEs at the University and the merit by way of FTEs earned by Danish students studying abroad. In 2013 the reduction amounted to DKK 9.5 million compared to DKK 30.1 million in 2012.

## The Board's most important decisions in 2013

### 24 January

The Board approved new statutes for the University. The faculty mergers, which entered into force on 1 January 2012, created the need to revise section 60 regarding the former Department of Food Economics (now the Department of Food and Resource Economics), and section 61 on Forest & Landscape. The revised drafts of sections 60 and 61 regulated the management of the two organisational units, including their respective boards (both advisory), but did not change the management structure.

The Board was informed of the results of UCPH's workplace assessment (APV), conducted in 2012.

After careful consideration and a long period of discussion, the Board authorised the chair to send a formal request to Morten Østergaard, Minister of Education, regarding the University's wish to acquire freehold on its buildings. The application was submitted in February 2013.

The Board was informed of the establishment of a committee regarding "socially beneficial use of Greenland's natural resources", the purpose of which is to inform the debate on Greenland's raw materials. The joint committee consists of representatives of Ilisimatusarfik (University of Greenland) and the University of Copenhagen.

### 21 February

The Board unanimously reappointed Ralf Hemmingsen as Rector of the University of Copenhagen for a new period, up to March 2017.

### 19 March

The Board decided to introduce gender balance into elections for external board members, and recommended it for the internal elections as well. The Board stressed that it is taken for granted that all candidates possess the requisite competences.

The Board complied with the demand for a one-stop solution for arrangement, rental and procurement of accommodation for international students and researchers by setting up a fund, and subsequently approved the establishment of the UCPH Housing Foundation.

The Board approved the Rector's recommendation to set up a new position of Prorector for Education and make education, which is central to the University's Strategy 2016, an even greater management priority. The Board agreed that education requires long-term strategic attention and supported this addition to the senior management team. The top day-to-day management now consists of the Rector, Prorector for Research and Innovation, Prorector for Education and the University Director.

### 25 April

The Board approved and signed the Annual Report 2012.

The Extended Practice Committee presented a report and recommendations for four areas to the Board. The Board supported setting up a "named person" system that covers all faculties, as well as drawing up a policy defining the rules for data storage. The Board took note of and approved management's proposal for an implementation plan.

Nils Strandberg Pedersen and Jannik Johansen were reappointed to the Board for another four years, from 16 September 2013 to 15 September 2017. The Board was then reconstituted, with Nils Strandberg Pedersen reappointed as chair. Peter Gæmelke remained the deputy chair.

### 28 May

The Board decided to follow the recommendation of the Rector and the unanimous committee to appoint former minister, MP and UCPH Prorector Lykke Friis as the new Prorector for Education from 1 August 2013. The appointment is for five years, with the option of a three-year extension.

### 20 August

The Board decided to support a new Natural History Museum by approving an additional DKK 200 million grant to the building project, provided a number of other budget assumptions are met.

### 17–18 September – Board seminar

The Board held a seminar on the theme "Education at UCPH". It discussed the topic in the light of the new framework conditions brought about by the SU Reform and the Study Progress Reform, which affect the University in many ways, as well as the upcoming accreditation system for institutions. The Board was informed of the work to draw up a new comprehensive study-environment strategy, including the new study- and career-guidance plan, and pedagogic and didactic initiatives. Discussions were also held about "talent", e-learning and innovation, and about entrepreneurship as an integral part of UCPH programmes.

The Board was also informed about the work to build a new foundation for UCPH's future communications.

The Board noted the commitment of the Minister for Education, Morten Østergaard, to reply to the University's request for freehold on its buildings by mid-2014.

### 29 October

The Board received the annual report for the building area and approved the continuation of the Rector Pool (III). The extension will allow the Rector to enter into agreements for renovations, leases and adaptations up to an amount of DKK 15 million in 2014 and 2015.

The Board was informed of the actions and initiatives undertaken to follow up on the University's 2012 workplace assessment.

#### 10 December

The Board approved the "Strategy for the study environment 2014–2016 – road to better learning", which aims to strengthen the frameworks for the University's programmes for the benefit of the students. The Board will follow up on progress via annual study-environment plans.

The Board discussed the Study Progress Reform and its implementation, including in light of the public debate on the content of the reform. Support was expressed for management's planned dialogue strategy. The Board identified the study-environment plan as a key element in creating the necessary frameworks to help reduce study time.

The Board was informed of the status of the KUA3 construction project and the agreement on the terms for completion concluded with the Danish University and Property Agency (UBST).

The Board approved Budget 2014.

At the end of 2013, the University's senior management consisted of Rector Ralf Hemmingsen, Prorector for Research and Innovation Thomas Bjørnholm, Prorector for Education Lykke Friis, and University Director Jørgen Honoré.

## Strategic Priorities

### Education

Education plays a significant role not only at the University, but throughout society. Education at the University is no longer just for Danish students, in Danish, with Danish teachers.

Internationalisation is an increasingly important theme and part of everyday life. The number of non-Danish employees and students is growing. So too are the number of English-language degrees and the proportion of external funding from sources outside Denmark.

Traditionally, students from other Nordic countries have accounted for a large proportion of the non-Danish students, but the number of international students from countries outside the Nordic Region is growing. Since 2007, the University has quadrupled the number of English-language study programmes at master's level and the number of international students has continued to grow. Most recently, the University participated in the Ministry of Education's Top Talent programmes in China and Brazil.

As per UCPH's Strategy 2016 and the ambitious targets outlined in the Danish government's internationalisation action plan "Greater insight via global vision", the University has, in its development contract, pledged to increase outgoing mobility. A 40% increase has been achieved since the beginning of the contract period. Correspondingly, the number of incoming exchange students has fallen by about 25% between 2011 and 2013 as a result of the University's efforts to balance incoming and outgoing mobility.

### Coherent new strategy for the study environment

The study environment is key to the University's aim of improving education. In 2013, the Board approved the implementation of the "Strategy for the study environment 2014–2016 – the road to better learning", which is designed to improve the environment for education and student life at the University. The strategy addresses the physical, psychosocial and digital study environments, including communication between UCPH and students. Priorities include a greater number of study jobs, rooms where students can meet, study-start programmes for master's students (Danish and international), enhanced academic and social integration between teachers and students, and greater coherence and usability in IT systems. Action plans for specific activities will be drawn up in mid-2014, taking into account the results of the student well-being and satisfaction survey carried out in December 2013.

### Pedagogy and didactics

"The University Pedagogy Initiative" (KUUPI), launched in 2012, focuses on improving teachers' pedagogical skills and the development of forms of teaching.

The project looks at the use of teaching portfolios, and has launched a competency programme for heads of studies, focusing on the coherence and holistic nature of study programmes. The sub-projects are managed and run by the University's three pedagogic centres.

### Digitisation

The aim of the eGOVERNMENT Strategy 2011–2015 was to digitise exams, written communication with students and student enrolment, and to use shared public-sector IT solutions.

At the beginning of 2013, 65% of exams at UCPH and 72% of the other written tests were digital. UCPH, along with four other universities, was part of an EU tender to draw up a solution for complete digitisation of the entire exam process: setting assignments, submission, grading, filing, etc. The solution will be delivered in 2014. In 2013, the University digitised virtually all of its communication with students. In 2013, UCPH became the first university in the country to conduct its entire application and admission process for bachelors digitally. As of the winter intake 2013/14, the application and enrolment process for applicants will also be digitised.

#### **The 2016 Pool – the education component**

In 2013, as per Strategy 2016, the University of Copenhagen launched a 2016 Pool, divided into a research component and an educational component. The education component is designed to enhance the quality of education and inter-faculty educational activities. Six interdisciplinary projects have been selected with a total budget of approximately DKK 66 million for the period 2013 to 2016. The projects include e-learning, innovation and entrepreneurship in teaching, the development of research-based teaching with new formats, interdisciplinary education, internationalisation of study programmes and better language skills for students. The projects include:

##### *UCPH Summer School*

With approx. 15 newly developed inter-faculty and internationally oriented summer courses, the University's joint summer-school initiative for Danish and international students will – in addition to providing students with knowledge and insight outside of the normal academic year – boost the University's international standing and reputation, while supporting the objectives of the Study Progress Reform. UCPH has also entered into a partnership with the University of Utrecht, the Free University of Berlin and Fudan University to establish the new China Europe International Summer School, which will provide students with the opportunity to spend several weeks studying in China and/or Europe.

##### *Internationalisation and Language Skills*

The Internationalisation and Language Skills project consists of three parts: 1) Exploration of the opportu-

nities and challenges for students in “the international classroom”, seen from a university-pedagogy perspective; 2) development of activities and methods to improve students' language and multicultural competences related to their studies; and 3) development of activities for international master's students, with a focus on career preparation and better opportunities to remain in Denmark after graduation.

#### **Strategic Language Focus**

##### **– more languages for more students**

The Strategic Language Focus project aims to internationalise study programmes and improve students' language skills. The project equips students to study and take internships abroad, with a view to the increasing internationalisation of education and the labour market in general. The project focuses on several languages, and on the needs of students not studying on a language programme. Vigdis Finnbogadóttir, former President of Iceland and now UNESCO ambassador for the promotion of linguistic diversity, women's rights and education, has been appointed patron of the Strategic Language Focus.

##### **Online courses and blended learning, under the auspices of Coursera**

UCPH has become the first Danish university to commit to Coursera, which offers free online courses via the Internet, in co-operation with several universities worldwide. The courses are generally free for students, who upon completion of a course receive a “Statement of Accomplishment”. Initially, UCPH agreed to develop eight courses. The University's course directors and teachers are responsible for course planning and for developing the academic content. The project will be evaluated by February 2015 at the latest.

##### **Recruitment and the transition from study to work**

UCPH's focus on its students does not begin and end with their study programmes. Recruitment to and graduation from the University are also important to the success of a course of study.

##### *Visits by upper-secondary schools – pre-recruitment to UCPH*

Every year, more than 30,000 upper-secondary school students visit the University, either individually on a

study internship, via the “student for a day” scheme, or through lectures and exercises with their classes. The range of options available is designed to generate interest in UCPH’s different academic disciplines and in life as a student. The purpose of early contact with the University is to help potential applicants make the right choice of study, so that once they become students at UCPH they have a clear idea of what they want to do. This helps reduce drop-out rates.

#### *Mentoring programme for master’s students*

Since it started in 2008, more than 1,000 students have taken part in UCPH’s centrally organised mentoring programme for master’s students under the auspices of KUBULUS. The programme brings alumni and their workplaces into play as active resources for students during their transition to the world of work. In 2013, 214 master’s students (“mentees”) were assigned a mentor at one of the 29 participating companies. The satisfaction rate is high among mentees and companies, and the vast majority of companies continue on the scheme for several years. Impact measurement for former mentees shows that the programme improves awareness of competences, and also provides insight into the labour market’s needs and requirements.

### **Key research findings and initiatives**

Research is increasingly influenced by international and interdisciplinary collaborations that transcend both academic boundaries and national borders. Research groups are often multinational, the language is often English and the subjects interdisciplinary, with funding coming from the EU or another international body. UCPH’s 2016 Pool seeks to promote interdisciplinary research and improve the University’s record in attracting external, international funding.

#### **UCPH and KICs**

##### **(Knowledge and Innovation Communities)**

In 2013, UCPH joined one of the EU’s public-private partnerships, known as “Knowledge and Innovation Communities” (KICs), for the first time. KIC partnerships aim to foster innovation by generating interaction between leading universities and companies in education, research and innovation. 29 out of the more than 80 fully commit-

ted KIC partners are leading universities in the EU. So far, three KICs have been set up in the following areas: climate change, sustainable energy and future IT solutions.

UCPH, the Technical University of Denmark (DTU), Velux and Grundfos are involved in the Nordic “Co-location Centre” of Climate KIC – which, like the other KICs, is expected to run for at least seven years. Since Climate KIC was launched, the project has grown significantly from 15 partners and a budget of approximately DKK 45 million in 2010 to more than 200 partners and a projected budget of over 525 million in 2014. Climate KIC’s budget for 2013 was just under DKK 400 million.

In 2013, UCPH was deeply involved in intensive work with tendering applications for Healthy Living KIC and the planned Food KIC.

#### **UCPH’s Excellence Programme for Interdisciplinary Research (the 2016 Pool – research component)**

In 2013, a total of DKK 400 million was allocated to 18 research projects as part of UCPH’s Excellence Programme for Interdisciplinary Research – also known as the research component of the 2016 Pool. The purpose of the research initiatives is to promote excellent interdisciplinary research at UCPH and to strengthen the University’s ability to attract external funding, e.g. from the new EU framework programme Horizon 2020 and the Danish Innovation Fund.

The initiatives – in both research and education – are selected on the basis of recommendations by international panels. The projects will run for five years. They cover subjects such as the legal, ethical and scientific aspects of multilateral access to biobanks, the development of new social-networking tools and how natural disasters shape a society socially, politically, technically and culturally. Up to six different faculties are involved in the various projects.

A list is available at <http://forskning.ku.dk/styrkeomraader/stjerneprogrammer/>

#### **Accelerated commercialisation and establishment of a proof-of-concept pool**

The University’s researchers registered 77 new inventions in 2013, the highest number ever and an increase of almost



57% compared to 2012. Licence agreements were also entered into with 17 partners in Denmark and abroad, compared with 16 in 2012. A spin-out, “Avilex Pharma Aps” was also established under the auspices of “Copenhagen Spin-outs”.

In 2003, UCPH set up an internal proof-of-concept pool worth DKK 5 million per annum. In 2014, these funds will be allocated to help move promising commercialisation projects from the lab to the market. The funds will be allocated as and when appropriate by a panel of external experts set up to assess the projects’ market potential.

#### **New job structures – focus on talent**

UCH approaches “talent” from several different angles, but the recruitment and development of academic staff are particularly important. The University has set up two new career-progression tools – Tenure Track and the 3 +5 PhD programme – to attract the best international applicants. For international positions, a wide-ranging support network has been set up, which provides assistance with pay and employment conditions, civil registration, tax and pensions. Help is also available for more family-related factors such as finding schools and day-care centres. In addition, UCPH offers counselling for spouses and increased networking activities for international staff and their families.

#### *Tenure Track*

High-level clearance was needed before these new positions could be set up. The plans were part of the job-structure negotiations, which started at national level in spring 2013 and ended in June of that year. The negotiations resulted in the option to introduce a six-year Tenure Track process. A working party has since drawn up the material that forms the basis for these positions throughout UCPH. The Tenure Track process consists of three phases: Recruitment, the six-year Tenure Track and the tenure assessment (which leads to a post as associate professor or professor). A tenure committee, comprising members appointed by the faculties’ academic councils, monitors these positions throughout the University on an annual basis.

#### *The 3 +5 scheme*

In order to attract even more research talent and enhance the quality of PhD students, the decision was taken in 2013 to introduce a 3 +5 system at UCPH, also called “International Graduate Talent Programme”, and guidelines for it were drawn up. The 3 +5 scheme gives young talent from Denmark and abroad the opportunity to start a five-year PhD programme immediately after completing their bachelor degree, which is very similar to the process in US universities. The target is to enrol about 40 students on the scheme in 2014. Once the scheme is fully up and running in 2016, the target will be 100 students per annum. UCPH is the first Danish university to implement the 3 +5 scheme in both “wet” and “dry” areas.

#### **English as an administrative language**

Just under one third of UCPH researchers and nearly one tenth of its students come from abroad. Up until now, internationalisation work has concentrated on research and education, but the steady growth of internationalisation also places increasing demands on the administration.

In 2013, an inter-faculty working party studied needs and challenges concerning the use of English as an administrative language at UCPH, and came up with tangible recommendations for how the University might meet these challenges. The overall recommendation was not to strive for full parallel language use in all administrative contexts, but only when it is appropriate. The working party’s report also outlined recommendations and action plans for the implementation of the University’s parallel language policy, competences, written and oral communication, web communication, the multilingual workplace, knowledge sharing and best practice.

Work on the recommendations and action plans will continue in 2014.

#### **The outside world and business and industry**

The University is aware of its local, national and global contexts. In 2013, it focused on internal and external communications, and launched a range of initiatives. The University has engaged in public debate in Greenland, the IARU international university partnership and the development of Copenhagen as a new knowledge region.

### **New landmarks for UCPH communication**

In 2013, UCPH focused on its communications in a broad sense, ranging from communication with students to dialogue with external partners and the outside world in general. These discussions were partly based on a report, drafted with external assistance, that used a series of interviews and focus groups involving management, staff, students and partners to present a number of general and specific recommendations for UCPH's communications. Among the priorities identified were the development of digital services as an important tool to improve dialogue with students, e.g. via the development of an *app*.

An overall plan with 19 focus areas for communication was adopted in December. New initiatives will be launched in 2014, including the identification of key research- and education-policy issues, more structured and dialogue-based management communication, and more systematic mapping of – and dialogue with – the University's external stakeholders, including at department and faculty level.

### **Strengths on ku.dk – working more closely with business and industry**

In 2013, UCPH relaunched its external web portal *forskning.ku.dk*, which provides access to research at the University and displays the overall research profile. The portal provides stakeholders, partners, journalists and other interested external parties with the opportunity to familiarise themselves with UCPH's research and identify its researchers.

In order to make the most of its academic diversity and contribute to public debate in key areas, the University has also identified a number of interdisciplinary areas in which its research strengths are visible: biological production, digital relationships, food, water, globalisation, the climate and sustainability, new medicine, the self, and health and lifestyle. All of these areas address major topical challenges facing society and call for solutions that involve collaboration between the public and private sectors and the University.

### **Partnership between UCPH and Maersk Oil**

The University's various research collaborations with private enterprise often consist of a mix of cutting-edge research and solutions to specific, practical challenges. One

example of this is the partnership between Maersk Oil and the University's Nano-Science Center. The project Nano-Chalk Venture, funded by the Danish National Advanced Technology Foundation and Maersk Oil, culminated in 2013 with a three-day international symposium at which the outcomes of the research were presented. Overall, the research jointly conducted by the University and Maersk Oil has identified more efficient and safer ways to extract and produce oil and to protect the soil and groundwater. These socially beneficial projects also have further positive effects in the form of basic knowledge and understanding of, for example, specific movements of materials at nano level that can be used in other scientific research. The international development environment that has emerged from the Nano-Chalk Venture has a global profile, and has subsequently brought in millions of DKK from abroad for new projects based on the research results from this partnership.

In 2013, UCPH and other Danish bodies entered into a new ten-year research initiative with Maersk Oil, with a total of DKK 1 billion in funding.

### **Copenhagen**

In 2013, focus intensified on the interaction between stakeholders in the Capital Region, including in the south of Sweden and Region Zealand, particularly in relation to co-ordinating the international branding and marketing of Copenhagen as a hub of innovation, knowledge, talent development and creativity. Capital Region and Copenhagen Capacity head up a number of initiatives in which the University has participated, e.g. bringing universities, companies, official bodies and organisations together around a common vision titled simply "Copenhagen". UCPH, DTU and Copenhagen Business School (CBS) contribute jointly to another initiative: "Copenhagen Science Region", in which all three universities – via specific initiatives such as closer business co-operation, more student housing, and working together to attract international research investment – strive to make Copenhagen a regional hub for education, research and innovation. Thomas Bjørnholm, Prorector for Research and Innovation, is a member of the boards of Copenhagen Capacity and Copenhagen Congress Advisory Board.

### **Greenland Committee – inter-faculty collaboration on Greenland’s raw materials**

In March 2013, UCPH and Ilisimatusarfik (University of Greenland) jointly set up the Committee for Social Utilisation of Greenland’s Natural Resources. The Committee was given a year to study how Greenland’s raw materials can contribute to the development of Greenland and the rest of the Kingdom of Denmark. Thirteen researchers from a wide range of disciplines and from nine different research institutions participated. Professor Minik Rosing of UCPH chaired the committee. UCPH provided the secretariat. The Committee published the results of its work in January 2014.

### **Asia**

Asia is an increasingly important area of interest, including in education and research. In order to co-ordinate research into Asia and a platform for interdisciplinary Asian Studies, UCPH set up the Asian Dynamics Initiative (ADI), which in 2013 held a well-attended international conference on the theme “Growth: Critical Perspectives from Asia”. In 2013, UCPH implemented a special action plan for China that included a number of initiatives to pool efforts regarding the University’s contact with Chinese partners and ensure that research into China is properly publicised. This action plan has been extended to 2014. The University’s research and education partnerships with Chinese institutions were also mapped out. Collaboration with China on education has resulted in a double-degree master’s programme with Zhejiang University and the establishment of the Fudan-European Center for China Research at UCPH, in collaboration with the renowned Fudan University. The centre also serves as a liaison to European research on China.

The think-tank ThinkChina.dk, which explores how China’s growth can benefit Denmark, was established in late 2012. In 2013, it hosted more than 20 events attended by UCPH researchers and stakeholders from public- and private-sector organisations that deal with China in their day-to-day work. UCPH is also responsible for the study programmes Water and Environment and Nano-Science at the Sino-Danish Centre (SDC) in Beijing, where 12 UCPH students began their studies in 2013.

In Denmark, interested parties were able to attend the third annual summer course “Decoding China!” on public affairs in China.

### **IARU<sup>1</sup> (International Alliance of Research Universities)**

The University remains strongly committed to IARU. At the two IARU gatherings in 2013 – the Presidents’ Meeting in Singapore and the Senior Officers’ Meeting in San Francisco – the “Value of Research-Intensive Universities” initiative was jointly presented by UCPH, the National University of Singapore and the University of California, Berkeley. This shared environment constituted an inspiring setting in which to discuss the basis for identifying quantitatively measurable indicators of research. IARU’s flagship continues to be its summer-school courses, which are in great demand. In 2013, there were approx. 700 applicants from around the world for a total of 19 courses; 328 students attended in the end.

UCPH remains at the forefront of the projects Ageing, Longevity and Health (ALH) and the IARU Sustainability Science Congress. Regarding the ALH network, UCPH presented a plan to the Presidents’ Meeting to strengthen and update the network, and to hold a number of ALH congresses in June 2014. UCPH is arranging the IARU Sustainability Science Congress, which will be held in October 2014 and is expected to attract around 800 researchers, politicians, media professionals and business representatives.

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<sup>1</sup> Established in late 2005, the Alliance comprises: the Australian National University; ETH Zurich; National University of Singapore; Peking University; University of California, Berkeley; University of Cambridge; University of Copenhagen; University of Oxford; the University of Tokyo; Yale University.

## Management Framework and Organisational Development

### Status of administrative streamlining

In 2010 administrative streamlining requirements were imposed on the university sector as on the rest of the public sector under the Agreement on the recovery of the Danish economy. UCPH was required to achieve administrative savings within general management and administration of DKK 41 million in 2012, increasing to DKK 83.1 million in 2013 onwards. Moreover, the universities were required to perform semi-annual follow-up subject to specified guidelines.

The guidelines for follow-up provided by the Ministry have proved difficult to implement and system-support in practice; therefore, the University chose in connection with the reporting in the Annual Report for 2012 to develop its own methodology of follow-up. In order to monitor continuous efficient operations and development, UCPH has calculated two internal ratios which accommodate both organisational growth and development: TAP-AS wage kroner/total wage kroner and TAP-AS wage kroner/total revenue. Both ratios are continuously monitored.

Follow-up on the two ratios at the end of 2013 shows that developments are on the right track. One of the ratios, TAP-AS wage kroner/total wage kroner, is declining, to 23.2% in 2013, whereas the other ratio, TAP-AS wage kroner/total revenue remains very stable around 13.3%. This trend should be viewed in the light of TAP-AS wage kroner actually having increased from 2012 to 2013 (measured in current prices) due to the establishment of acute jobs and the merger with RSLIS.

	2013	2012	2011
TAP-AS wages/total wage DKK	23.2%	23.6%	24.2%
TAP-AS wages/total revenue	13.3%	13.3%	13.4%

### Department councils

In 2012, the University management chose to establish department councils in order to ensure the involvement of employees (academic as well as technical and administrative) and students. Elections were held in 2013. The heads of department chair the councils, which are advisory.

According to the Statutes, they consist of 6–12 members elected by the academic staff, including employed PhD students, as well as technical and administrative staff and student representatives. All department councils have their own procedures based on the standard rules of procedure for department councils at UCPH.

### Setting up of the Senate

In 2013, the Rector set up an inter-faculty Senate comprising the Rector and prorectors, deans and representatives appointed by the academic councils from academic staff, technical and administrative staff and the student group, as well as the chair of the student organisation represented on the University Board and the Deputy Chair of the General Collaboration Committee (HSU). Like the department councils, the Senate promotes participation and involvement by students and staff. One of its main tasks is to advise management on major issues and topics that affect the whole University.

The Senate met for the first time on 3 October 2013.

### The Practice Committee's recommendations for good scientific practice

In April 2013, the Board discussed the Extended Practice Committee's report and recommendations on good scientific practice at UCPH. The report made suggestions about how UCPH can strengthen good scientific practice and confront scientific misconduct. The report contained concrete proposals to implement initiatives that would clarify the duty to inform and promote the resolution of cases involving violations of good scientific practice and scientific dishonesty; a new regulatory framework for the Practice Committee; a "named person" scheme; and the establishment of a regulatory framework for storing research data.

The Board adopted the recommendations, which are now being implemented at UCPH.

### Student ambassador

In 2013, UCPH appointed an independent student ambassador to advise students, defend their interests and strengthen their position in their interactions with the University. The post of student ambassador is the first of its kind in Denmark. It is unique in the sense that the ambas-

sador assesses and provides assistance regarding specific issues from the student's perspective.

### **Satisfaction and well-being assessment – follow up on Workplace Assessment (APV) 2012**

In November 2013, UCPH conducted a satisfaction and well-being assessment of all employees. The response rate of 70% was an improvement on the 2012 workplace assessment, which had a response rate of 65%. The 15 questions posed were those considered to be the most significant for well-being at UCPH, and were repeated from the 2012 survey so that trends could be mapped. Marginal progress was made in almost every area, but a minor decline was observed in overall satisfaction with the University as a workplace. The main challenges remain striking a balance between the workload and working hours, and a lack of sufficient feedback from immediate line managers. UCPH will continue to strive to improve conditions for its employees, and will in future conduct annual satisfaction surveys of all staff and students.

In addition, in November 2013, UCPH conducted its first-ever comprehensive survey of satisfaction with administrative services. This study was conducted alongside the satisfaction and well-being assessment. The initial results show, unsurprisingly, that the permanent academic staff are the least satisfied with the administration. The results provide impetus for further analysis of where to deploy resources to improve services and boost satisfaction. In the first instance, focus will be on improvements for academic staff and students, and on finance and education, but the results for the administrative areas will also be followed up.

### **Accreditation**

In 2013, Parliament passed the Act on the Accreditation of Institutions of Higher Education. The Act covers programmes run by universities. An institutional accreditation allows UCPH to offer new programmes in the main areas it covers. This is unlike the current situation, in which accreditation has to be sought for each individual study programme.

Institutional accreditation means that the responsibility for ongoing quality assurance lies at the University. Institutional accreditation gives the institution freedom to set the frameworks for its quality-assurance work, as long as the

university concerned is able to demonstrate that it meets the criteria for quality and relevance set out in the ministerial order.

The University initiated the process in 2013 and will prepare for institutional accreditation in 2014. This will involve extensive work to develop UCPH's organisation in this area, in order to ensure that the University's and the faculties' quality-assurance work can be documented and that the necessary policies and procedures are in place.

### **The Student Grant (SU) Reform**

In summer 2013, parliament agreed to reform the student grant (SU) system and amend the SU Act. The agreement includes ten initiatives to regulate and target the student grant system and reduce public spending. The main ones are that SU is limited to the prescribed study time if study start is more than two years after the qualifying examination and that SU payments will stop if a student falls more than six months (30 ECTS credits) behind. The earnings ceiling will also be gradually raised so that students are able to do more paid work alongside their studies without incurring deductions from their SU.

The SU reform has direct consequences for many students and will also increase pressure on administrative resources at various levels in the UCPH organisation. For example, increases are expected in the number of counselling sessions and applications for exemptions from students who, due to the new rules, do not receive SU for their programme.

### **The Study Progress Reform**

As part of the reform of the student grant system of summer 2013, a review was conducted of the frameworks for study completion, also called the "Study Progress Reform", which came into effect at the beginning of 2014. UCPH is required to cut study times by an average of 7.6 months per student by 2020. Failure to comply will lead to cuts in funding. The Study Progress Reform will have a particularly strong impact on UCPH, both at the administrative level and in terms of study culture. The Study Progress Reform consists of eight initiatives, including compulsory registration for subjects and examinations prescribed to 60 ECTS credits per academic year, and require-



ments to apply for credit transfers for examinations passed during study trips.

UCPH started discussions about implementation of the reform in autumn 2013. The reform also led to student demonstrations, e.g. on Our Lady's Square, of a size not seen for many years. Subsequently, discussions were initiated between the management and students about how the University can help ensure better and faster completion times without compromising the quality of education. Parts of the implementation process are more administrative in nature and have since been initiated.

## **The physical environment – buildings**

### **Freehold**

Following in-depth discussions by the Board and management in 2012, UCPH submitted an application to the Minister of Education in February 2013 regarding freehold on buildings at the University. UCPH sees freehold as an important dimension of the University's strategic positioning and long-term planning, with international competition also calling for better and faster decisions on building uses. UCPH also sees a definite need for closer correlation between building use and core environments at the University.

In 2013, the formal application was followed by discussions between the management and the Ministry of Education regarding a process for UCPH's possible transition to freehold. The Ministry has subsequently informed UCPH that a freehold option for the University would serve as a precedent in the university sector, and that the Ministry would like to see the request discussed in greater depth by the relevant ministries. UCPH expects final clarification regarding freehold before summer 2014.

The University has been evaluating the potential financial impact of freehold.

### **The Natural History Museum (SNM)**

Following the conclusion of the architectural competition, the focus of the SNM project has been on fundraising and on clarifying the various funding options. Preliminary agreements have been reached for private foundation funding amounting to several hundred million DKK. However, as the new museum did not receive funding in the Danish

Finance Act for 2014, the project may need to be re-evaluated in the light of the reduced level of funding.

### **Decentralisation of rent**

Until now, UCPH has paid and administered rent and property tax centrally. In 2013, the decision was taken to devolve 50% of this expenditure, equivalent to almost DKK 470 million, to the faculties in 2014. This stemmed from a desire to make the faculties' building-related costs more visible. It is of great importance for financial management at all levels that it is made clear that there are significant costs associated with building use. Solidarity in terms of risk diversification will be maintained, however, with only half of the cost devolved.

### **Student housing**

The University has restructured its housing services for international students and researchers, setting up the private UCPH Housing Foundation. In 2013, it took over most of the University's existing accommodation, and expects to take over the last contracts during the first quarter of 2014. In March 2013, the Board decided to transfer equity of DKK 6 million as a one-off lump sum. The Foundation's budget will in future be based on user fees, and the aim is to make it self-financing.

In another initiative, the City of Copenhagen Council (KK) and UCPH signed an agreement in 2013 to increase the supply of housing for young people in Copenhagen. Due to growth in the number of young people, KK wishes to make it easier for them to find accommodation in the city. UCPH in turn wants to improve its student housing conditions, including for international students. The goal of the partnership is to support the construction of yet more student accommodation in the city. Once such opportunity arose in autumn 2013 – Sølvgade Barracks (formerly DSB headquarters) was empty, and the property company Norden, which owns the building, was working on plans for its renovation. Following discussion between Norden, KK and UCPH, the University hopes a deal will be made with the future operating company so that the building, which is scheduled for redevelopment and occupancy in late summer 2015, can be used as a residence for both international and Danish students at UCPH.

## Opening of new buildings at the University of Copenhagen on Amager (KUA2) and the Municipal Hospital (the CSS building) and the status of the other major construction projects

Progress has been made on all of the major building projects at the University. The new construction of CSS was delivered and taken into service as scheduled, at the beginning of the summer semester 2013. The building was officially opened on 20 September, which coincided with the 150th anniversary of the Municipal Hospital. The new building contains department areas and classrooms, as well as three auditoriums and an open café area.

After some delay, KUA2 was handed over to the University by the Danish Building and Property Agency (BYGST) in March 2013. The departments moved in over Easter and summer 2013. The students are very pleased with the building, especially with the large number of group rooms and reading places, and the many social spaces where they can gather informally. The positive study environment has resulted in students spending more time on campus, which was one of the main aims of the project.

Construction of the Mærsk building for the Faculty of Health and Medical Sciences continued as planned in 2013, in parallel with the final planning and tendering. In 2013, construction started on the Pharma Science Building on North Campus and the Copenhagen Plant Science Center, Phase I, Frederiksberg Campus.

During 2010–2016, UCPH and BYGST are working to enhance the University's laboratory facilities. DKK 996.1 million has been earmarked for the refurbishment of existing laboratory facilities. By the end of 2013, 22 sub-projects had been completed, including their accounts, at a cost of DKK 254.6 million. 33 sub-projects are ongoing at a cost of DKK 477.5 million. In other words, sub-projects worth DKK 264 million have still to commence. The final projects will be launched in the last three years of the period. As per the agreement between the University and BYGST, these projects must be initiated and contracted by the end of 2016, which is considered feasible given their current status.

## Financial Review

### Performance 2013

The bulk of UCPH's revenues (62.7%) stems from government subsidies, including education subsidies accounting for 23.9%, research subsidy for 35.6% and basic subsidy for 3.2%. To this should be added external funding accounting for 30.8%, building-related revenues for 2.1% and other revenues for 4.3%. UCPH's total revenues in 2013 amounted to DKK 8,262.9 million, an increase of DKK 283.7 million (current prices) from 2012.

In spite of a decrease in the basic subsidy, government subsidies in total increased by DKK 83.2 million (current prices) from 2012, which is primarily due to a major increase in the research subsidy. External funding went up by 3.3% from 2012, which is a lower growth rate than in 2012 when the growth rate was 7.5% over 2011. Building-related revenues increased by DKK 9.9 million (current prices) from 2012. Other revenues went up by DKK 108.9 million (current prices) compared to 2012. The increase is primarily due to the merger with RSLIS.

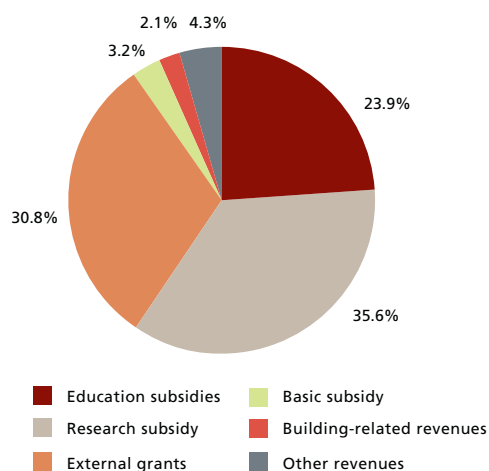
In 2013 staff expenses amounted to DKK 4,736.0 million, corresponding to 57.0% of UCPH's total expenses. Total staff expenses increased by 5.2% over 2012.

Overall, there has been an increase of 207 academic staff FTEs, representing growth of 4.5%, while technical/administrative staff FTEs increased by 59, representing an increase of 1.4%. RSLIS accounts for 46 academic staff FTEs and 33 technical/administrative staff FTEs.

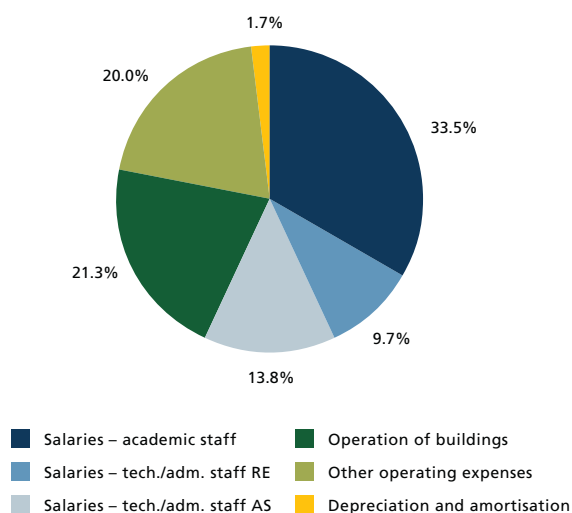
On a total basis, the development in FTEs contributes to an improvement of the ratio between academic and technical/administrative staff, including overall efficiency of the organisation.

UCPH's total operating expenses amounted to DKK 8,311.7 million, an increase of DKK 469.3 million (current prices) over 2012. The higher operating expenses are primarily caused by an increase in staff expenses with academic salaries increasing by DKK 149.7 million (current prices) from 2012 to 2013 and in building-related expenses increasing by DKK 152.8 million (current prices) over 2012. This increase is primarily attributable to rent expend-

## Revenues



## Expenses



iture due to new buildings being put into use and to higher maintenance activities than in prior years.

Other operating expenses for 2013 amounted to DKK 1,662.4 million, an increase of DKK 22.5 million (current prices) over 2012.

Net financials for 2013 amounted to DKK 25.5 million. Compared to 2012, this represents a decrease of DKK 5.6 million (current prices). The interest-rate level was gener-

ally lower in 2013 than in 2012, which resulted in lower interest on UCPH's cash funds.

UCPH showed a loss of DKK 23.4 million in 2013, which is significantly below the originally budgeted loss of DKK 217.8 million. Due to the loss realised, equity was reduced from DKK 1,171.1 million at the end of 2012 to DKK 1,159.4 million at the end of 2013. UCPH has launched several initiatives and activities that will consume a material part of the equity in future years. UCPH's equity and the allocation of equity are described in the section "Allocation of UCPH's equity".

UCPH's solvency ratio was 24.4% at the end of 2013 compared to 25.5% at the end of 2012. Equity at the end of 2012 represented 14.7% of UCPH's total 2012 revenue. At the end of 2013, equity represented 14.0% of total 2013 revenue.

Management considers the financial performance satisfactory. The budgeted loss in Budget 2013 was a planned reduction of UCPH's equity with the intention of applying the funds towards ensuring quality of both educational and research activities, partly through strategic recruiting of especially permanent academic staff and partly by generally maintaining a high level of educational and research activities, e.g. by way of the 2016 Pool to fund interdisciplinary research.

Fundamentally, the budgeted level of activity was very ambitious, and the planned loss proved more difficult to realise than expected for UCPH as, among other things, many of the planned activities and initiatives had a longer start-up period than originally expected. Especially the recruiting of national as well as international academic staff was delayed; therefore, the planned spending of equity will not substantially materialise until in future years' financial statements. The recruiting strategy proved right, and it will therefore be maintained in the coming years. Going forward, UCPH must continue to exploit its financial leeway responsibly to reinforce the University's work of developing the educational, research and communication areas as well as to finance the commissioning and lay-out of several new buildings. The development will continuously reflect the University's vision, strategy, development targets and the tasks prioritised.

## Expected financial developments

The Danish Finance Act for 2013 created stability in terms of UCPH's other Finance Act subsidies with the allocation of new basic research funds from the research reserve, allocation from the readjustment reserve as well as maintenance of the rate-1 increase for three years. This 3-year budgetary security has been extended by another year in the Danish Finance Act for 2014.

In the Danish Finance Act for 2014, the Danish government has assigned high priority to education and research by continuing the allocation of new basic research funds and the rate-1 increase up until the end of 2016. Moreover, in consequence of the 'Reform of the SU-System and the Student Completion Framework', funds have been allocated to accommodate increased additional intake in 2013 and to respond to the requirement for students completing their studies faster.

The multi-annual subsidy accord in the educational and research area thus meets UCPH's wish for a more stable financial framework enabling improved conditions for long-term planning of research and education as well as recruiting of academic staff.

In spite of positive expectations of UCPH's Finance Act subsidies in the coming years, great uncertainty is attached to the Study Progress Reform adopted on 18 April 2013. In outline, the reform implies that the university sector as a whole is to deliver a reduction of the time to degree by 4.3 months in 2020. To UCPH this means that the time to degree must be reduced by a total of 7.6 months by 2020. The reform may have major implications to UCPH's finances as of 2015, and the financial implications are difficult to predict at this time.

As previously mentioned, the University has seen a large additional intake in recent years, leading to an expectation that education subsidies will increase in future years. An ambitious increase in FTE production has indeed been incorporated in Budget 2014. Consequently, it is crucial to UCPH's financial revenue framework that the universities can rely fully on the taximeter funding going forward in order for revenues to remain stable.

UCPH has been very successful in obtaining large external donations and grants, not least for research projects, which are representing a still larger share of UCPH's total finances. This is a trend which has continued from previous years as, among other things, UCPH has great focus on this area as a growth area – funding from abroad, success in attracting funds through major private donations and large grants from foundations and agencies. However, due to the vesting principle, these funds are not recognised as income until spent. Therefore, there is a certain timing difference between obtaining the funds and actually spending them. In view of that, growth is still expected. 2013 saw lower growth in the total spending of external funds than prior years (3.3% from 2012 to 2013 compared to 7.5% from 2011 to 2012).

Relative budgetary security in terms of Finance Act subsidies (research and basic) means that UCPH is now strongly positioned to adopt a multi-year perspective, with the opportunity of building strategically on its strong position as a national and international educational and research institution. To ensure the best possible platform for the University's research, education and innovation, the University will still have to make investments in and renew its organisation, IT and digitisation as well as buildings. This is also reflected in the allocation of the University's equity, see below. Specifically, Budget 2014 provides for a total loss of DKK 200 million, including DKK 165 million budgeted for the faculties.

## Allocation of UCPH's equity

UCPH's equity at the end of 2013 amounted to just below DKK 1.2 billion. Equity has been reduced as compared to 2012 due to the net loss for the year, but has at the same time increased due to the incorporation of the equity of RSLIS

From both a political and theoretical economic perspective, UCPH's equity may seem relatively high, and with the increased budgetary security introduced by the Danish Finance Act 2013, the financial uncertainty has been adequately minimised for UCPH to launch several initiatives and activities that will consume large amounts of equity in the coming years.

Specifically at the end of 2013, a total of DKK 535.5 million of the University's equity is set aside for the following purposes:

- For the period 2014-2017, the budget allocates a total amount of DKK 445.2 million from the University's equity for financing of the 2016 Pool, including DKK 379.7 million for Interdisciplinary Research and DKK 65.5 million for interdisciplinary educational initiatives. (In 2013 DKK 21.3 million has been spent from the 2016 Pool).
- As part of UCPH's overall building renovation in Amager, in the Niels Bohr Building, in Frederiksberg and in the Mærsk Building, considerable costs will be incurred for moving into and furnishing the buildings estimated at a total of DKK 90.3 million at the end of 2013. The faculties have accumulated funds for these costs through reduced spending.

In addition to the transfer to reserves, a number of equity-funded investments have been planned, including:

- Continued strategic recruiting of permanent academic staff to enhance the quality and capacity of the educational programmes, increase capacity for guidance to PhD scholars and increase research, including attracting more external funds.
- An extraordinary investment in University IT and increased digitisation to increase operational reliability, user-friendliness and development of University IT.

Overall, considerable losses are budgeted for the coming years leading to total equity spending of DKK 800 million in the years 2014-2017, see table below.

As compared to the target for equity spending in 2013-2016 defined in Budget 2013, spending in 2013 was not as high as expected. It will therefore be possible to continue reducing equity in the period to 2017.

DKK million/current prices	R2013	B2014	2015	2016	2017
Estimated equity, beginning of year	1,171	1,159	1,209	1,314	1,114
Estimated profit/loss	-23	-200	-200	-200	-200
<i>RSLIS equity</i>	12				
A.P. Møller Foundation donation		250	305	-	-
Equity, end of year incl. A.P. Møller Foundation donation	1,159	1,209	1,314	1,114	914

Note: The donation of DKK 555 million from the A.P. Møller Foundation breaks down on DKK 250 million in 2014 and DKK 305 million in 2015.

It should be noted that there is a restricted equity reserve of DKK 86.5 million. The amount concerns the Ministry's instruments of debt to UCPH relating to donated properties taken over by the Danish state under the SEA scheme.

As follow-up on the recommendations of the Auditor General, UCPH launched an initiative in spring 2013 of working more systematically with risk assessments, on both the revenue and cost sides. On a total basis, the uncertainty of revenues in the period 2014-2017 is estimated at DKK 500-700 million on primarily project revenues, education subsidies and other Finance Act subsidies. In case of a reduction in the revenue level, it is UCPH's assessment that the University has variable costs of an amount that may be reduced by DKK 100-200 million within a relatively short time span.

In Budget 2014 UCPH has defined targets for the amount of equity, based on the risk assessment but also taking into account the ambition of dissaving and spending equity.

The target defined for UCPH's equity in 2017 is approx. DKK 900 million before recognition of any new instruments of debt due to new building donations.



## Target Reporting

In 2013, the University of Copenhagen continued working towards the goals stipulated in the target plan, which encompasses both the targets in the development contract and those in the University's Strategy 2016. The development contract has 11 targets with 15 benchmarks.

This is the second report on these targets in the contract period 2012–14. The Ministry set the overall structure and defined the mandatory targets, while other targets were set by the University of Copenhagen (see the column on the left).

The right-hand column shows the results achieved in 2013, including whether the milestones for the year have been reached, partially reached or not reached.

The table shows that in 2013, 12 of the milestones have been reached, one partially reached and two not reached. For those not reached in 2013, an account is given below the list of how it is intended that these targets will be reached in the future.

## Reporting on the University of Copenhagen Development Contract 2012–2014

Compulsory goals with benchmarks for the University of Copenhagen Development Contract 2012–14		Milestones for 2013 in the 2012 Development Contract and the University's results for 2013
A) Improving the quality of study programmes – including retention of students and better employment		
1.	Full-time studies	<p><i>Milestone 2013: 75% of bachelor programmes have a minimum of 12 hours of teaching per week during the 14 semester weeks</i></p> <p>1.1 There should be a minimum of 12 hours of teaching per week during the 14 semester weeks for all bachelor programmes in 2014.</p> <p>Overall, a minimum of 12 hours' teaching per week in all semesters of the bachelor programme was offered in autumn semester 2013–spring 2014 in 52 out of the University's 81 programmes, representing 64% of the total. This is almost double the baseline figure from 2012. All of the faculties are aware of the importance of the timescale, and concerted efforts are being made to reach the target of 100% by 2014.</p> <p><b>The milestone for 2013 has been partially reached.</b></p>
	1.2 Documentation for advisory full-time study plans covering 37 hours per week for bachelor programmes.	<p><i>Milestone 2013: 75% of programmes to be able to document full-time study plans covering 37 hours per week</i></p> <p>In 2013, all programmes at the University have drawn up advisory weekly plans for students based on full-time study.</p> <p><b>The milestone was reached in 2013.</b></p>
2.	Student collaboration with society	<p><i>Milestone 2013: 7.5% of master's theses to involve external parties</i></p> <p>2.1 The proportion of master's theses for which there is a contract between the student and an external partner should increase to 15% during the contract period.</p> <p>The system-related functionality in the student administrative system (STADS) is in place, but work continues to incorporate standard registration practice. A manual count was therefore taken.</p> <p>It shows that approx. 500 theses involved the student entering into a partnership with an outside party, equivalent to just over 11% of the total number of theses (4,323) in 2013.</p> <p>The milestone was reached in 2013 but the data must be viewed with some caution, as per the above.</p> <p><b>The milestone was reached in 2013.</b></p>
3.	Increased internationalisation	<p><i>Milestone 2013: + 4% compared to baseline, corresponding to 1,456</i></p> <p>3.1 The number of international students from outside the Nordic Region who are admitted to full master's degree programmes should increase by 6% during the contract period.</p> <p>The figures are provided from Danish Universities. They show 2,581 students, more than 75% higher than the target for 2013.</p> <p><b>The milestone was reached in 2013.</b></p>
	3.2 There should be a 10% increase in the number of University of Copenhagen students who choose to study abroad.	<p><i>Milestone 2013: Increase of 6% compared to baseline, corresponding to 1,609</i></p> <p>The number of outgoing students was 2,102 students in 2013. This is just over 30% higher than the target for 2013.</p> <p><b>The milestone was reached in 2013.</b></p>

Compulsory goals with benchmarks for the University of Copenhagen Development Contract 2012–14		Milestones for 2013 in the 2012 Development Contract and the University's results for 2013	
<b>B) Better cohesion within the educational system</b>			
4.	<p>Cohesion within the educational system – professional bachelor degrees</p> <p>4.1 Three times as many formalised educational partnerships should be established with university colleges and academies of professional higher education during the contract period.</p>	<p><i>Milestone 2013: UCPH has five agreements</i></p> <p>The target of five contracts in 2013 has been reached.</p> <p>As reported in 2012, UCPH and the Metropolitan and UCC university colleges have started to explore the possibility of further formalised co-operation in education, including the establishment of master's programmes of particular relevance to those on professional bachelor programmes. This work continued in 2013. Agreement was reached with the university colleges that they should consider in greater depth the need for new MA programmes of particular relevance to the university colleges' students. The university colleges are expected to reply in the first half of 2014.</p> <p><b>The milestone was reached in 2013.</b></p>	
	<p>4.2 During the contract period, there should be a 5% increase in the admission of bachelors and professional bachelors from other Danish educational institutions to the University's master's programmes.</p>	<p><i>Milestone 2013: 3% increase from baseline, corresponding to 560 students</i></p> <p>A count of master's intake from other Danish educational institutions shows that 806 were enrolled in 2013, corresponding to almost 50% more than the target for 2013.</p> <p><b>The milestone was reached in 2013.</b></p>	
5.	<p>Organisation of arrangements at the University of Copenhagen for primary/lower-secondary and upper-secondary schools</p> <p>5.1 The number of upper-secondary-school students visiting UCPH should increase by 12% during the contract period.</p>	<p><i>Milestone 2013: School year 2012–13: + 2012 + 6%</i></p> <p>The baseline for 2011–12 was estimated at 33,279 (upper-secondary-school students and teachers). The number of visits in academic year 2012/13 was 38,254, approx. 8% above the 2013 target.</p> <p><b>The milestone was reached in 2013.</b></p>	
<b>C) Faster completion</b>			
6.	<p><b>Study efficiency</b></p> <p>6.1 There should be a 6% increase in ECTS credits for each full-time student on a bachelor degree programme during the contract period.</p>	<p><i>Milestone 2013: 2.5% increase from baseline, corresponding to 41.7 ECTS credits</i></p> <p><i>NOTE: The above milestone was agreed with UDS in 2013, when UCPH and UDS were in dialogue to clarify the measurement of benchmarks 6.1 and 6.2 regarding the increase in ECTS credits per full-time student on bachelor and master's programmes.</i></p> <p><i>It was agreed to adjust the milestones for 2013 and 2014 so that the original growth targets (2.5% in 2013, 5.0% in 2014) will be reached relative to a baseline of the 2012 result for BA programmes (40.7 ECTS credits), with a milestone in 2013 of 41.7 ECTS credits and of 42.7 in 2014.</i></p> <p>The data for academic year 2013 shows that the target was not reached. There have been both upward and downward trends in 2013, but the overall result shows a slight decline of average 0.2 ECTS credits compared to 2012, while the 2013 result shows an average ECTS production of 40.5 per student.</p> <p><b>The milestone was not reached in 2013.</b></p>	

Compulsory goals with benchmarks for the University of Copenhagen Development Contract 2012–14	Milestones for 2013 in the 2012 Development Contract and the University's results for 2013
<p>6.2 There should be a 6% increase in ECTS for each full-time student on a master's programme during the contract period.</p>	<p>Milestone 2013: 2.5% increase from baseline, equivalent to 33.4 ECTS credits</p> <p>NOTE: As mentioned above in section 6.1, in 2013 UCPH and UDS were in dialogue to clarify the measurement for 6.1 and 6.2 regarding the increase in ECTS credits per full-time student. For the MA, it was agreed that the 2012 result of 32.6 ECTS credits should form the baseline. The milestones were then defined as 33.4 ECTS credits in 2013 and 34.3 ECTS credits in 2014.</p> <p>The target was not reached at MA level either. Again, the efficiency varies significantly between the faculties, with developments in both upward and downward directions relative to 2012. However, the overall result decreased compared to 2012, to 31.5 ECTS credits on average per MA student.</p> <p><b>The milestone was not reached in 2013.</b></p>
<p>D) Increased capacity for innovation</p>	
<p>7. Students as entrepreneurs</p> <p>7.1. The number of businesses started by students from the University of Copenhagen should increase by at least 10% in 2012 compared to the average for the period 2005–09, i.e. an increase of 132 by the end of the contract period.</p>	<p><i>Milestones 2012 and 2013: In conjunction with the Annual Reports for 2012 and 2013, the results for 2010 and 2011 will be reported. The figures will be analysed in order to draw conclusions about the characteristics that lead students to start a business, and to determine how entrepreneurship can be encouraged.</i></p> <p>The trend for this target is monitored with figures from two previous years. These show that in 2011, 155 student entrepreneurial companies were set up, i.e. there was an increase of 29% compared to the baseline.</p> <p><b>The milestone was reached in 2013.</b></p>
<p>8. Commercialisation of research results</p> <p>8.1 The number of licensing agreements between UCPH and Danish and international companies based on patented inventions should increase by an average of 3% per year during the contract period.</p>	<p><i>Milestone 2013: 17 licensing agreements based on patented inventions entered into at the University of Copenhagen</i></p> <p>In 2013, UCPH entered into 17 licensing agreements, which means that the target for the year was reached. It can also be disclosed that, during the same period, the University received 77 notifications of new inventions, an increase of more than 50% compared to the previous year, which serves to enhance the supply chain for licensing agreements.</p> <p><b>The milestone was reached in 2013.</b></p>

Targets selected by UCPH with benchmarks for the University of Copenhagen Development Contract 2012–14		Milestones for 2013 in the Development Contract 2012–14 and the University's results for 2013
<b>E) Greater research output</b>		
9.	A greater number of points in the Bibliometric Research Indicator (BRI) model	<i>Milestone 2013: +4% from the baseline of 5,828, corresponding to 6,061</i>
9.1	The number of points in the Bibliometric Research Indicator (BRI) should increase by 6% during the contract period, based on current methods of calculation.	The Ministry for Education and Research announced BRI figures for 2012 in October 2013. UCPH's BRI points for 2012 totalled 7,512, almost 25% above the target for 2013. <b>The milestone was reached in 2013.</b>
<b>F) Growth in competition-based research funding</b>		
10.	Growth in competition-based research funding	<i>Milestone 2013: +10% from the baseline of DKK 1,147 million, i.e. DKK 1,262 million</i>
10.1	The revenue from competition-based public funding (national and international, including the EU) should increase by an average of 5% per year during the contract period.	The actual figure was DKK 1,427 million, representing an increase over baseline of approx. 25% and 6% compared to 2012. The trend is therefore still positive. It should be noted, however, that the result for 2013 was also realised through grants from previous years. These are included in the revenue for 2013, which forms the basis for the reporting. <b>The milestone was reached in 2013.</b>
<b>G) Growth in private research investments at the University of Copenhagen</b>		
11.	Growth in private research investments at the University of Copenhagen	<i>Milestone 2013: +10% from baseline of DKK 590 million, equivalent to DKK 649 million</i>
11.1	Revenue in the form of funds provided by private Danish companies and foundations for research and research collaboration should increase by an average of 5% per year during the contract period	The actual figure was DKK 744 million, corresponding to an increase of over 25% compared to baseline. However, compared to 2012, this represents a small decrease of just over 2% from DKK 762 million. <b>The milestone was reached in 2013.</b>



In connection with the above, account must be given of initiatives in areas where the milestones were not fully reached in 2013:

**Performance target no. 1. Full-time studies and minimum number of teaching hours**

The University has taken several steps to encourage greater contact between students and teachers. The range of measures also includes the development goal of offering a minimum of 12 hours' teaching per week. The result for 2013 is that 64% of bachelor programmes offer at least 12 hours' weekly teaching in all semesters. To this end, the University has worked towards offering at least eight hours of teaching per week. The result for 2013 was that 91% of bachelor programmes offer at least eight hours' weekly teaching in all semesters.

The most significant progress was made in the Faculty of Humanities, where the number of bachelor programmes with a minimum of 12 hours' of teaching per week rose to over 50% in 2013, from a very low baseline in 2012.

The trend is therefore positive and it is expected that the target for 2014 will be 100% reached.

**Performance target 6. Study efficiency – increase in ECTS credits per full-time student at BA and MA levels**

It is difficult to say anything definitive about the reasons why the production of ECTS credits has not been better in 2013 than has been the case, but it is the University's view that the recession continues to have a quite strong – negative – impact on students' study activity.

For UCPH, it is crucial not only to reverse the trend, but also that the students enjoy an active and rewarding student life that challenges them and teaches them new skills throughout their study. The students are, of course, important players in this process, but the University has responsibilities in terms of both study frameworks and the content of the studies.

In extension of the Study Progress Reform, during winter 2013–14 the University set up a committee, with participation from students, to draw up proposals for initiatives that will help students to complete their studies more rapidly and safely. The committee submitted a report with ten

initiatives that could have a direct impact on the students' study efficiency, of which five can be mentioned here:

- Any barriers to full-time study to be removed
- More structured programmes to make it easy for students to envisage their individual progress
- All courses' ECTS weighting to be evaluated to ensure that the workload is consistent with the number of ECTS credits
- The range of summer courses to be expanded with both compulsory and optional courses, so that students can more easily catch up
- Introductory courses on MA programmes.

Although greater efficiency is an inevitability, it must be remembered that the quality of education is just as important, if not more so. And more importantly, there does not need to be any contradiction between the two. Therefore, the University has also launched a number of initiatives to develop student life and associate efficiency with quality in the students' minds.

The following are worth mentioning here: The initiative for a minimum of 12 hours' teaching per week on bachelor programmes is now being extended to include at least eight hours per week on all master's programmes in the first year, i.e. before the thesis. The University is investing DKK 20 million in more reading places, mentoring schemes and "home" rooms, in an attempt to emulate the UK university tradition of each programme having its own social space on campus. Finally, the development of student IT support with everything from more wireless networks to the development of an *app* and to the improvement of UCPH's course catalogue.

# Financial Statements

## Accounting Policies

### Basis of preparation

The Annual Report of the University of Copenhagen (UCPH) has been prepared in accordance with the Danish Act on Public Accounts, the Ministry of Finance's Financial Administrative Guidelines (ØAV), the Universities Act of 25 March 2013, Ministerial Order No. 1281 of 15 December 2011 on funding and accounts, etc. of universities, and the guidance and instructions for financial statements issued by the Danish Ministry of Higher Education and Science.

The accounting policies are unchanged from last year.

### Recognition and measurement (valuation)

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

Revenues are recognised in the income statement as earned. All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates.

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

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

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

### Translation policies

Payments in foreign currencies are effected at the exchange rates at the date of transaction. Receivables, payables and other monetary items in foreign currencies that have not

been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

### Taxation

The University is not liable to pay taxes.

### Income statement

#### Revenues

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

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

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

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

Funds received from the Danish Building and Property Agency to cover expenses for interior maintenance of buildings are recognised as they are spent. Any remaining funds are recognised in “Deferred income” under liabilities.

Grants for PhD programmes are stated on an accrual basis to the effect that the grants are recognised as and when the programmes are run. Unused grants are recognised as a deferred income item in “prepaid restricted contributions”. Financial income and expenses are recognised based on the date of addition of bank interest in the case of demand deposits, whereas the interest on fixed-term deposits is accrued over the term of the deposits. The University has entered into a portfolio agreement on investment in short-term Danish government and mortgage bonds with a maximum average weighted term to maturity (duration) of two years. Both realised and unrealised capital losses/gains and

interest on these bonds are recognised in financial income and expenses on a current basis.

## Expenses

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

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

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

## Balance Sheet

### Fixed assets

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

### Intangible assets

#### Software

Software costing more than DKK 100,000 and with a useful life of at least three years is included in the fixed assets register. The cost of proprietary software is expensed as incurred as the basis of preparation does not allow for sufficiently accurate statement and measurement.

#### Inventions and patents

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

Inventions, patent applications and patents are measured at the external expenses incurred for research and for registration of the patents. Ongoing assessments of the potential application of the inventions form the basis for determining the value of the rights and their useful life. In the

event of impairment of the value, the necessary impairment losses will be recognised in the income statement. Amortisation of intangible assets is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Software	3 years
Inventions and patents	5 years

## Property, plant and equipment

### Land and buildings

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

### Scientific equipment, fixtures and fittings, tools and equipment

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

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

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

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

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

#### **Fixed assets received as donations**

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

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

#### **Works of art and collections**

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

#### **Fixed asset investments**

##### **Securities and instruments of debt**

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

#### **Current assets**

##### **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the amount expected to be generated by sales in the process of normal operations less sales and completion expenses.

Net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

#### **Deposits**

Deposits mainly comprise rent deposits measured at cost.

#### **Trade receivables**

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

#### **Receivables from grant activities in progress**

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

#### **Prepayments and deferred income**

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

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

#### **Bonds**

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

#### **Provisions**

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

When vacating premises leased from the Danish Building and Property Agency, the University has a duty to restore the premises to their former condition. For leases of indefinite duration, the estimated costs of restoration

are calculated on a straight-line basis over 10 years. Provision is therefore made for the restoration of these leased premises.

Provision for severance pay for fixed-term employees is accumulated over the duration of the fixed term. This provision is recognised at an estimated amount, based on a statistical assessment of the number of employees likely to receive severance payments.

### Debts

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

### Holiday pay obligation

Holiday pay obligations are calculated on the basis of all paid holidays not yet taken earned by the employees in 2012 and 2013. The calculation is based on the standard government model under which the total holiday pay obligation is calculated on the basis of an average number of accrued holidays per employee and the average expense per accrued holiday. The obligation is calculated on salaries to academic staff (VIP) and technical/administrative staff broken down on administrative support functions and services (TAP-AS) and research, communication and educational functions (TAP-RE).

### Prepaid restricted contributions

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

The University charges a fee to cover overhead costs relating to grant activities. The fee is recognised as income as the grants are spent.

Moreover, prepaid restricted contributions include unused funds for PhD programmes etc., unused funds received from the Danish Building and Property Agency for maintenance and other public sector funds for specially earmarked purposes as well as activities that are not paid for and carried out until subsequent financial years.

### Cash flow statement

The cash flow statement shows the cash flows for the year broken down by operating activities, investing activities and

financing activities, as well as how these cash flows have affected cash and cash equivalents for the year.

### Cash flows from operating activities

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

### Cash flows from investing activities

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

### Cash flows from financing activities

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

### Cash and cash equivalents

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

## Income Statement

1 January - 31 December

	2013	2012
Note	DKK '000	DKK '000
Education subsidies	1,978,629	1,935,507
Research subsidy	2,941,268	2,840,075
External grants	2,544,575	2,462,911
Basic subsidy	268,021	329,116
Building-related revenues	176,975	167,061
Other revenues	353,404	244,553
<b><sup>1</sup> Total revenues</b>	<b>8,262,872</b>	<b>7,979,222</b>
Salaries - academic staff	2,783,203	2,633,555
Salaries - technical/administrative staff RE	806,149	747,643
Salaries - technical/administrative staff AS	1,146,687	1,122,960
Operation of buildings	1,769,303	1,616,472
Other operating expenses	1,662,411	1,639,929
Depreciation and amortisation	143,969	81,841
<b><sup>2</sup> Total ordinary operating expenses</b>	<b>8,311,722</b>	<b>7,842,401</b>
<b>Profit/(loss) before financial income and expenses</b>	<b>(48,850)</b>	<b>136,821</b>
Financial income	28,083	33,644
Financial expenses	2.607	2.600
<b>Profit/(loss) for the year</b>	<b>(23,375)</b>	<b>167,865</b>
Proposed distribution of profit/(loss) for the year:		
Retained earnings	(23.375)	167.865
<b>Total</b>	<b>(23.375)</b>	<b>167.865</b>

There may be variance in the sum total due to rounding.



## Balance Sheet at 31 December

### Assets

Note	2013 DKK '000	2012 DKK '000
3 Software	4,442	4,693
3 Inventions and patents	5,112	9,563
<b>Intangible assets</b>	<b>9,554</b>	<b>14,256</b>
4 Land and buildings	187,073	191,063
4 Leasehold improvements	101,904	103,526
4 Scientific equipment, fixtures and fittings, tools and equipment	486,842	522,981
4 Assets in course of construction	12,798	11,024
Prepayments for assets	60,832	48,352
<b>Property, plant and equipment</b>	<b>849,449</b>	<b>876,947</b>
5 Securities and instruments of debt	112,152	112,152
<b>Fixed asset investments</b>	<b>112,152</b>	<b>112,152</b>
<b>Fixed assets</b>	<b>971,156</b>	<b>1,003,355</b>
<b>Inventories</b>	<b>0</b>	<b>5,374</b>
6 Deposits	59,065	62,798
Trade receivables	184,805	170,539
7 Receivables from grant activities in progress	545,414	551,701
8 Other receivables	240,863	224,756
Prepayments	82,947	27,586
<b>Receivables</b>	<b>1,113,094</b>	<b>1,037,380</b>
15 Bonds	1,474,675	1,745,719
15 Cash at bank and in hand	1,190,830	800,227
<b>Current assets</b>	<b>3,778,599</b>	<b>3,588,701</b>
<b>Total assets</b>	<b>4,749,755</b>	<b>4,592,056</b>

## Balance Sheet at 31 December

### Liabilities and equity

Note	2013 DKK '000	2012 DKK '000
Equity	484,554	316,690
Spending of reserves and RSLIS equity	76,154	
Retained earnings	(23,375)	167,865
	<b>537,334</b>	<b>484,554</b>
Restricted reserve, instruments of debt, SEA properties	86,509	86,509
Transfer to reserves	535,544	600,000
<b>Equity</b>	<b>1,159,387</b>	<b>1,171,063</b>
Provisions	36,376	35,068
<b>Provisions</b>	<b>36,376</b>	<b>35,068</b>
9 Donation of software	345	757
10 Donation of buildings	1,799	1,847
10 Donation of leasehold improvements	28,017	32,005
10 Donation of scientific equipment, fixtures and fittings, tools and equipment	257,422	284,746
- Transferred to current part	(78,966)	(56,876)
Prepayment for donated assets	9,532	29,592
<b>Non-current liabilities</b>	<b>218,150</b>	<b>292,070</b>
Trade payables	291,672	347,774
11 Grants administered by the University	0	650
Holiday pay obligations	599,690	573,204
Prepaid government grants	460,126	449,578
7 Prepaid restricted contributions	1,623,628	1,346,733
Accrued donations (current part)	78,966	56,876
Settlement account for forensic medicine services	41,364	57,714
12 Deferred income	51,692	86,221
13 Other payables	188,703	175,104
<b>Current liabilities</b>	<b>3,335,841</b>	<b>3,093,855</b>
<b>Liabilities</b>	<b>3,553,991</b>	<b>3,385,925</b>
<b>Total liabilities and equity</b>	<b>4,749,755</b>	<b>4,592,056</b>

14 Staff	21 Utilisation of resources for open places and scholarships
15 Financial instruments	22 Educations offered by the University
16 Contingent assets	23 Subsidies to the Arnamagnaeian Commission
17 Contingent liabilities	24 Separate account for ordinary activities, commercial activities, forensic medicine services, research activities financed by grants and other activities financed by grants
18 Contractual obligations	25 Asset account
19 Related parties	26 Key ratios
20 Separate activity accounts pursuant to Danish Act No 483 on technology transfer	

## Statement of Changes in Equity excluding government obligation

1 January - 31 December

Note	2013 DKK '000	2012 DKK '000
Equity at 1/1	484,554	916,690
RSLIS at 1/1	11,698	
Retained earnings	(23,375)	167,865
Transferred to reserves	64,456	(600,000)
	<b>537,334</b>	<b>484,554</b>
Restricted reserve for instruments of debt received on transfer of donated properties to the Danish state	86,509	86,509
Transfer to reserves:		
The 2016 Pool for Interdisciplinary Research and interdisciplinary educational initiatives	445,244	480,000
Relocation, fixtures and equipment, etc. in 2013 and subsequent years	90,300	120,000
Total transfer to reserves	535,544	600,000
<b>Equity at 31/12</b>	<b>1,159,387</b>	<b>1,171,063</b>

RSLIS merged with UCPH at 1 January 2013.

The transfer to reserves of DKK 600 million comprises DKK 480 million for the 2016 Pool, including DKK 400 million for Interdisciplinary Research and DKK 80 million for interdisciplinary educational initiatives. The initiatives will be realised in the period 2013-2017.

The reserve for interdisciplinary educational initiatives has been reduced by DKK 13.4 million to DKK 66.6 million in connection with the budgeting of the projects. In 2013 DKK 20.2 million was paid out for research and DKK 1.1 million for educational activities.

Moreover, the transfer to reserves comprises DKK 120 million as part of the University's building renovation in Amager, in the Niels Bohr Building, in Frederiksberg, in the Mærsk Building and in the new auditorium building at the Centre for Health and Society (the former Copenhagen Municipal Hospital) for which considerable costs will be incurred for relocation, fixtures and equipment, etc. estimated at a total of DKK 120. The faculties have accumulated equity for these costs through reduced spending.

In 2013 DKK 29.7 million of the reserves was spent.

## Cash flow Statement

1 January - 31 December

Note	2013 DKK '000	2012 DKK '000
<b>Profit/(loss) for the year</b>	<b>(23,375)</b>	<b>167,865</b>
Depreciation, amortisation and non-cash operating items	255,585	135,159
Depreciation of donations	(120,136)	(56,876)
Net impairment - fixed assets and donations	10,696	3,747
Difference in net interest booked and paid	(271)	0
Changes in provisions	1,308	2,808
Changes in receivables	(75,442)	76,991
Changes in inventories	5,374	(433)
Changes in short-term debt	219,897	383,846
<b>Cash flows from operating activities</b>	<b>273,637</b>	<b>713,108</b>
Acquisition of intangible assets	(3,293)	(8,552)
Acquisition of property, plant and equipment	(223,393)	(212,788)
Prepayments for assets	(12,479)	(9,870)
Acquisition of financial assets (bonds)	0	(25,000)
<b>Cash flows from investing activities</b>	<b>(239,165)</b>	<b>(256,209)</b>
Increase in obligations from donations - intangible assets	0	747
Increase in obligations from donations - property, plant and equipment	93,448	108,778
Prepayments for obligations from donations	(20,060)	2,698
<b>Cash flows from financing activities</b>	<b>73,388</b>	<b>112,223</b>
<b>Change in cash flow for the year</b>	<b>107,860</b>	<b>569,121</b>
Specified as:		
<b>Cash and cash equivalents and bonds at beginning of year</b>	<b>2,545,946</b>	<b>1,976,825</b>
Adjustment re RSLIS transferred to UCPH	11,698	0
<b>Cash and cash equivalents and bonds at year end</b>	<b>2,665,505</b>	<b>2,545,946</b>
<b>Change in cash and cash equivalents</b>	<b>107,860</b>	<b>569,121</b>

## Notes

### 1. Revenues

	2013	2012
	DKK '000	DKK '000
Full-time education - (from Finance Act)	1,784,025	1,728,670
Part-time education - (from Finance Act)	17,981	18,522
Exchange students - (from Finance Act)	5,133	15,087
Small humanities disciplines - (from Finance Act)	11,452	11,323
Scholarships - (from Finance Act)	14,226	17,043
Tuition fee from part-time education	29,965	29,109
Self-funded (foreign/capitalised)	14,354	13,215
Other education subsidies	101,492	102,538
<b>Education revenues</b>	<b>1,978,629</b>	<b>1,935,507</b>
Research subsidy	2,941,268	2,840,075
<b>Research subsidy - (from Finance Act)</b>	<b>2,941,268</b>	<b>2,840,075</b>
Grant-funded research	2,171,406	2,107,464
Other subsidised activities	119,885	110,594
Forensic services	194,854	193,414
Commercial activities	58,429	51,439
<b>External grants</b>	<b>2,544,575</b>	<b>2,462,911</b>
Other purposes	328,923	348,170
Research-based public-sector services	22,243	21,985
Administrative savings	(83,144)	(41,039)
<b>Basic subsidy - (from Finance Act)</b>	<b>268,021</b>	<b>329,116</b>
Maintenance - (from Finance Act)	64,395	54,576
Subletting, operational reimbursement, etc.	112,579	112,485
<b>Building-related revenues</b>	<b>176,975</b>	<b>167,061</b>
Other revenues	353,404	244,553
<b>Total revenues</b>	<b>8,262,872</b>	<b>7,979,222</b>

### 2. Total ordinary operating expenses

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

#### Methodology and definitions:

The key figures for the University's expenses broken down by purpose have been prepared in accordance with the guideline on allocation of university expenses to main areas and purposes issued by the Danish Agency for Universities and Internationalisation at December 2012.

	2013	2012
	DKK '000	DKK '000
<b>Total ordinary operating expenses as per Income Statement:</b>	<b>8,311,722</b>	<b>7,842,401</b>
Miscellaneous adjustments ( <i>see footnotes below</i> ):		
Expenses matching revenues from external tenants <sup>1)</sup>	(61,577)	-57,933
Expenses relating to building maintenance paid on behalf of the Danish Building and Property Agency <sup>2)</sup>	(64,395)	(54,576)
Written-down donation liabilities <sup>3)</sup>	120,136	56,876
Total miscellaneous adjustments	(5,836)	(55,633)
<b>Total expenses for allocation:</b>	<b>8,305,886</b>	<b>7,786,768</b>
1 Education	2,162,909	2,131,214
2 Research	4,790,198	4,388,500
3 Communication and knowledge exchange	362,708	303,914
4 Research-based public-sector services	305,540	282,264
5 General management, administration and service	684,531	680,876
<b>Total allocated expenses</b>	<b>8,305,886</b>	<b>7,786,768</b>
<b>Gross revenues as per Income Statement</b>	<b>8,262,872</b>	<b>7,979,222</b>
Miscellaneous adjustments, see above	(5,836)	(55,633)
<b>Revenues after adjustment</b>	<b>8,257,036</b>	<b>7,923,589</b>
<b>Administration percentage<sup>4)</sup></b>	<b>8,3%</b>	<b>8,6%</b>

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

2 Deducted as expenses relating to building maintenance paid on behalf of and reimbursed by the Danish Building and Property Agency are not attributable to the actual purposes of the University.

3 Adjustment is made for written-down donation liabilities as these are set off against total depreciation in the income statement, see note 4. The method has been changed from previous years, and the comparative figure for 2012 has been restated accordingly.

4 The administrative percentage is defined as: general management, administration and service/revenues after adjustment.

### 3. Intangible assets

DKK '000	Software and patents	Inventions	Total
<b>Acquisition cost</b>			
Cost at 1/1 2013	16,966	18,777	35,743
Adjustment to opening balance	2,106	0	2,106
Additions	3,293		3,293
Disposals	(1,182)		(1,182)
Adjustments to cost		(2,439)	(2,439)
<b>Cost at 31/12 2013</b>	<b>21,183</b>	<b>16,337</b>	<b>37,520</b>
<b>Amortisation and impairment</b>			
Balance at 1/1 2013	12,274	9,213	21,487
Adjustment to opening balance	1,492	0	1,492
Amortisation and impairment for the year	4,157	2,012	6,168
Amortisation on disposals for the year	(1,182)		(1,182)
<b>Amortisation and impairment at 31/12 2013</b>	<b>16,741</b>	<b>11,225</b>	<b>27,966</b>
<b>Carrying amount at 31/12 2013</b>	<b>4,442</b>	<b>5,112</b>	<b>9,554</b>

### 4. Property, plant and equipment

DKK '000	Land and buildings	Leasehold improvements	Scientific equipment, fixtures and fittings, tools and equipment	Assets in course of construction	Total
<b>Acquisition cost</b>					
Cost at 1/1 2013	199,498	165,095	1,124,765	11,023	1,500,381
Adjustment to opening balance		0	4,679	0	4,679
Additions		15,982	205,635	17,757	239,375
Disposals		(1,810)	(41,258)	(15,982)	(59,050)
<b>Cost at 31/12 2013</b>	<b>199,498</b>	<b>179,268</b>	<b>1,293,821</b>	<b>12,798</b>	<b>1,685,384</b>
<b>Depreciation and impairment</b>					
Balance at 1/1 2013	8,434	61,570	601,784	(1)	671,786
Adjustment to opening balance		(1)	2,893	1	2,893
Depreciation and impairment for the year	3,990	17,543	227,884		249,417
Depreciation on disposals for the year		(1,747)	(25,582)		(27,329)
<b>Depreciation and impairment at 31/12 2013</b>	<b>12,424</b>	<b>77,364</b>	<b>806,979</b>	<b>0</b>	<b>896,767</b>
<b>Carrying amount at 31/12 2013</b>	<b>187,073</b>	<b>101,904</b>	<b>486,842</b>	<b>12,798</b>	<b>788,618</b>



...Note 4 continued

Total amortisation of intangible assets	6,168
Total depreciation of property, plant and equipment	249,417
Total amortisation, depreciation and impairment on all business types	255,585
Depreciation of obligations from donations and external grants and contributions	(120,136)
<b>Total amortisation and depreciation</b>	<b>135,449</b>
Loss/gain on disposals etc.	8,519
<b>Total</b>	<b>143,969</b>

In 2013 the University changed the useful life of machinery and scientific equipment to 5 years instead of 10. This change of accounting estimate of the useful life of the assets increased depreciation for 2013 by DKK 104.5 million for the category scientific equipment, fixtures and fittings, tools and equipment. At the same time changed useful lives increased depreciation of donation liabilities and external grants (VT50/60) by DKK 59.1 million in 2013. The total P/L effect is DKK 45.4 million.

5. Securities

The University holds investments in two enterprises. The ownership shares acquired in Symbion A/S have been recognised at cost, whereas ownership shares in Mobile Fitness A/S have been written down to DKK 0 due to negative equity.

	2013 DKK '000	2012 DKK '000
Symbion A/S, DKK 643k acquired in 2000 and DKK 25,000k in 2012	25,643	25,643
Mobile Fitness A/S, acquired in 2005	0	0
<b>Total securities</b>	<b>25,643</b>	<b>25,643</b>

Instruments of debt of 23 Oct 2011 from the Ministry to the University re donation made to building under the Danish state rent allowance scheme situated

Rolighedsvej 23, DK-1958 Frederiksberg C (Forestry & Landscape)	43,000	43,000
Ole Maaløes Vej 5, DK-2200 Kbh. N (Lundbeckfond Auditorium at Biocentre)	23,509	23,509
Blegdamsvej 3, DK-2200 København N (Protein Centre at Panum)	20,000	20,000
<b>Total instruments of debt</b>	<b>86,509</b>	<b>86,509</b>

<b>Total securities and instruments of debt</b>	<b>112,152</b>	<b>112,152</b>
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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

<b>2013</b>	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	563,244	(1,336,945)	(773,701)
Provision for loss on grant activities	(17,830)		(17,830)
Unutilised grants for educational research programmes		(36,613)	(36,613)
Unutilised donation for the Mærsk Building at the Panum Complex		(250,070)	(250,070)
<b>Total at 31/12-2013</b>	<b>545,414</b>	<b>(1,623,628)</b>	<b>(1,078,213)</b>

The total provisions for loss on receivable grant activities of DKK 17.8 million cover the estimated risk of loss.

Provisions amounted to DKK 24.7 million in 2012.

<b>2012</b>	Receivables from	Prepaid restricted	
DKK '000	grant activities	contributions etc.	Total
Receivable and prepaid grants	576,351	(1,213,192)	(636,841)
Provision for loss on grant activities	(24,650)		(24,650)
Unutilised grants for educational research programmes		(73,472)	(73,472)
Unutilised donation for the Mærsk Building at the Panum Complex		(60,070)	(60,070)
<b>Total at 31/12-2012</b>	<b>551,701</b>	<b>(1,346,733)</b>	<b>(795,032)</b>

## 8. Other receivables

Other receivables amount to DKK 240.9 million at the end of 2013 increasing by DKK 16.1 million from 1 January to 31 December 2013.

Other receivables consists primarily of DKK 131,3 million to prepayments to external project partners, and the University's DKK 64.9 million in receivables from the Danish state under the special VAT refund scheme. The increase in 2013 is primarily due to DKK 23.3 million in higher prepayments to external project partners.

## 9. Donations of intangible assets

DKK '000	Software
<b>Acquisition cost</b>	
Cost at 1/1 2013	1.678
Additions	
Disposals	
<b>Cost at 31/12 2013</b>	<b>1.678</b>
<b>Amortisation and impairment</b>	
Balance at 1/1 2013	921
Amortisation and impairment for the year	411
Amortisation on disposals for the year	0
<b>Amortisation and impairment at 31/12 2013</b>	<b>1.333</b>
<b>Carrying amount at 31/12 2013</b>	<b>345</b>

## 10. Donations of property, plant and equipment

	Land and buildings	Leasehold improvements	Scientific equipment, fixtures and fittings, tools, and equipment	Total
DKK '000				
<b>Acquisition cost</b>				
Cost at 1/1 2013	2,398	39,876	591,100	633,373
Additions			93,448	93,448
Disposals			(10,740)	(10,740)
<b>Cost at 31/12 2013</b>	<b>2,398</b>	<b>39,876</b>	<b>673,807</b>	<b>716,080</b>
<b>Depreciation and impairment</b>				
Balance at 1/1 2013	550	7,871	306,354	314,775
Depreciation for the year	48	3,988	115,689	119,725
Depreciation on disposals for the year			(5,658)	(5,658)
<b>Depreciation and impairment at 31/12 2013</b>	<b>598</b>	<b>11,859</b>	<b>416,385</b>	<b>428,842</b>
<b>Carrying amount at 31/12 2013</b>	<b>1,799</b>	<b>28,017</b>	<b>257,422</b>	<b>287,238</b>

## 11. Grants administered by the University

	2013 DKK '000	2012 DKK '000
<b>Current account of grants at 31/12</b>	<b>0</b>	<b>650</b>

The University of Copenhagen or more precisely its employees administer a combined grant portfolio of DKK 143.5 million. Danske Forvaltning manages the grant portfolio. The total number of grants is 85.

## 12. Prepayments and deferred income

Prepayments increased by DKK 55.4 million in 2013 amounting to DKK 82.9 million at the end of 2013.

The primary reason for the increase is that the University has moved forward the payment of certain suppliers' invoices concerning 2014 to the end of December 2013 because in early January 2014 the University did not make any payments in connection with transition to a new finance system.

Deferred income of DKK 51.7 million at the end of 2013 decreased by DKK 34.5 million from DKK 86.2 million at the end of 2012. The decrease is primarily due to reversal in 2013 of accrued provisions of DKK 26.4 million to cover expenses for ongoing projects concerning interior maintenance. Moreover, an amount of DKK 7.7 million provided for energy efficiencies has been reversed.

Deferred income of DKK 51.7 million at the end of 2013 primarily comprises accrued external funds provided for interior maintenance of DKK 31.0 million and DKK 9.5 million provided for covering the financial imbalance of the Supplementary Appropriation Act 2013 relating to incoming and outgoing students which will not be adjusted until in connection with the Supplementary Appropriation Act for 2015.

## 13. Other payables

Other payables increased by DKK 13.6 million from 1 January to 31 December 2013 comprising various opposing movements in miscellaneous accounts regarding short-term payables.

Other payables amount to DKK 188.7 million at the end of 2013 comprising accrued salaries, pension, A tax, etc of DKK 83.8 million, accrued holiday pay to hourly paid employees of DKK 48.6 million and DKK 56.3 million to other creditors and accrued items.

#### 14. Staff

	2013	2012
	DKK '000	DKK '000
Actual salaries	4,262,155	4,019,513
Pensions	595,100	583,498
Reimbursements and grants	(140,647)	(149,570)
Change in holiday pay obligations	19,432	50,718
<b>Total</b>	<b>4,736,039</b>	<b>4,504,158</b>

Remunerations to management team and board of directors:

Management team	14,310	14,245
Board of directors	1,042	1,042
<b>Total</b>	<b>15,352</b>	<b>15,287</b>

The management team comprises the chancellor, two pro-vice chancellors, the university director and 6 deans. In 2013 the management team was expanded by another pro-vice chancellor.

The board of directors comprises a chairperson and 10 members.

#### 15. Financial instruments

Agreements have been made concerning short-term commitments of part of the liquid assets in fixed-term deposits.

A portfolio agreement has been made with Danske Capital on investment in Danish

state and mortgage bonds with a maximum term of 2 years.

No investments have been made in shares, and no agreements have been made on warrants or options.

Financial instruments	Conditions	2013	2012
		DKK '000	DKK '000
Bonds	Danish state and mortgage bonds with a term of 0-2 years	1,474,675	1,745,719
Bank deposits and cash in hand	Primarily in DKK and small holdings of foreign currencies	340,830	800,227
Fixed deposits	Maximum 365 days	850,000	0
<b>Total cash and cash equivalents and bond</b>		<b>2,665,505</b>	<b>2,545,946</b>

#### 16. Contingent assets

The University has advanced a claim for payment of interest of DKK 4.5 million against the Danish tax authorities. The claim concerns reimbursement of interest in connection with prior years' energy tax refunds.

On 23 December 2013, a claim by the Technical University of Denmark that the universities should be regarded as a state institution in relation to the acquisition of vehicles was sustained. Therefore, universities are not required to pay any vehicle registration fee. The Danish tax authorities have accepted this ruling. The University has commenced calculation of a claim against the Danish tax authorities for repayment of vehicle registration fee.

#### 17. Contingent liabilities

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

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

The University has a contingent liability towards officials given notice. Officials are entitled to up to 3 years' availability pay if they cannot be hired for other positions within the state.

At year end 2013 the University employed 138 officials. The maximum liability from this amounts to DKK 257.1 million.

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

The University has not provided any bank guarantees towards third parties at 31 December 2013.

Leases for office and transportation equipment have been entered into to a minor degree.

This level will be reduced continuously through self-financing.

#### 18. Contractual obligations

The University of Copenhagen has contracts with 45% of its PhD students, under which the University is responsible for the students' pay in a 3-year period. In most cases, the contracts cannot be cancelled by the University. The liability may be relevant if the costs are not covered by companies or institutions that have signed education agreements.

## 19. Related parties

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

### Transactions

In 2013 the University received total subsidies of DKK 5,014.7 million from the Ministry of Higher Education and Science (UFM). (The Danish Agency for Universities and Internationalisation, the monthly payments from section 19.2).

Furthermore the University received DKK 83.6 million for the Royal School of Library and Information Science (RSLIS).

From UFM and the Danish Ministry of Education, the University received subsidies of DKK 101.5 million primarily regarding educations at The Forest Agency and The School of Oral Health Care.

The Danish Agency for Higher Education (UDS) was established by a merger between the Agency for Higher Education and Educational Support (VUS) and the Agency for Universities and Internationalisation (UI) on 1 October 2013.

In 2013 the University of Copenhagen contributed support corresponding to DKK 4.7 million to student associations.

No loans have been granted to related parties.

## 20. Separate activity accounts pursuant to Danish Act No 483 of 9 June 2004 on technology transfer etc.

There have been no activities according to Act No 483 of 9 June 2004 on technology transfer etc.

## 21. Utilisation of resources for scholarships

### Utilisation of scholarships in the period 1 September 2012 - 30 August 2013

	Enrolled students on full or part time tuition waiver slots	Tuition waiver slots as full-time equivalents (FTE)
Rate 1	56	36.8
Rate 2	9	5.4
Rate 3	56	37.2

The number of students shows the number of students with main enrolment for an education under the three rates during the year. As FTE is reported for the period 1 October 2012 to 30 September 2013, this periodic delimitation has also been applied for FTE in this statement.

### Resources used for payments of scholarships

Received scholarships	94
Total payments of scholarships in DKK	8,371

### Funds spent on scholarships in the period 1 September 2012 to 30 August 2013 for Erasmus Mundus students from 3rd world countries

	Number of students	Study activity for these students calculated as FTE
Rate 2	0	0
Rate 3	16	16

The note comprises all ordinary activities completed by Erasmus Mundus students from third world countries with main enrolment at the University in the period 1 October 2012 to 30 September 2012.

## 22. Educations offered by the University abroad

Under the auspices of SDC (Sino-Danish Center), the University offers two master's programmes in Water and Environment and Nanoscience and Technology at UCAS (University of Chinese Academy of Sciences) in Beijing. The first intake for Water and Environment had study start in September 2012 when 10 Danish and 15 Chinese students were enrolled. For study start in 2013 4 Danish and 15 Chinese students were enrolled. The first intake for Nanoscience and Technology had study start in September 2013 when 4 Danish and 16 Chinese students were enrolled.

### 23. Subsidies to the Arnamagnaeian Commission

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

Reporting from the financial statements of the Arnamagnaeian Commission for 2013 in DKK

Subsidies transferred from prior years	Subsidies for the year (from UFM)	Other expenses for the year	Expenses for the year	Loss for the year	Accumulated profits
640,482	4,400,000	23,486	4,836,567	(413,082)	227,400

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

	2013 DKK '000	2012 DKK '000
<b>General activities</b>		
Revenue	5,746,380	5,549,954
Internal net transfer of overhead	359,268	344,586
Staff expenses	(3,445,049)	(3,278,648)
Operating costs	(2,687,394)	(2,449,957)
<b>Profit/(loss) for the year</b>	<b>(26,795)</b>	<b>165,935</b>

#### Commercial activities

Revenue	58,429	51,439
Staff expenses	(13,883)	(13,368)
Operating costs	(40,895)	(35,898)
Internal net transfer of overhead	(231)	(244)
<b>Profit/(loss) for the year</b>	<b>3,420</b>	<b>1,930</b>

#### Forensic services

Revenue	194,854	193,414
Staff expenses	(97,762)	(104,518)
Operating costs	(97,093)	(88,895)
<b>Profit/(loss) for the year</b>	<b>0</b>	<b>0</b>

#### Grant-funded research

Revenue	2,171,406	2,107,465
Staff expenses	(1,140,835)	(1,069,026)
Operating costs	(677,871)	(699,104)
Internal net transfer of overhead	(352,701)	(339,335)
<b>Profit/(loss) for the year</b>	<b>0</b>	<b>0</b>

### Other subsidised activities

Revenue	119,885	110,594
Staff expenses	(38,511)	(38,598)
Operating costs	(75,038)	(66,988)
Internal net transfer of overhead	(6,336)	(5,008)
<b>Profit/(loss) for the year</b>	<b>0</b>	<b>0</b>

### Total

Revenue	8,290,955	8,012,866
Total institutional transfers	359,268	344,586
Staff expenses	(4,736,039)	(4,504,158)
Operating costs	(3,578,290)	(3,340,843)
Total institutional transfers	(359,268)	(344,586)
<b>Profit/(loss) for the year</b>	<b>(23,375)</b>	<b>167,865</b>

Profit from forensic services of DKK 3.5 million is set off in revenues and transferred to the settlement account in the balance sheet.



## 25. Asset account

List of completed projects (DKK m)

	Most recently submitted	Construction start	Estimated end time	Actual end time	Approved estimated cost	Actual cost
Completed projects:						
Lundbeck Foundation						
Auditorium	2001	Q4 2004	Q1 2010	31 Dec. 2013	25,0	25,0

The construction was delivered in 2007 for use according to AB92. In 2009 DKK 1.1 million was incurred for minor adjustments as well as DKK 0.2 million in 2010 and DKK 0.14 million in 2011. A 5-year inspection was completed in 2012 and as follow-up on this, the last DKK 0.2 million was spent in 2013. The project was completed in 2013.

The project was planned and performed in connection with the overall Biocenter Construction Project. The finished construction meets the stipulated quality requirements in every respect. The Auditorium is financed by the Lundbeck Foundation.

## 26. Key ratios

According to the guidelines of the Agency for the Modernisation of Public Administration for preparation of annual reports dated 21 January 2013, a statement of key ratios must be calculated and enclosed. The mandatory key ratios are the profit margin, average annual salary and salary cost share. Certain key ratios are not included as they are not possible to calculate. The University of Copenhagen is, for example, not a state institution operating with a framework for borrowing. Only key ratios within resource administration are included. For the key ratios included it is defined how the calculations have been made in relation to the figures in the Annual Report.

Definition:			2013	2012	2011	2010	2009
Profit margin <sup>1)</sup>	Profit/(loss) for the year	(23,375)					
	Total revenues	8,262,872	-0.3%	2.1%	4.3%	2.2%	-1.1%
Average yearly salary (DKK '000)	Total staff expenses	4,736,039					
	Yearly salary	9,652	491	486	473	466	466
Salary cost share	Total staff expenses	4,736,039					
	Total ordinary operating revenues	5,746,380	82.4%	81.2%	78.8%	78.8%	76.6%
Capital share <sup>1)</sup>	Financial expenses + depreciation	138,056					
	Revenues	8,262,872	1.7%	1.0%	1.0%	0.9%	1.0%
Maintenance ratio <sup>1+2)</sup>	Net annual additions, Fixed assets	165,777					
	Annual depreciation of fixed assets	135,449	122.4%	183.9%	62.5%	178.7%	207.9%
Solvency ratio (excl. government obligation)	Total equity excluding government obligation	1,159,387					
	Total liabilities excluding government obligation	4,749,755	24.4%	25.5%	25.2%	16.5%	13.0%

1) Key ratios are based on ordinary activities (VT10), commercial activities (VT30) and forensic medicine services (VT40)

2) The calculation of the maintenance ratio has been adjusted so that donations of all types of fixed assets reduce additions for the year. Comparative figures for 2009-2010 have been restated for reasons of consistency. In 2013 the University changed the useful lives of machinery and scientific equipment from 10 to 5 years, which increased depreciation for 2013 by DKK 45.4 million, see note 4 to Balance Sheet. Without this change of useful lives, the maintenance ratio would be 184%.

# Financial highlights for the University of Copenhagen

	2013	2012	2011	2010	2009
<b>Revenues including interest:</b>					
Education subsidies	1.978.629	1.935.507	1.879.580	1.841.811	1.714.863
Research subsidy	2.941.268	2.840.075	2.748.091	2.546.235	2.395.323
External grants	2.544.575	2.462.911	2.290.286	2.114.124	1.836.968
Research-based public-sector services	22.243	21.985	21.660	8.466	8.215
Basic subsidy	245.779	307.131	474.928	558.093	612.974
Other revenues	555.854	442.657	388.870	417.347	504.499
<b>Expenses broken down by purpose<sup>1)</sup>:</b>					
Education	2.162.909	2.131.214	1.611.806	1.622.072	1.501.401
Research	4.790.198	4.443.465	3.371.988	3.187.794	2.810.605
Communication and knowledge sharing	362.708	303.914	242.740	219.981	273.559
Public-sector services	305.540	282.264	258.243	249.174	211.984
General management, administration and service	684.531	680.876	309.769	313.241	534.748
Buildings <sup>1)</sup>	-	-	1.673.675	1.728.198	1.815.455
<b>Staff, Yearly salary:</b>					
Academic staff	4.823	4.616	4.500	4.333	4.012
Part-time academic staff	447	407	387	386	394
Technical/administrative staff etc	4.382	4.249	4.298	4.367	4.194
<b>Balance sheet:</b>					
Equity (DKK m), excl. government obligation	1.159	1.171	1.003	581	416
Balance sheet (DKK m)	4.750	4.592	4.276	3.808	3.498
Buildings m <sup>2</sup> Total	904.250	929.512	935.722	932.862	929.689
<b>Activity and production information</b>					
<b>Students:</b>					
Total BA students admitted at 1 October	7.445	6.919	6.758	6.354	5.978
Total MA students admitted at 1 October	5.586	5.142	5.113	4.516	4.459
Total students at 1 October	40.866	38.867	37.869	36.891	38.010
Total FTE <sup>2)</sup>	24.577	24.040	23.160	22.409	21.397
<b>Graduates:</b>					
Total BAs <sup>3)</sup>	4.434	4.004	3.788	3.777	3.801
Total MAs	4.298	3.892	3.818	3.718	3.736
<b>Part time educations:</b>					
Total tuition-paying students	5.047	4.593	4.308	4.877	4.127
Total yearly students	874	818	858	947	804
Graduates on full educations (master, diploma)	117	126	142	217	152

	2013	2012	2011	2010	2009
<b>Internationalisation:</b>					
Outbound exchange students	2.102	2.231	1.658	1.589	1.306
Inbound exchange students	1.705	1.742	2.328	2.196	2.021
Total foreign students on full-time educations <sup>4)</sup>	4.032	3.773	3.719	3.669	3.463
<b>Research educations:</b>					
Total students on research educations, registered <sup>5)</sup>	2.968	2.503	2.843	2.671	2.362
Total admitted PhD students <sup>5)</sup>	927	752	801	934	776
Total approved theses <sup>5)</sup>	693	523	564	508	511
<b>Research and knowledge exchange results:</b>					
Research publications <sup>6)</sup>		11.302	10.431	8.188	10.922
Educational publications <sup>6)</sup>		118	132	219	158
Registered patents	20	10	17	11	22
Registered inventions	77	49	58	40	45
Number of projects in the business community (private sources) <sup>7)</sup>	1.951	2.207	2.421	2.412	2.572
Number of external projects <sup>7)</sup>	4.209	4.549	4.905	4.887	4.602
Financial span of co-operation with the business community (DKK m) <sup>8)</sup>	886	898	828	641	498

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

2) 1 FTE = 1 student's yearly workload = 60 ECTS-points. The number of FTEs is settled with UFM/UDS (24,577). This includes the Professional Bachelors, late-registrations and non-subsidy releasing FTE's.

3) The bachelor education is a 3-year education. The bachelor education has not yet been fully implemented in all of the faculties of the University.

4) The majority of foreign students are from the other Nordic countries.

5) The figures for research education 2009-2013 are based on the calendar year, cf. Universities Denmark's definition manual.

6) Research, knowledge exchange and educational publications for 2013 are reported at the end of August 2014 due to changes in the pace in relation to UFM. The figures for 2013 are published in the Annual Report 2014.

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

8) The figure for 2010 has been adjusted in accordance with the definition of financial scope laid down by UDS in cooperation with the business sector. The definition is: Danish private sources + other sources. The figure for 2010 has been restated in 2011.



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University of Copenhagen  
Nørregade 10  
PO Box  
1165 Copenhagen K  
[www.ku.dk/english](http://www.ku.dk/english)