



ANNUAL REPORT 2010



AARHUS UNIVERSITY

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1. REPORT

Introduction

"Deeper connections, greater coherence" (*dybere sammenhæng*) is both the name and the goal of the most comprehensive academic reorganisation in Aarhus University's history, which the University Board launched in 2010, and which will be implemented during the course of 2011. The concept plots out a double course for the Aarhus University of the future: We will treasure and further/increase the depth of scientific and scholarly expertise and enquiry which have always characterised AU. At the same time, we will seek out new possibilities and connections across disciplinary boundaries and in close collaboration with the world around us.

These paths are deeply intertwined. A deep scholarly and scientific identity anchored in a strong discipline is a precondition for participating in meaningful interdisciplinary collaboration, both for students and for researchers. At the same time, interdisciplinary collaboration is increasingly a precondition for achieving significant scientific and scholarly results: both because of the diversity and complexity of the world we seek to understand more deeply, and because the societal problems we seek to find solutions for cannot be comprehended within the intellectual boundaries of the individual disciplines.

For this reason, it was decided in 2010 to group the academic activities in four new main academic areas from 1 January 2011: Arts, Science and Technology, Health and Business and Social Sciences. This took place following a process involving employees and students and including internal hearings and nine interdisciplinary working groups. At the same time, the University's management was restructured so that the deans of the four new main academic areas now make up the day-to-day management of the University together with the Rector's Office. In addition to being responsible for a main academic area, the deans will now also have a pan-university responsibility for one of the four core functions in the University's strategy: research, talent development, knowledge exchange and education. In light of the academic reorganisation, it was also decided to rethink the

University's administration to enable it to provide the best possible support for the ambitious academic goals.

In the following, the key results achieved in the University's core activities are reported.

Research

In 2010, the research activities generated excellent results, just as numerous scientists received prestigious awards and grants. Research at the University is characterised by great academic width and by covering the entire range from basic research over applied research to strategic research. This means that research reaches out towards all major sectors of society, just as it is, by its nature, very internationally oriented.

For more than 30 years, scientists in the Department of Economics and Business have enjoyed a close collaboration with Dale T. Mortensen, Northwestern University, who received the Nobel Prize in Economic Sciences for his research into the labour market in 2010. Mortensen has, since 2006, been a Niels Bohr visiting professor at Aarhus University on a five-year grant from the Danish National Research Foundation, and in 2010, Aarhus University extended his contract by another five years.

In 2010, the international economic research environment was further strengthened when the University received a grant of DKK 10 million for the establishment of the research unit "Cycles, Adjustment and Policy", where scientists, including Dale T. Mortensen, in the coming years will develop improved models for cyclical fluctuations in society and new theories and methods as remedies for unemployment.

In addition to the Nobel Prize, a number of scientists at the University received great international acclaim. Professor Erik Jeppesen (The National Environmental Research Institute), for example, received the Naumann-Thienemann Medal, the "Nobel Prize of Limnology". Jeppesen does research into the natural environment of fresh

water and brackish water. In 2010, the European Research Council (ERC) awarded two of the coveted Advanced Grants to scientists at Aarhus University. Professor Jens Stougaard (Department of Molecular Biology) was awarded approx. DKK 17 million to research into how plants can bind nitrogen from the air and help reduce the need for artificial fertilizer for crops, while Professor Jørgen Christensen-Dalsgaard (Department of Physics and Astronomy) received DKK 18 million for research into evolutionary models of the stars through an improved understanding of the physical behaviour of matter in the extreme conditions prevailing in the stars. ERC Advanced Grants are awarded to outstanding frontier research with the expectation that the projects will contribute to developing the European research community. Finally, postdoc Jiong Li (School of Public Health) received an ERC Starting Grant and approx. DKK 11 million for a research project on how hormonal changes in pregnant women affect their foetuses. At the start of 2011, Aarhus University has, thus, received 11 out of a total of 28 ERC grants awarded to Danish scientists.

International collaboration

Aarhus University's scientists collaborate closely with research environments worldwide. In 2010, this international collaboration generated pioneering results: A group of physicists headed by Associate Professor Jeffrey Hangst completed an experiment where they succeeded in producing and trapping anti-hydrogen atoms at CERN in Switzerland. With this, the scientists have taken an important step forward in developing techniques to understand one of the important questions in physics: Is there a difference between matter and antimatter? This result is fundamental in understanding how the universe evolved, and it was mentioned in leading journals.

At the Faculty of Health Sciences, a research team headed by Professor Anders Børghlum and including, among others, geneticists is working on the project "Sequencing Schizophrenia". In cooperation with the world's largest genome analysis centre (Beijing Genomics Centre), the objective of this project is to map the genes of schizophrenic people. The Faroese population has been chosen as the population for the project

Finally, scientists from several of the University's main academic areas are involved in the joint Danish initiative "Building Stronger Universities in Developing Countries", which seeks to develop the university sector in a number of developing countries. Scientists from the University headed by Associate Professor Lotte Meinert are, for example, involved in a project in Uganda, where a university is literally being built on a battlefield after a 22-year long armed conflict. The project involves both administration, education and research.

Concrete contributions to society

The research undertaken at the University contributes directly to the development of society in a number of areas:

A research group from the Faculty of Agricultural Sciences headed

by Senior Scientist Peer Berg have enabled the use of genomic selection in the breeding of pigs in Denmark. The DNA-based techniques make it possible to determine the genetic potential already at the birth of both male and female piglets. This will result in healthier animals, improved selection of breeding animals and, in turn, improved animal welfare.

At the Faculty of Health Sciences, a group of scientists headed by Professor Eva Bonefeld-Jørgensen are investigating the consequences of exposure to the so-called PFCs for pregnant women, foetal development and children. PFCs are all around us (e.g. in carpets, textiles, shoes, food packaging and Teflon pans) and are used to make things water- and oil-repellent.

At the Danish School of Education, the new Centre for Strategic Research in Education will create the basis for improving the quality of the Danish "Folkeskole" (primary and lower secondary education) and highlight the problems involved in moving from the Folkeskole to post-compulsory education. The Centre is headed by Professor Niels Egelund and is, e.g. financed by a grant of DKK 40 million from the Danish Council for Strategic Research. It co-operates with a number of international top scientists in the field.

Other important news is the basic research centre Sino-Danish Center for the Theory of Interactive Computation (CTIC), which will undertake research into theoretical computer science – a mathematical discipline forming the basis of the IT systems of the future. The centre was established in a cooperation between the Computer Science Department and Tsinghua University in China.

On the renowned university ranking lists, Aarhus University maintains its position in the top 100. The University is no. 84 on QS World University Ranking, just at is no. 98 on the Shanghai ranking list. Finally, in respect of the penetration of research, Aarhus University is no. 55 on Leiden University's ranking list of the 100 universities in the world publishing the highest number of research articles.

Talent development

Talent development is a separate priority area in Aarhus University's 2008-2012 strategy. In this connection, special efforts were made to increase the intake of PhD students. Thus, 574 new PhD students were admitted in 2010. The 3+5 and 4+4 schemes, where the students are enrolled on the PhD programme before they have finished their Master's studies, have in particular contributed to increasing the number of international PhDs, just as this scheme also makes it possible to ensure that the most talented Danish students are enrolled on a PhD programme early. In 2005, less than 10% of the University's PhD students were international, while more than 20% of the PhD students were foreigners in 2010. In the same period, the total intake increased from 261 to 574.

That the University has a large talent pool was evidenced by the fact that scientists from Aarhus University in 2010 received three out of the five EliteForsk prizes awarded by the Danish Minister for Science every year. Similarly, 12 out of a total of 31 Danish

prize recipients were from Aarhus University when the coveted grants from the Danish Council for Independent Research's new research career programme Sapere Aude were handed out for the first time in 2010.

Finally, 2010 saw the adoption of a new equal treatment initiative at the University with the aim of convincing more female research talents to choose a university career. This covers 10 associate professorships and 10 MSO professorships, where everyone, men and women, are allowed to apply and must enjoy equal treatment. However, if the most qualified candidate is a woman, the 10 associate professorships will be granted subsidies in the form of salary for the first year's employment as postdoc and DKK 100,000 in research funds. For MSO professorships, the salary subsidy is given for 2½ years.

Knowledge exchange

The University's scientists make a significant contribution to improving the state of knowledge in society and finding solutions to a number of problems in both the private and the public sector.

Public-sector consultancy

Every year, Aarhus University undertakes research-based public-sector consultancy for more than half a billion Danish kroner. With this, political decision-makers, officials, enterprises and the general population have access to consulting independent and research-based knowledge on everything from ash clouds to the reading skills of schoolchildren (the PISA survey) before making important decisions.

The ash cloud from the Icelandic volcano Eyjafjallajökull in the spring of 2010 was a perfect example of Aarhus University's level of preparedness in the face of acute challenges in society. In the hours after the Icelandic volcano erupted, scientists from the National Environmental Research Institute set up a forecast on the Internet for the spread of the ash cloud. The forecast was widely used by, among others, travellers and authorities and formed the basis of many decisions. In the climate field, the University's scientists also provide valuable advice. Two scientists were part of the Danish Commission on Climate Change Policy, which in September 2010 published its report on how to establish a Danish energy system without fossil fuels. At the same time, the University provided public-sector consultancy to the implementation of the political agreement on "Green growth", where the so-called "constructed wetlands" will be used to take up and retain nutrients before they reach streams and lakes. Finally, the decision to place a national wind turbine test centre in the Østerild dune plantation in Thy was a much discussed subject in the nature conservation area. Scientists from the University provided independent consultancy in the form of a plan which aims to ensure that nature will have the best possible conditions for development in the area.

At the end of 2010, new four-year agreements were concluded with the Ministry of the Environment and the Ministry of Food on research-based public-sector consultancy. The Danish universities

have increasingly seen that assignments are put out to competition or carried out internally by the public authority, which has in several cases created uncertainty as to the interpretation of the contract terms. For this reason, new guidelines between the ministries and the universities for research-based public-sector consultancy were prepared during the course of the year. In addition, efforts are still being made to obtain basic grants for the research on which public-sector consultancy is based.

Cooperation with the business community

For Aarhus University, knowledge exchange between scientists and the business community is highly important. For this reason, the University has a very strong collaboration with a great number of private enterprises, regions, local authorities and other public authorities. 2010 thus saw the conclusion of cooperation agreements on 657 projects, and the economic value of agreements with the business community amount to approx. DKK 400 million alone. To further strengthen the area, Aarhus University adopted a technology transfer strategy for 2010-2013. One of the objectives of this strategy is to allow the University's commercialisation activities to be strengthened and disseminated in order to ensure that they are based on a higher degree of academic expertise and a thorough knowledge of the establishment, framework conditions and interests of businesses.

Dissemination

A record number of international press representatives showed up when the Danish astronomer Tycho Brahe's grave was reopened in the Týn Church in Prague under the leadership of medieval archaeologist and Associate Professor Jens Vellew in November. During the five days which the scientists had to examine Brahe's earthly remains before the reburial, the stories of Vellew's nine years of preparations and the unanswered questions about Brahe went around the world.

When the portal about Danish history, Danmarkshistorien.dk, won the Ministry of Science's Research Communication Prize of DKK 100,000, it marked the first time that this prize was awarded to scientists in humanities. The portal disseminates research-based history knowledge. At the same time, scientists from the Aarhus School of Business gave managers from the private and public sectors inspiration to handle some of the current challenges in 2010 with their series of lectures "Management in a time of crisis". The morning meetings were a major draw, with one of the most important attractions being the direct contact between businesses and scientists.

The Danish University Extension in Aarhus has close ties with Aarhus University and offers approx. 700 series of lectures every year in Aarhus, Emdrup, Herning and Ebeltoft. Since 2000, the number of participants has increased more than seven-fold and reached more than 50,000 in 2010. Most people signed up for more than one lecture, which means that a person walks through the door to attend one of the events of the University Extension almost 190,000 times during the year.

Aarhus University Press is a highly qualified publication channel and is as such an important element in the University's efforts to bring frontier research into play in the national and international research environments and spread it to the external environment. The University Press published more than 70 new publications in 2010, and international sales grew by an impressive 27%. Several publications were high on the list of scientific books which were best received by the critics, and the series on life in the Middle Ages "Middelalderes verden", which presents research dissemination on a high level by a number of the University's scientists, was published by the book club Samlerens Bogklub.

Education

Aarhus University's programmes are based on a deep scholarly and scientific identity and are of the highest quality. The University is able to offer students a creative study environment and freedom to develop. For the first time ever, Aarhus University received more than 20,000 applications, thus setting a record for the second consecutive year. At the same time, the number of students choosing Aarhus University as their first priority increased by 10%. Admissions of new students also set a record again with approximately 6,200 new Bachelor's degree students and approx. 2,000 new Master's degree students from outside the University. With this, the University contributes to the Danish government's target of 50% of all school-leavers completing a higher education course.

Natural sciences, in particular, attracted many of the students in 2010. The Faculty thus offered admission to 18.5% more applicants than the year before, and the Faculty admitted twice as many students as in 2000.

The increased admission was also due to the fact that the new Bachelor's programmes in educational science and public health science were off to a flying start. They both received a great number of applications, and together they admitted more than 250 new students. On the educational science programme, the students will learn, among other things, to motivate people to strengthen their knowledge and competences. And through an interdisciplinary approach to education, the students will learn to act professionally in the interface between people, organisations and society. On the public health science programme, the students must learn to evaluate, prioritise and organise projects and measures to improve the state of health of the population. There is a strong need for this skill in society, because the number of people with loss of functional capacity is on the increase, despite improved wealth and welfare. For this reason, the share of the population on public income support is increasing.

In 2010, the intake figures showed a growing interest in studying the languages, history and culture of the BRIC countries. At Aarhus University, the only university offering programmes in Brazilian, Russian, Indian and Chinese, approx. 100 new students were admitted in 2010 on the four programmes – a 100 % increase in only a few years.

The number of applicants has generally increased, which is also due to, among other things, an active and strengthened cooperation with the upper secondary education institutions. The rolling University is an offer from Aarhus University for the upper secondary education institutions, where students and scientists from the University take over the classes for one day and give the students a taste of university studies. At the same time, the teachers are also offered continuing education.

The University is continuously developing its offer of programmes to meet the need for knowledge and competences in the external environment. The following five new programmes were approved in 2010: the Master's degree programme in IT product development, Master in Human Society, Master of Education for Daycare and Primary School, Master of Positive Psychology and Master of Risk Management in Environment and Health.

With the other Danish universities, Aarhus University participates in the Sino-Danish university centre SDC (Sino-Danish Center), a cooperation with one of China's most prestigious universities, the Graduate School of Chinese Academy of Sciences (GUCAS) in Beijing. The purpose of the centre is to attract more attention to Danish education and research in China, to provide easier access to qualified employees for Danish companies and to strengthen the opportunities for Danish students and PhDs to study in China. The first new programmes will be approved in 2011 and will be offered from 2012. Moreover, the Danish chairmanship and secretariat are located at Aarhus University.

Sub-strategies

As part of the implementation of the University's strategy, the development of sub-strategies continued in 2010 for a number of the University's activities. In this connection, a joint IT strategy for Aarhus University for 2010-2011, a strategy for student and careers guidance for 2010-2014 and a strategy for technology transfer for 2010-2013 were adopted. In addition, a number of guidelines for quality assurance of research-based public-sector consultancy were introduced to ensure that the University is always able to maintain a high academic level in public-sector consultancy. Finally, an action plan for further and continuing education was prepared with a view to strengthening, positioning and promoting the University's general and differentiated further and continuing education offer.

The University Board's work

As explained in the introduction, the University Board adopted the principles for a comprehensive university reform in June of 2010. At the same time, the Board adopted the vision plan for 2010-2028 for the physical expansion in Aarhus as the strategic framework for future presentations of construction projects. The preparation of the following major and important construction projects were given the green light by the Board: the greenhouse project, the construction project (with the provisional title) "AU Arts and Business Building" on the "Lille Barnow" plot, expansion

in Emdrup and expansions at Katrinebjerg for the Faculty of Agricultural Sciences.

The Board is involved in a great number of very different cases. In 2010, it discussed the structure of client committees and panels, and revised statutes for the University were adopted. The Board discussed the follow-up on the mergers and the University's strategy as well as the development contract between the University and the Ministry of Science, just as a merger between Aarhus University and the Engineering College of Aarhus was proposed. In addition, the Board worked on the University's agreements on research-based public-sector consultancy and the Ministry of the Environment's contracting out of assignments which have previously been undertaken by the National Environmental Research Institute.

This year, the Board sadly lost one of its members, Erik Højsholt, who passed away on 18 May 2010. Two external board members were appointed by the Board for the period 1 July 2010 – 30 June 2014, namely Pro-Rector at Gothenburg University Margareta Wallin Peterson and former EU Commissioner Mariann Fischer Boel. As part of the periodic replacement of external board members, three new members were appointed for entry on 1 February 2011: Peder Tuborgh, CEO of Arla Foods, Lars Rohde, CEO of ATP, and Gitte Ørskou, Director at KUNSTEN – Museum of Modern Art Aalborg.

Financial results for the year

The financial statements are presented in accordance with the rules in the Executive Order on the Funding and Accounts etc. of Universities. The University's revenue was DKK 5,564.4 million. The realised profit was DKK 98.2 million, and ordinary operating activities saw a profit of DKK 74.3 million. The balance sheet total as at 31 December 2010 is DKK 3,188.8 million.

The University's income has increased as a result of a higher production in years of full-time study than expected in the budget and due to increased funding under the Finance Act, including grants from the UNI-lab funds. In addition, costs in the area of building maintenance and operations were over DKK 100 million lower than budgeted for.

The University's 2010 budget showed an expected loss for the year of DKK 49.5 million. However, the above factors have resulted in a profit for the 2010 financial year.

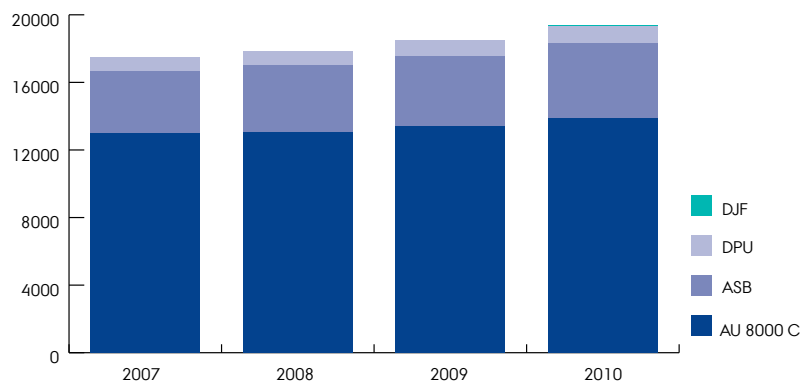
The University's income stems from grants over the Danish Finance Act for education and research as well as contractual agreements on the delivery of public-sector consultancy services to the Danish Ministry of Food and the Ministry of the Environment. To this should be added income in the form of grant-financed research, other external grants and disposals. In 2010, staff costs amounted to DKK 3,464.2 million, corresponding to 63% of the University's total ordinary expenses.

The University Board and the Rector's Office regard the realised profit as satisfactory. The University spent the funding in a way that best reflects the University's vision, strategy, development objectives and prioritised activities. In addition, the financial resources must be used efficiently and responsibly with due consideration of both the current tasks and long-term development and innovation.

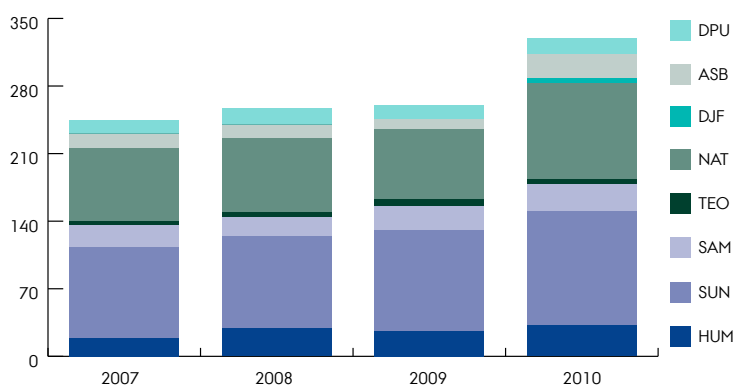
Table 1. Income statement for 2010

| DKK million | FS 2010 | FS 2009 |
|--|---------|---------|
| Ordinary operating income | 5,564 | 5,270 |
| Ordinary operating costs | 5,490 | 5,274 |
| Profit/loss from ordinary operating activities | 74 | -4 |
| Net financials | 24 | 31 |
| Net profit for the year | 98 | 27 |

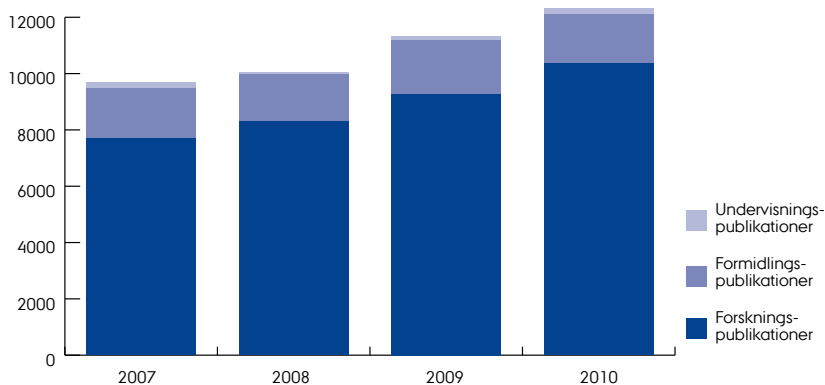
2. KEY FIGURES



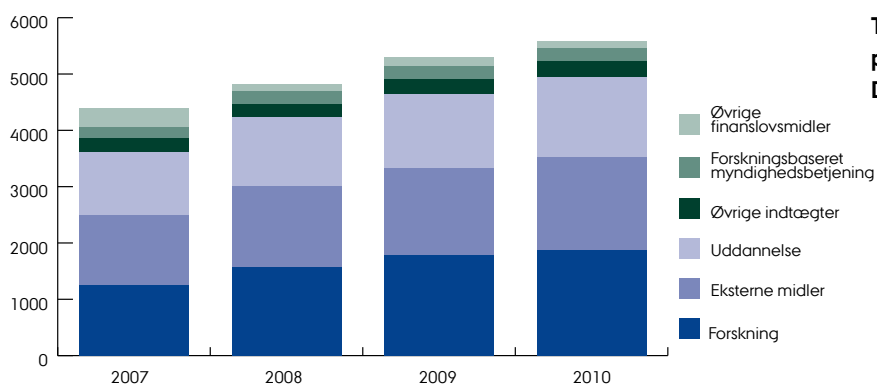
**Production,
years of full-time study**



PhD degrees awarded



Publications



**Total income, broken down by
purpose 2007-2010
DKK '000 in prices for the year**

3. PERFORMANCE REPORTING

Performance reporting

This performance report is the third and last report on Aarhus University's development contract 2008-2010. The results for 2010 are highly satisfactory, as were the reports for 2008 and 2009.

The full report on the development contract is enclosed as Appendix 6.1. The table below shows a general report on the 40 targets in the development contract. As can be seen, Aarhus University has achieved the vast majority of the targets set up in most of the measuring points – 36 in total – or has seen a very positive development as compared to the point of departure. Considering the objective from 2007 of concluding an ambitious development contract, the University believes that the overall result for the contract term is highly satisfactory. The target achievement is shown using a colour code, indicating whether the target was achieved (green), whether the results show clear progress (yellow), or whether the target has not been achieved (red).

In connection with the drafting of the interim contract for 2011, some indicators have been removed, and one has been replaced by another indicator. The reason for this is that Aarhus University realised that some of the indicators in the existing development contract were not suitable to illustrate the activity in the area in question, and that more indicators actually measure the same activity.

Below is an analysis of four selected areas covering important aspects of the University's activities and also supplementing the areas described in the 2008 and 2009 annual reports. The analysis is based on the Danish Agency for Governmental Management's and the Danish University and Property Agency's guidance documents.

PhD activities

Graduate schools

In its strategy, Aarhus University put special emphasis on talent development, including the strengthening of the PhD area.

Based on the talent development objectives in the strategy, the heads of the graduate schools at the University prepared a PhD action plan at the end of 2009. The purpose of this action plan is to provide the best possible PhD programme at a time when the number of students is increasing significantly. Quality assurance and increased professionalisation of, among other things, administrative support is some of the focus areas of the PhD action plan. It has been a very positive factor for Aarhus University that the graduate schools have been established and have become the turning point for the entire PhD programme. In 2010, it was decided that the current eight graduate schools will be consolidated into four schools in the course of 2011: Graduate School of Arts with approx. 300 PhD students, Graduate School of Business and Social Sciences with approx. 300 PhD students, Graduate

Summary – status for target achievement (number)

| | |
|---|----|
| Total no. of targets | 40 |
| The target has been achieved for 2010 | 27 |
| The result shows clear progress | 9 |
| The target has not been achieved for 2010 | 4 |

School of Health Sciences with approx. 600 students and Graduate School of Science and Technology with approx. 700 students.

PhD admission and number of conferred degrees

As a result of Aarhus University's very ambitious efforts in the area, it has increased its admission of PhD students to 574, which is considerably more than the target in the development contract of 523. In recent years, the graduate schools have focused on recruiting the best of the best Danish and foreign PhD students. One of the main reasons for the increase in admission has been the development of the early efforts in respect of the 3+5 and 4+4 schemes. The possibility of admission to a graduate school based on a Bachelor's degree has proven to be an asset when it comes to attracting foreign students.

Aarhus University has increased the number of PhD degrees awarded to 329 in 2010, which is less than the target of 390 PhD degrees in the development contract. As already mentioned in the 2009 annual report, this is due to the facts that the increased take-up of the 3+5 or 4+4 scheme was not sufficiently taken into account when setting the target and that more PhD students go on maternity leave. However, the University is confident that it will see continued growth in this area, which is also reflected in the target of 400 PhD degrees awarded in the 2011 development contract.

Dropout rate and completion

Completion time

The development contract illustrates the completion time for Bachelor's degree and Master's degree students, respectively, within the prescribed study period and within the prescribed study period plus one year. The 2010 targets were fully achieved, except for the completion target for Master's degree students within the prescribed study period. However, the completion rate did go from 11.5% in base year 2006 to 26.7% in 2010. Relative to 2009, which was already a very positive year, this indicator has gone

up with a completion percentage of more than three percentage points above target. One of the reasons for Aarhus University achieving results above the targets in respect of completion is the past years' efforts to offer the students more guidance and quicker re-examination. The increased guidance and support from the University's Counselling and Support Centre has also produced very good results which are expected to be further turned to account in the coming years.

Dropout

The dropout rates for Bachelor's and Master's degree students, respectively, have seen a very positive development since the conclusion of the development contract. Despite of this, the targets for 2010 have, unfortunately, not been achieved.

The University has implemented a number of measures to lower the dropout rate. In the recruitment of new students, the University has focused on reconciling the expectations of future students, and thereby reducing dropout. One of the concrete measures taken is increased and improved admissions guidance. Another measure is improved monitoring of the students in order to spot students at risk of dropping out earlier and thereby enabling directors of studies and guidance centres to take preventive action. Aarhus University has also adopted a new guidance strategy which will contribute to reducing the dropout rate even further. The improved monitoring and the guidance strategy are still being implemented, for which reason they have not yet had an impact on the targets. Finally, it should be mentioned that the University's programmes have undergone a structural change, which is also expected to affect dropout rates positively.

Entrepreneurship

The indicator for number of entrepreneurship courses offered shows continued progress for 2010 and now exceeds the target with a total of 863 ECTS.

This area has been high on the agenda at Aarhus University for many years. However, the nature of this work is now changing away from, among other things, focusing on offering targeted entrepreneurship courses, either at programme or university level. Separate entrepreneurship courses will still be offered; however, now the work on adapting the existing programmes in this direction, which has been undertaken for a few years, is now being significantly intensified.

This strategy will in future be implemented under the auspices of the Entrepreneurial University, for which Aarhus University was selected in 2010. The educational measures comprise continuous study programmes with built-in progression (involving entrepreneurial adaptation of a number of full programmes), interdisciplinary entrepreneurship classes (flexible semester package) offered across Master's programmes and finally a general entrepreneurship course (generic entrepreneurship course) offered on all study programmes at the University. These initiatives are the nucleus serving as inspiration for other entrepreneurship education initiatives. These will, thus, give rise to other new individual subjects in cooperation with the academic environments in the departments.

Further and continuing education

In 2010, Aarhus University saw a slight increase in the further and continuing education activities relative to 2009. The reasons for this included an increase in pedagogical-didactic activities and continued high activity within HD. The quite marked increase in this indicator, shown in Appendix 6.1, was due to an adjustment

of the calculation method in one of the main academic areas. However, adjusted for this, the increase in the number of students from 2009 to 2010 was still satisfactory.

In the coming years, Aarhus University expects continued growth in the further and continuing education area, as the University's management adopted an action plan for the area in the spring of 2010. The action plan envisages consolidated and strategic action within further and continuing education, based on the correlation between the University's core competences and the needs of the labour market. The strategic focus lies on relevant further and continuing education for the education sector and the health sector as well as the fields within communication, organisation and management.

4. STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT AND AUDITORS' REPORT

4.1 GENERAL INFORMATION ON THE UNIVERSITY

| | |
|------------------------------|---|
| The University | Aarhus University, Nordre Ringgade 1, 8000 Aarhus C, Denmark |
| Registered in | Municipality of Aarhus, CVR No.: 31119103 |
| University Board 2010 | Jens Bigum, Chairman Sys Roving, Alternate (to 30.6.2010) Anna Juul Bager (from 1.2.2010), Student representative Mariann Fischer Boel (from 1.7.2010) Maja Viola Buskbjerg, Student representative Michael Christiansen Kjeld Holm (observer to 31.1.2010) Erik Højsholt (passed away on 18.5.2010) Kirsten Jakobsen, Employee representative (technical and administrative staff) Svend Krarup (observer to 31.1.2010) Mikael Bomholt Nielsen (to 31.1.2010), Student representative Erik Strange Petersen, Employee representative (academic staff) Margareta Wallin Peterson (from 1.7.2010) Johannes Riis Arne Josefsen Rolighed Martin Tang Sørensen, Employee representative (academic staff) |

Management 2010

Lauritz B. Holm-Nielsen, Rector
Søren E. Frandsen, Pro-Rector
Jørgen Jørgensen, University Director
Bodil Due, Dean (HUM)
Søren Mogensen, Dean (SUN)
Svend Hylleberg, Dean (SAM)
Carsten Riis, Dean (TEO)
Erik Meineche Schmidt, Dean (NAT)
Just Jensen, Dean (DJF)
Henrik Sandbech, Director General (DMU)
Børge Obel, Dean (ASB)
Lars Qvortrup, Dean (DPU)

Auditors

Rigsrevisionen
St. Kongensgade 45, 1264 Copenhagen K, Denmark

Institutional auditors

PricewaterhouseCoopers
Jens Chr. Skous Vej 1, 8000 Aarhus C, Denmark

4.2. STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

The University Board has today considered and adopted the annual report of Aarhus University.

The annual report has been presented in accordance with Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities.

It is hereby confirmed:

1. that the annual report gives a true and fair view, which means that it is free from material misstatement and omissions and that the presentation and achievement of targets in the annual report are adequate;
2. that the financial transactions included in the financial statements are consistent with the reported appropriations, legislation and other provisions as well as agreements made and general practice; and
3. that procedures have been set up which ensure a financially efficient administration of the funds covered in the annual report.


Aarhus, 27 April 2011



Lauritz B. Holm-Nielsen
Rector



Jørgen Jørgensen
University Director



Søren E. Frandsen
Pro-Rector

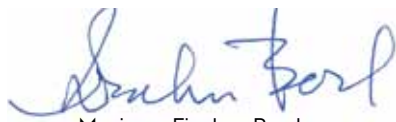
UNIVERSITY BOARD



Michael Christiansen
Chairman



Peder Tuborgh
Vice-chairman



Mariann Fischer Boel



Kirsten Jakobsen



Maria Juhler-Larsen



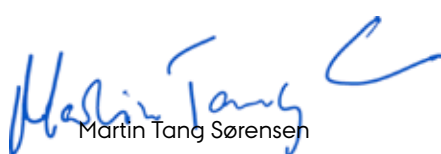
Erik Strange Petersen



Margareta Wallin Peterson



Lars Rohde



Martin Tang Sørensen



Christian Thyrestrup



Gitte Ørskou

4.3. INDEPENDENT AUDITORS' REPORT

The University Board of Aarhus University has appointed PricewaterhouseCoopers institutional auditors in accordance with S. 28(5) of the Danish University Act. Rigsrevisionen is responsible for the overall audit in accordance with the Danish Auditor General's Act.

To Aarhus University

We have audited the financial statements of Aarhus University for the 2010 financial year. The financial statements comprise: accounting policies, income statement, assets, liabilities, statement of changes in equity, cash flow statement and notes 1-16. The financial statements have been prepared in accordance with Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities. The statement by the management on the annual report, financial and operating data, performance reporting and appendices were not comprised by the audit.

Management's responsibility for the financial statements

The management is responsible for preparing and presenting financial statements that give a true and fair view in accordance with Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities. Such responsibility comprises the preparation, implementation and maintenance of internal controls that are relevant in order to be able to prepare and present financial statements that give a true and fair view and are free from material misstatement, irrespective of whether such misstatement is caused by fraud or errors, as well as the choice and use of appropriate accounting policies and the making of accounting estimates that are deemed to be fair in the circumstances. In addition, it is the responsibility of the management to ensure that the financial transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

The auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accord-

ance with Danish auditing standards and generally accepted public auditing standards in compliance with the agreement on internal audits at the universities concluded between the Minister of Science and the Auditor General under S. 9 of the Danish Auditor General's Act. Those standards require that we fulfil ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes actions performed to obtain audit evidence of the amounts and disclosures stated in the financial statements. The actions chosen depend on the auditor's assessment, including the assessment of the risk of material misstatement in the financial statements, irrespective of whether such misstatement is caused by fraud or errors. In making the risk assessment, the auditor will consider internal controls, relevant to the management's preparation and fair presentation of the financial statements 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. The audit also comprises an evaluation of whether the accounting policies used by the management are appropriate and whether the accounting estimates made by the management are fair as well as an assessment of the overall presentation of the financial statements.

The audit also comprises an evaluation of whether procedures and internal controls have been established to ensure that the transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

In our opinion, the audit evidence obtained is sufficient and provides a suitable basis for our opinion.

Our audit did not give rise to qualifications.

Opinion

In our opinion, the financial statements give a true and fair view of Aarhus University's assets, liabilities and financial position as at 31 December 2010 and of the results of Aarhus University's operations and cash flows for the financial year 1 January – 31 December 2010 in accordance with Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities. In addition, we believe that procedures and internal controls have been established to ensure that the transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

Auditors' report on the statement by the management on the annual report, financial and operating data, performance reporting and appendices

The management is responsible for preparing and presenting a statement by the management on the annual report, financial and operating data, performance reporting and appendices for the annual report that give a true and fair view in accordance with Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities.

The audit did not comprise the statement by the management on the annual report, financial and operating data, performance reporting and appendices; however, in accordance with the Executive Order on the Funding and Accounts etc. of Universities, we have read the statement by the management, the financial and operating data, the performance reporting and the appendices. We have not performed any activities other than the audit of the financial statements.

Against this background, we believe that the information provided in the statement by the management on the annual report, the financial and operating data, the performance reporting and the appendices is in accordance with the financial statements.

Auditors' report on the performance audit conducted

In connection with the financial audit of Aarhus University's financial statements for 1 January – 31 December 2010, we reviewed selected areas to establish whether sound financial considerations

have been taken into account in the management of Aarhus University and whether the information on the financial statements and the statement by the management on the annual report on targets and results are documented and adequate to reflect Aarhus University's activities in 2010.

Management's responsibility

Aarhus University's management is responsible for the establishment of guidelines and procedures to ensure that sound financial considerations are taken into account in the management of Aarhus University and that the information in the financial statements and the statement by the management on the annual report are documented and adequate to reflect Aarhus University's activities in 2010.

The auditors' responsibility and basis of opinion

In accordance with generally accepted public auditing standards, cf. Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities, we have reviewed selected management areas to establish whether Aarhus University has set up procedures which support financially appropriate management. In addition, by means of audit sampling we have reviewed Aarhus University's reporting in the financial statements and statement by the management on the annual report in respect of targets and results. Our audit was conducted for the purpose of obtaining limited assurance that the management in the selected areas is handled in a financially appropriate manner and that the information in the financial statements and the statement by the management on the annual report are documented and adequate to reflect Aarhus University's activities in 2010.

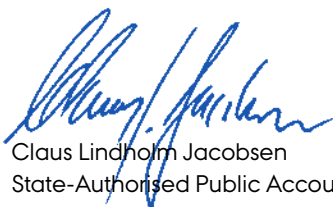
Opinion

In the course of our performance audit, nothing has come to our attention to cause us to believe that the management in the financial year 1 January – 31 December 2010 in the areas which we have examined, has not been handled in a financially appropriate manner or that the information in the financial statements and the statement by the management on the annual report are not documented and adequate to reflect Aarhus University's activities in 2010.

Aarhus, 27 April 2011

PricewaterhouseCoopers

Statsautoriseret Revisionsaktieselskab



Claus Lindholm Jacobsen
State-Authorised Public Accountant



Henrik Kragh
State-Authorised Public Accountant

5. FINANCIAL STATEMENTS

5.1. ACCOUNTING POLICIES

Basis of accounting

The annual report for Aarhus University has been presented in accordance with the Ministry of Finance's guidelines and Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities.

No changes have been made in accounting policies compared to previous years.

Aarhus University has received a Treasury bond from the Ministry of Science, Technology and Innovation. This is a guarantee that will be disbursed if the University goes bankrupt. The Treasury bond expires at the end of 2011. According to instructions from the Ministry of Science, Technology and Innovation, the bond is recognised as a separate item under equity.

Appropriations subject to tied-up savings are recognised as income in the financial year in which the University obtains a final right thereto and are set aside in a separate item under equity until they may be used.

The annual report is presented in DKK '000.

Recognition and measurement in general

The financial statements are prepared in accordance with the historical cost principle.

Income is recognised in the income statement as earned. Also, all costs incurred to achieve the earnings for the year, including depreciation, amortisation, impairment losses and provisions as well as reversals of amounts previously recognised in the income statement as a result of changed accounting estimates, are recognised in the income statement.

Assets are recognised in the balance sheet if it is probable that future economic benefits will flow to the University and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet if it is probable that future economic benefits will flow out of the University, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are remeasured as described for each item below.

Financial assets and liabilities are measured at amortised cost.

On recognition and measurement, account is taken of foreseeable risks and losses arising before the presentation of the annual report and proving or disproving matters existing on the balance sheet date.

Danish kroner is used as the currency of measurement. All other currencies are regarded as foreign currency.

Foreign currency translation

Foreign currency transactions are translated using the rate of exchange at the date of transaction. Gains and losses that arise due to differences between the rate on the date of transaction and the one in effect on the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated using the rate of exchange on the balance sheet date. Differences between the rate on the balance sheet date and the rate on the date of the transaction are recognised in the income statement as financial income or financial expenses.

Income taxes and deferred tax

The University is not subject to taxation.

Income

The University is covered by the Danish University Act and, thus, receives government subsidies. The government subsidies are disbursed monthly in twelve rates on the basis of the forecasted years of full-time study and are recognised in the period in which they are received. Every year in October the actual years of full-time study are calculated and the on-account payments are adjusted. Government subsidies for public-sector consultancy are recognised in the period in which they are received. External funding received and commitments made, including income from cooperation agreements, are recognised as income as and when costs are incurred. Course fees from open education are recognised as income in the period to which they relate. Other sales and cash sales are recognised as income at the time of invoicing.

Net financials

Financial income and expenses include interest as well as realised and unrealised foreign currency translation adjustments.

Intangible assets*Finished development projects*

Comprehensive research is an integral part of Aarhus University's activities. The general rule is that this research is not commercial, and the costs incidental to such research are recognised in the income statement as and when incurred.

Only costs for inventions where it is possible to demonstrate a relation between costs incurred and future earnings are capitalised.

Inventions, patents and licences are measured at cost less accumulated amortisation and impairment losses or a lower recoverable amount and are amortised over the term of the right, which is typically 20 years, or a shorter useful life.

Acquired concessions, patents, licences etc.

IT software licences are measured at cost less accumulated amortisation and impairment losses and are amortised over the term of the agreement, but not over more than three years.

Property, plant and equipment

Land is measured at cost. No depreciation is effected for land.

Buildings, leasehold improvements, plant and machinery, transport equipment as well as other equipment and IT equipment are measured at cost less accumulated depreciation and impairment losses.

Donated buildings taken over from the Danish State are measured on initial recognition at replacement cost based on an assessment made by the Ministry of Science, Technology and Innovation.

Property, plant and equipment in progress are measured at cost.

Cost includes the acquisition price and costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Assets with an acquisition price of less than DKK 100,000 are recognised as cost in the year of acquisition.

Profits or losses from the disposal or scrapping of non-current assets are recognised in the income statement under depreciation and impairment losses.

In accordance with S. 9(5) of Executive Order No. 1373 of 10 December 2007 on the Funding and Accounts etc. of Universities, no recognition has been made based on bundling.

Non-current assets received as donations

Aarhus University continuously acquire non-current assets using funding from grant-financed activities. The projects are financed by the EU, enterprises, the Danish State, grants and private persons. The non-current assets are depreciated in accordance with the usual accounting policies.

As a counter item to the recognised non-current assets, an item is recognised under prepayments as "Accrued donations". This item is dissolved and recognised as income in the income statement in step with the depreciation of the relevant non-current assets. This will set off the effect on the profit of the depreciation of non-current assets received through grant-financed activities.

The basis of depreciation is distributed straight-line over the expected useful lives of the assets, which are:

| | |
|----------------------------|------------------------------|
| Buildings | 10-50 years |
| Leasehold improvements | The lease term/max. 10 years |
| Plant and machinery | 5-20 years |
| Transport equipment | 5-30 years |
| Equipment and IT equipment | 3 years |

Collections and works of art

Over the years, the University has received an extensive number of collections and works of art from different benefactors. These are not regarded as having any financially measurable value for Aarhus University, and the University is not planning to sell any of them. For this reason, the collections and works of art have not been recognised in the financial statements at a value.

Investments

Aarhus University has received a Treasury bond of DKK 239.75 million from the Ministry of Science, Technology and Innovation. This is a guarantee that will be disbursed if the University goes bankrupt. The Treasury bond expires at the end of 2011. According to the terms of the Treasury bond, the bond is recognised as an increase in equity.

Inventories

Inventories, i.e. stocks that can be sold and are included in active production, are measured at the lower of cost (using the FIFO principle) and net realisable value. The net realisable value of inventories is calculated as the expected selling price in normal operations less completion costs and costs incurred to effect sale. The net realisable value is determined with regard to marketability, obsolescence and the expected selling price development.

Livestock is valued in accordance with the so-called TSS circular from the Danish tax authorities on normal commercial values.

Cost goods are not recognised in the balance sheet, as the total value is not material and the stocks maintain almost the same level from year to year.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which here corresponds to the nominal value less write-downs for bad debts. Write-downs for bad debts are based on an individual assessment of each receivable.

Receivables from ongoing funding activities

To the extent that Aarhus University incurs costs for activities which are financed by grants under the agreements, but where the grants have not yet been paid, the grants to which Aarhus University has acquired a right are recognised as receivables from ongoing funding activities.

Prepayments

Prepayments recognised under assets include costs incurred relating to subsequent financial years.

Securities

Securities recognised under current assets include listed bonds and shares measured at fair value on the balance sheet date. The fair value is measured on the basis of the most recently listed ask price.

Provisions

Provisions are recognised when the University, due to an event that happened before or on the balance sheet date, has a legal or constructive obligation, and it is probable that economic benefits will flow out of the University to meet such obligation.

Long-term debt

Fixed-interest loans, such as mortgage loans and loans with credit institutions, are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. For subsequent periods, the loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement as interest expenses over the term of the loan.

Liabilities other than provisions are measured at amortised cost, essentially equalling nominal value.

Holiday pay payable

This item includes both holiday pay payable and the holiday pay obligation.

Accrued donations

As mentioned under property, plant and equipment, the value of property, plant and equipment procured through grant-financed activities is recognised. The counter item to property, plant and equipment is an accrual of the value of the donation, which is recognised as income straight-line over the same period as the related property, plant and equipment are subject to depreciation, so that the net income statement is not affected by the depreciation recognised as costs.

Prepaid tied-up funds from ongoing funding activities

Prepaid tied-up funds relate to ongoing funding activities which are funds received to cover costs not yet incurred. Aarhus University charges a fee for certain grants to cover capacity costs for funding activities. The fee is recognised as income as the grants are spent.

Other deferred income

Other deferred income recognised as liabilities covers other payments received relating to income in the subsequent financial years.

5.2. INCOME STATEMENT 1 JANUARY – 31 DECEMBER

| DKK '000 | | | |
|----------|---|------------------|------------------|
| Note | Income statement | FS 2010 | FS 2009 |
| | Ordinary operating income | | |
| | Grants for own operation over the Danish Finance Act | 3,573,456 | 3,419,106 |
| | External funds | 1,483,957 | 1,377,743 |
| | Sale of goods and services | 506,971 | 473,247 |
| | Total ordinary operating income | 5,564,384 | 5,270,096 |
| | Ordinary operating costs | | |
| | Consumption costs | | |
| | Rent | 566,464 | 611,378 |
| | Other consumption costs | 60,134 | 97,329 |
| | Total consumption costs | 626,598 | 708,707 |
| | Staff costs | 3,464,189 | 3,234,197 |
| | Other ordinary operating costs | 1,284,962 | 1,226,709 |
| | Depreciation, amortisation and impairment losses | 114,329 | 104,240 |
| | Total ordinary operating costs | 5,490,078 | 5,273,853 |
| | Profit/loss from ordinary operating activities | 74,306 | -3,757 |
| | Net financials | | |
| | Financial income | 25,331 | 34,480 |
| | Financial expenses | 1,432 | 3,298 |
| | Net profit for the year | 98,205 | 27,425 |

5.3. BALANCE SHEET AS AT 31 DECEMBER 2010

| DKK '000 | | | |
|----------|--|------------------|------------------|
| Note | Assets | FS 2010 | FS 2009 |
| | Non-current assets | | |
| | Intangible assets | | |
| | Finished development projects | 122 | 285 |
| | Acquired concessions, patents, licences etc. | 2,740 | 3,910 |
| | Intangible assets in progress | 0 | 628 |
| 5.6.2 | Total intangible assets | 2,862 | 4,823 |
| | Property, plant and equipment | | |
| | Land and buildings | 185,089 | 179,793 |
| | Plant and machinery | 401,377 | 365,040 |
| | Transport equipment | 11,323 | 12,099 |
| | Equipment and IT equipment | 46,973 | 36,926 |
| | Property, plant and equipment in progress | 41,163 | 27,428 |
| 5.6.3 | Total property, plant and equipment | 685,925 | 621,286 |
| | Investments | | |
| | Treasury bond | 239,750 | 239,750 |
| 5.6.4 | Total investments | 239,750 | 239,750 |
| | Total non-current assets | 928,537 | 865,859 |
| | Current assets | | |
| | Inventories | 5,650 | 7,665 |
| | Trade receivables | 249,759 | 274,976 |
| | Receivables from ongoing funding activities | 319,821 | 358,415 |
| | Other receivables | 167,219 | 158,546 |
| | Prepayments | 26,632 | 31,904 |
| | Securities | 675,951 | 287,717 |
| | Cash | 815,227 | 1,042,315 |
| | Total current assets | 2,260,259 | 2,161,538 |
| | Total assets | 3,188,796 | 3,027,397 |

| DKK '000 | | | |
|----------|---|------------------|------------------|
| Note | Liabilities and equity | FS 2010 | FS 2009 |
| | Equity, excl. Treasury bond | 539,876 | 435,865 |
| | Treasury bond, expires at the end of 2011 | 239,750 | 239,750 |
| | Total equity | 779,626 | 675,615 |
| 5.6.5 | Total provisions | 73,412 | 80,113 |
| 5.6.6 | Total long-term debt | 34,220 | 35,828 |
| | Short-term debt | | |
| | Trade payables | 377,218 | 284,019 |
| | Holiday pay payable | 489,137 | 444,122 |
| | Other payables | 156,216 | 288,727 |
| 5.6.7 | Accrued donations | 272,352 | 248,328 |
| | Prepaid tied-up funds from ongoing funding activities | 690,111 | 642,893 |
| 5.6.8 | Other deferred income | 316,504 | 327,752 |
| | Total short-term debt | 2,301,538 | 2,235,841 |
| | Total liabilities and equity | 3,188,796 | 3,027,397 |

5.4. STATEMENT OF CHANGES IN EQUITY

| DKK '000 | Retained earnings | Tied-up savings | Equity excl. of Treasury bond | Treasury bond | Total equity |
|--|-------------------|-----------------|-------------------------------|----------------|----------------|
| Equity as at 31 December 2009 | 410,865 | 25,000 | 435,865 | 239,750 | 675,615 |
| Adjustment of opening balance sheet | 5,806 | 0 | 5,806 | 0 | 5,806 |
| Net profit for the year | 98,205 | 0 | 98,205 | 0 | 98,205 |
| Total equity as at 31 December 2010 | 514,876 | 25,000 | 539,876 | 239,750 | 779,626 |

Tied-up savings will be released and transferred to retained earnings in 2011.

5.5. CASH FLOW STATEMENT

| DKK '000 | FS 2010 | FS 2009 |
|--|------------------|------------------|
| Net profit for the year | 98,205 | 27,425 |
| Adjustment of equity, beginning of year | 5,806 | 0 |
| Reversal of items with no cash effect: | | |
| Depreciation, amortisation and impairment losses on non-current assets | 113,256 | 103,094 |
| Donations recognised as income during the year | -43,911 | -40,778 |
| Profit/loss from disposal of non-current assets | 1,075 | 1,146 |
| Changes in provisions | -6,701 | 52,816 |
| Change in receivables etc. | 62,424 | -46,829 |
| Changes in short-term debt | 41,672 | 102,825 |
| Cash flow from operating activities | 271,826 | 199,699 |
| Purchase of intangible assets | -68 | -1,735 |
| Purchase of property, plant and equipment | -179,123 | -123,118 |
| Disposal of non-current assets | 2,184 | 18,781 |
| Cash flow from investing activities | -177,007 | -106,072 |
| Addition of donation obligation | 67,935 | 42,947 |
| Repayment of long-term debt | -1,608 | -1,110 |
| Cash flow from financing activities | 66,327 | 41,837 |
| Change in cash | 161,146 | 135,464 |
| Total securities and cash as at 1 January | 1,330,032 | 1,194,568 |
| Total securities and cash as at 31 December | 1,491,178 | 1,330,032 |

5.6 NOTES TO THE FINANCIAL STATEMENTS

Note 5.6.1 Staff consumption

| | 2007 | 2008 | 2009 | 2010 |
|-----|-------|-------|-------|-------|
| FTE | 6.216 | 6.569 | 6.905 | 7.193 |

Note 5.6.2 Intangible assets

| DKK '000 | Finished development projects | Acquired concessions, patents, licences etc. | Intangible assets in progress | Total |
|--------------------------------------|-------------------------------|--|-------------------------------|---------------|
| Cost as at 1.1.2010 | 5,434 | 12,684 | 628 | 18,746 |
| Addition | 0 | 68 | 0 | 68 |
| Disposal | 0 | 0 | -628 | -628 |
| Cost as at 31.12.2010 | 5,434 | 12,752 | 0 | 18,186 |
| Depreciation as at 1.1.2010 | 5,149 | 8,774 | 0 | 13,923 |
| Depreciation for the year | 163 | 1,238 | 0 | 1,401 |
| Depreciation on disposed assets | 0 | 0 | 0 | 0 |
| Depreciation as at 31.12.2010 | 5,312 | 10,012 | 0 | 15,324 |
| Carrying amount | 122 | 2,740 | 0 | 2,862 |
| Depreciation period/year | 20 | 3 | | |

Out of the total carrying amount of DKK 2.862 million, DKK 390 million was financed by donations, cf. note 5.6.7.

Note 5.6.3 Property plant and equipment

| DKK '000 | Land and buildings | Plant and machinery | Transport equipment | Equipment and IT equipment | Property, plant and equipment in progress | Total |
|--------------------------------------|--------------------|---------------------|---------------------|----------------------------|---|------------------|
| Cost as at 1.1.2010 | 227,403 | 972,235 | 46,672 | 153,912 | 27,428 | 1,427,650 |
| Addition | 17,570 | 112,477 | 2,898 | 32,443 | 13,735 | 179,123 |
| Disposal | 0 | -23,923 | -1,330 | -6,622 | 0 | -31,875 |
| Cost as at 31.12.2010 | 244,973 | 1,060,789 | 48,240 | 179,733 | 41,163 | 1,574,898 |
| Depreciation as at 1.1.2010 | 47,610 | 607,195 | 34,573 | 116,986 | 0 | 806,364 |
| Depreciation for the year | 12,274 | 73,852 | 3,664 | 22,064 | 0 | 111,854 |
| Depreciation on disposed assets | 0 | -21,635 | -1,320 | -6,290 | 0 | -29,245 |
| Depreciation as at 31.12.2010 | 59,884 | 659,412 | 36,917 | 132,760 | 0 | 888,973 |
| Carrying amount | 185,089 | 401,377 | 11,323 | 46,973 | 41,163 | 685,925 |
| Depreciation period/year | 10-50 | 5-20 | 5-30 | 3 | | |

Out of the total carrying amount of DKK 685.925 million, DKK 271.962 million was financed by donations, cf. note 5.6.7.

The University's ownership of the assigned property which originally belonged to HIH has not yet been officially assigned to Aarhus University. The book value of the property as at 31 December 2010 is DKK 62.924 million.

Public assessment of land and buildings, cf. the most recent assessment, as at 1 October 2010

| | |
|--|----------------|
| Building value | 174,875 |
| Land value | 19,128 |
| Total public assessment | 194,003 |
| Property for which no separate public assessment has been made. Carrying amount | 4,928 |

Note 5.6.4 Investments

The University received a Treasury bond of DKK 239.750 million from the Ministry of Science, Technology and Innovation. According to a letter from the Ministry, the Treasury bond must be recorded under investments with a counter item under equity.

No interest accrues to the Treasury bond and it is not adjusted. The Treasury bond will be disbursed if the University is declared bankrupt. Such disbursement will only be made to the extent that the University's other assets are not sufficient to pay the creditors.

The Minister of Science, Technology and Innovation is entitled to disburse the Treasury bond in connection with reorganisation during suspension of payments.

The Treasury bond expires at the end of 2011, after which time the entries will be reversed.

Note 5.6.5 Provisions

| DKK '000 | FS 2010 | FS 2009 |
|--|---------------|---------------|
| Re-establishment commitments re leasehold improvements | 6,407 | 5,659 |
| Limited tenures and mutual departure etc. | 23,424 | 21,831 |
| Restructuring costs | 8,735 | 12,500 |
| Project provisions | 24,200 | 23,000 |
| Other provisions | 10,646 | 17,123 |
| Total provisions | 73,412 | 80,113 |

Note 5.6.6 Long-term debt

| DKK '000 | | FS 2010 |
|---|--|---------------|
| Long-term debt is repaid over the following periods | | |
| Within one year | | 1,655 |
| Between one and five years | | 6,934 |
| After more than five years | | 25,631 |
| Total long-term debt | | 34,220 |

Note 5.6.7 Accrued donations

Distribution of accrued donations on asset types:

| DKK '000 | Acquired concessions, patents, licences etc. | Land and buildings | Plant and machinery | Transport equipment | Equipment and IT equipment | Total |
|--|--|--------------------|---------------------|---------------------|----------------------------|----------------|
| Accrued donations as at 1.1.2010 | 693 | 54,084 | 188,505 | 393 | 4,653 | 248,328 |
| Donations received | 0 | 0 | 62,447 | 0 | 5,488 | 67,935 |
| Donations recognised as income | -303 | -1,528 | -37,715 | -149 | -4,216 | -43,911 |
| Accrued donations as at 31.12.2010 | 390 | 52,556 | 213,237 | 244 | 5,925 | 272,352 |
| Accrued donations are recognised as income in the following periods: | | | | | | |
| Within one year | | | | | | 39,330 |
| Between one and five years | | | | | | 109,698 |
| After more than five years | | | | | | 123,324 |
| Total accrued donations as at 31.12.2010 | | | | | | 272,352 |

Note 5.6.8 Other prepayments

| DKK '000 | FS 2010 | FS 2009 |
|--|----------------|----------------|
| Prepayment of grants 2010 from the Ministry of Science | 271,780 | 266,477 |
| Other prepayments | 44,724 | 61,275 |
| Total other prepayments | 316,504 | 327,752 |

Note 5.6.9 Use of funds for free places and scholarships in the period 1 September 2009 to 30 August 2010. DKK '000

| Use of free places | Number of students enrolled on fully or partially free places | Free places stated in years of full-time study |
|--------------------|---|--|
| Rate 1 | 50 | 35 |
| Rate 2 | 1 | 0.3 |
| Rate 3 | 18 | 17 |

| DKK '000 | |
|--|-------|
| <i>Funds for payment of scholarships</i> | |
| Number of scholarship recipients | 69 |
| Total amount paid in scholarships | 5,595 |

Note 5.6.10 The University's costs for student political activities and other student activities

| DKK '000 | FS 2010 | FS 2009 |
|---|----------------|----------------|
| Student sports activities and other student activities | | |
| Student sports activities | 910.0 | 891.2 |
| Other student activities | 106.2 | 135.1 |
| Total student activities | 1,016.2 | 1,026.3 |
| Student political activities | | |
| The Student Council/the Student's Guild/the Joint Student Council | 2,188.1 | 2,131.9 |
| Konservative Studenter | 41.2 | 32.0 |
| Frit Forum | 114.8 | 76.4 |
| Liberale Studenter | 40.2 | 33.7 |
| Total student political activities | 2,384.3 | 2,274.0 |
| Total | 3,400.5 | 3,300.3 |

Note 5.6.11 Information on foundations, organisations and the like with which the University has special cooperation of a non-commercial nature

Aarhus University undertakes non-commercial cooperation with the Aarhus University Research Foundation and Incuba Science Park, Østjysk Innovation A/S, Agro Business Park, Agro Food Park, Danish University Extension, Studenterhus Århus, Centre for Business Research, the Danish Society for Nature Conservation, the Danish Consumer Council, the Danish Animal Welfare Society and the Danish Hunter's Association. The University cooperates with and subsidises the independent institution Sandbjerg Gods, Studenterhusfonden af 1991, the Orion Planetarium in Jels and the Danish Institutes in Athens and Damaskus.

Note 5.6.12 Contractual obligations

The University has operational lease commitments with periods of non-terminability of up to 27 months from the balance sheet date. In addition, Aarhus University has rental commitments with periods of non-terminability up to 1 January 2037.

The commitments are distributed as follows:

| DKK '000 | Lease commitments | Rental commitments |
|---|-------------------|--------------------|
| Within one year | 503 | 367,325 |
| Between one and five years | 481 | 919,972 |
| After more than five years | 0 | 1,088,270 |
| Total lease and rental commitments | 984 | 2,375,567 |

Note 5.6.13 Contingent assets

The University has a full or partial right to certain inventions and patents. The value of these patents and inventions is uncertain, and there is not a sufficient basis for recognition.

In 2010, the University filed a claim against the Danish Tax Authorities ("SKAT") based on a notice issued by the authorities regarding refund of VAT on provision of meals for the period 1 October 1994 – 31 December 2010.

The University launched a civil case against SKAT regarding interest on energy charges for the years 1998 – 2004. The amount claimed is DKK 2.072 million.

Note 5.6.14 Contingent liabilities

Some of the employees have civil servant status, which means that Aarhus University is obliged to provide redundancy payment for 36 months if they are dismissed. The maximum commitment is DKK 77.450 million. Pension liabilities for civil servants have been covered by ongoing payment of pension contributions to pension funds.

In respect of paid PhD fellows, the University guarantees the students' pay during the period of enrolment. This guarantee may be used if the pay costs are not covered by the companies or institutions with which training agreements have been made.

Aarhus University is covered by the Danish State's self-insurance principle.

If the University chooses to close down the centre "Institute of Business and Technology" or to discontinue the programmes relating to the centre, the Ministry of Education is entitled to an amount corresponding to the net transfer price when the University was amalgamated on 1 January 2006 of DKK 52.499 million, adjusted according to special guidelines, including the difference in the market value of the buildings and the carrying amount. Partial discontinuation of the programmes would mean that the Ministry of Education will have a proportionate claim. The Ministry of Education may approve changes made to the programmes covered by the amalgamation on 1 January 2006 without the University being fully or partly liable to pay the adjusted net transfer price to the Ministry of Education.

Note 5.6.15 Charges

Mortgage debt is secured by way of mortgage on the University's properties with a carrying amount as at 31 December 2010 of DKK 66.893 million.

Note 5.6.16 Equity investments

DKK '000

Aarhus University has ownership shares in the following companies:

| Company | Total company share capital (DKK nom.) | AU's ownership share in % |
|--------------------------|--|---------------------------|
| In Situ RCP A/S | 500 | 49.00 |
| CLLUOne Therapeutics A/S | 500 | 2.45 |
| FCMB ApS | 11,465 | 0.78 |
| CABRA A/S | 500 | 36.75 |
| SIMHERD | 500 | 49.00 |

6. APPENDICES

6.1. GENERAL OUTLINE OF THE PERFORMANCE TARGETS IN THE DEVELOPMENT CONTRACT

2006 Actual activities in 2006. Starting figures for the development contract.

2008-2009-2010: Target figures for the relevant years

Research production

Indicator 1 – Number of research publications

| | DC | Achieved |
|------|-------|----------|
| 2006 | 5,091 | |
| 2008 | 5,100 | 5,712 |
| 2009 | 5,350 | 5,898 |
| 2010 | 5,575 | 6,324 |

Comments: The target for 2010 has been achieved.

After the completion of the 2008 annual report, the registration for 2008 was changed from 5,385 to 5,712.




Internationalisation of research

Indicator 2 – Attraction of researchers from abroad

| | DC | Achieved |
|------|-----|----------|
| 2006 | 149 | |
| 2008 | 180 | 116 |
| 2009 | 200 | 116 |
| 2010 | 220 | 111 |

Comments: The target for 2010 has not been achieved. To attract more foreign scientists in 2011, increased focus will be placed on international branding and promotion of the career opportunities offered at Aarhus University. In addition, the University intends to improve the reception of foreign researchers and their families by providing practical advice and arranging social activities promoting integration.

Also, Aarhus University had 621 visiting researchers, primarily from abroad, in 2010.

-  = The target has been achieved
-  = The result shows clear progress
-  = The target has not been achieved

Attraction of external non-government funds

Indicator 3 – EU funds

| | DC | Achieved |
|------|-------------|------------|
| 2006 | 89,138,000 | |
| 2008 | 108,000,000 | 80,944,000 |
| 2009 | 120,000,000 | 89,985,000 |
| 2010 | 132,000,000 | 97,943,000 |

Comments: This indicator shows the use of EU funds. The target for 2010 has not been achieved. In 2010, this area was strengthened through several different initiatives. The EU working group was replaced by an EU Task Force, chaired by a representative from the University's management and charged with setting up the University's EU strategy. Also in 2010, another two new fundraisers joined the Research Support Office who focus on EU funds, among other things.

Indicator 4 – Other Danish private and foreign funds

| | DC | Achieved |
|------|-------------|-------------|
| 2006 | 358,227,000 | |
| 2008 | 362,000,000 | 383,915,000 |
| 2009 | 387,000,000 | 401,292,000 |
| 2010 | 412,000,000 | 470,307,000 |

Comments: This indicator shows the use of other Danish private and foreign funds attracted. The target for 2010 has been achieved.

PhD activities

Indicator 5 – Number of graduate schools

Aarhus University works with few but effective and internationally visible graduate schools. The ongoing quality assurance and development will be strengthened further in the contract term.

Comments: The target for 2010 has been achieved.
This indicator has been described in more detail in *Performance reporting*.

Indicator 6 – PhD intake

| | DC | Achieved |
|------|-----|----------|
| 2006 | 318 | |
| 2008 | 445 | 481 |
| 2009 | 481 | 475 |
| 2010 | 523 | 574 |

Comments: The target for 2010 has been achieved.
This indicator has been described in more detail in *Performance reporting*.

Indicator 7 – Number of conferred/awarded degrees

| | DC | Achieved |
|------|-----|----------|
| 2006 | 223 | |
| 2008 | 285 | 257 |
| 2009 | 310 | 260 |
| 2010 | 390 | 329 |

Comments: The 2010 result shows a clear positive trend.
This indicator has been described in more detail in *Performance reporting*.

Intake

Indicator 8 – Intake: Bachelor's degree

| | DC | Achieved |
|------|-------|----------|
| 2007 | 4,955 | |
| 2008 | 5,232 | 4,869 |
| 2009 | 5,382 | 5,522 |
| 2010 | 5,467 | 6,203 |

Comments: The target for 2010 has been achieved.

Indicator 9 – Intake: Master's degree

| | DC | Achieved |
|------|-------|----------|
| 2007 | 3,440 | |
| 2008 | 3,779 | 3,748 |
| 2009 | 4,182 | 4,537 |
| 2010 | 4,370 | 4,787 |

Comments: The target for 2010 has been achieved.

General note for dropout and completion rates:

The Medicine, Dentist and Theology programmes are only in the process of phasing in the 3+2 structure. Health sciences will not be fully phased in during the term of this development contract, and this is expected to affect the final result negatively.

Dropout**Indicator 10 – Dropout rate: Bachelor's degree**

| | DC | Achieved |
|------|-------|----------|
| 2006 | 35.9% | |
| 2008 | 33.1% | 34.8% |
| 2009 | 31.9% | 32.8% |
| 2010 | 30.4% | 31.8% |

Comments: The dropout rate has changed considerably since 2006, but the target for 2010 has not been achieved. This indicator has been described in more detail in *Performance reporting*.

Indicator 11 – Dropout rate: Master's degree

| | DC | Achieved |
|------|-------|----------|
| 2006 | 11.2% | |
| 2008 | 9.5% | 13.0% |
| 2009 | 8.8% | 8.5% |
| 2010 | 8.0% | 8.9% |

Comments: The dropout rate has changed considerably since 2006, but the target for 2010 has not been achieved. This indicator has been described in more detail in *Performance reporting*.

Completion time**Indicator 12 – Share of completion within the prescribed study period: Bachelor's degree**

| | DC | Achieved |
|------|-------|----------|
| 2006 | 39.0% | |
| 2008 | 38.0% | 45.5% |
| 2009 | 39.5% | 46.2% |
| 2010 | 41.2% | 48.6% |

Comments: The target for 2010 has been achieved. This indicator has been described in more detail in *Performance reporting*.

Indicator 13 – Share of completion within the prescribed study period + one year: Bachelor's degree

| | DC | Achieved |
|------|-------|----------|
| 2006 | 55.0% | |
| 2008 | 55.8% | 55.8% |
| 2009 | 58.1% | 59.8% |
| 2010 | 60.3% | 61.2% |

Comments: The target for 2010 has been achieved. This indicator has been described in more detail in *Performance reporting*.

Indicator 14 – Share of completion within the prescribed study period: Master's degree

| | DC | Achieved |
|------|-------|----------|
| 2006 | 11.5% | |
| 2008 | 18.2% | 16.4% |
| 2009 | 23.1% | 26.3% |
| 2010 | 28.1% | 26.7% |

Comments: The share of completion has improved considerably since 2006, but the target for 2010 has not been achieved. This indicator has been described in more detail in *Performance reporting*.

Indicator 15 – Share of completion within the prescribed study period + one year: Master's degree

| | DC | Achieved |
|------|-------|----------|
| 2006 | 40.9% | |
| 2008 | 49.3% | 45.1% |
| 2009 | 54.7% | 62.3% |
| 2010 | 59.7% | 62.0% |

Comments: The target for 2010 has been achieved. This indicator has been described in more detail in *Performance reporting*.

Programmes adapted to society's need**Indicator 16 – Unemployment figures for Master's degree graduates**

| | DC | Achieved |
|--------------------------|-------|----------|
| Starting figures (=2005) | 7.00% | |
| 2008 (=2006) | 4.70% | 5.50% |
| 2009 (=2007) | 6.30% | 4.00% |
| 2010 (=2008) | 3.00% | 3.00% |

Comments: The targets have been adjusted for economic fluctuations. The target for 2010 has been achieved.

Entrepreneurship**Indicator 17 – Number of entrepreneurship courses – stated in ECTS**

| | DC Number – ECTS | Achieved |
|------|---------------------|----------|
| 2006 | 52-460 | |
| 2008 | 71-639 | 668 ECTS |
| 2009 | 81-729 | 749 ECTS |
| 2010 | 92-824 | 863 ECTS |

Comments: The target for 2010 has been achieved.

Internationalisation of the programmes**Indicator 18 – Number of incoming students**

| | DC | Achieved |
|------|-------|----------|
| 2006 | 824 | |
| 2008 | 925 | 1,031 |
| 2009 | 1,000 | 1,083 |
| 2010 | 1,075 | 1,255 |

Comments: The target for 2010 has been achieved. This work was described in detail in the 2009 annual report.

Indicator 19 – Number of outgoing students

| | DC | Achieved |
|------|-----|----------|
| 2006 | 712 | |
| 2008 | 775 | 826 |
| 2009 | 850 | 1,031 |
| 2010 | 925 | 947 |

Comments: The target for 2010 has been achieved. This work was described in detail in the 2009 annual report.

Indicator 20 – Number of English-language courses – stated in ECTS

| | DC Number – ECTS | Achieved |
|------|---------------------|----------|
| 2006 | 836-6,021 | |
| 2008 | 892-6,491 | 8,216 |
| 2009 | 956-7,017 | 8,266 |
| 2010 | 1,019-7,514 | 10,009 |

Comments: The target for 2010 has been achieved.

Indicator 21 – Number of full English-language programmes

| | DC | Achieved |
|------|----|----------|
| 2006 | 44 | |
| 2008 | 52 | 65 |
| 2009 | 56 | 63 |
| 2010 | 63 | 66 |

Comments: The target for 2010 has been achieved.

Quality assurance**Indicator 22 – Programme quality**

Aarhus University systematically evaluates teaching on all programmes. After each semester, Aarhus University will use these teaching evaluations to monitor the quality of teaching and programmes at the University.

Comments: The target has been achieved. This work was described in detail in the 2008 annual report. This continues to be a focus area in Aarhus University's work on developing and implementing the quality system.

Indicator 23 – Share of courses where evaluation is published online

| | DC | Achieved |
|------|------|----------|
| 2006 | 50% | |
| 2008 | 70% | 57% |
| 2009 | 85% | 62% |
| 2010 | 100% | 95% |

Comments: The target for 2010 has not been achieved. However, the majority of the main academic areas publish their teaching evaluations in accordance with the applicable legislation, and Aarhus University finds that 95% is satisfactory representation of the efforts made in the area in 2010.

Indicator 24 – Strategy for continuing education of lecturers

Number of course classes within pedagogical continuing education

| | DC | Achieved |
|------|--------|----------|
| 2006 | 16,281 | |
| 2008 | 17,000 | 35,538 |
| 2009 | 17,900 | 26,841 |
| 2010 | 18,800 | 25,822 |

Comments: The target for 2010 has been achieved.

Indicator 25 – Strategy for continuing education of lecturers

Number of full-time equivalents appropriated for university pedagogics and didactics

| | DC | Achieved |
|------|----|----------|
| 2007 | 13 | |
| 2008 | 15 | 19.35 |
| 2009 | 19 | 22.85 |
| 2010 | 21 | 26.05 |

Comments: The target for 2010 has been achieved.

Indicator 26 – Student guidance activities

Percentage share of student counsellors with counsellor degree

| | DC | Achieved |
|------|-----|----------|
| 2007 | 60 | |
| 2008 | 75 | 83 |
| 2009 | 90 | 83 |
| 2010 | 100 | 82 |

Comments: The target for 2010 has not been achieved. All student counsellors are taking the counsellor degree. The reason why this figure has not reached 100% is the amount of time that elapses between a counsellor being employed and starting on the first module of the programme. In addition, there is a high turnover of student counsellors, which also affects the specific percentage.

Indicator 27 – Student guidance activities

Number of full-time equivalents appropriated for student and careers guidance

| | DC | Achieved |
|------|-------|----------|
| 2007 | 33.22 | |
| 2008 | 38.00 | 35.10 |
| 2009 | 41.00 | 37.50 |
| 2010 | 44.00 | 39.30 |

Comments: The target for 2010 has not been achieved. However, the result reflects the increased efforts made in the guidance area in 2010.

Indicator 28 – Campus plan

The expansion of activities in the coming years, not least due to the Folketing's decision to increase investments in research and education, means that there is a significant need to expand the built-up area. A realistic estimate is that the expansion of activities will require approximately 20,000 square metres of floor area a year.

To meet this considerable challenge in terms of the Aarhus-based part of the University, Aarhus University, the Municipality of Aarhus and the Danish University and Property Agency (UBST) have together initiated the preparation of a vision plan for 2008-2028. The challenge lies in agreeing on a plan which 1) provides the required physical framework to cover future needs, 2) maintains focus on the overall aim to expand the Aarhus part of Aarhus University as a campus university close to the University Park and 3) continues to develop Aarhus as a leading and attractive city of education by strengthening the close situation of the city's education and research institutions in the northern and central parts of the city and, accordingly, supporting the idea of Campus Aarhus previously presented to the Ministry of Science.

Comments: The target has been achieved. In April 2008, the Board of Aarhus University adopted a vision plan for 2010-2028 for the physical expansion in Aarhus which has been prepared within the outlined framework, and in June 2010, the Board adopted the vision plan for 2008-2028 for the physical expansion of Aarhus University, which covers the entire University. The objective of the vision plan is to expand the main campus in Aarhus, while also establishing a strong campus in Emdrup. The vision plan reflects the results of the academic development process and has a budget of DKK 1.4 billion for the renovation of laboratories.

Cooperation with university colleges**Indicator 29 – Activities carried out in cooperation with the university colleges**

In the contract term, Aarhus University intends to further expand its cooperation with the university colleges in the region – including on the engineering degree programmes and education research, among other things, as a basis for integrated cooperation on the teacher programmes.

Comments: The target for 2010 has been achieved. In 2010, the Danish government promised political support for the merger with the Engineering College of Aarhus. Aarhus University is very confident about the possibilities of further extending the current close cooperation structure under the Aarhus School of Engineering to an actual merger.

In 2008, Aarhus University concluded an overall strategic cooperation agreement with the VIA University College for 2008-12. In continuation of this, a cooperation coordination committee was set up in 2009 between Via University college and Aarhus University with representatives from the two institutions' managements. This general cooperation covers an extensive cooperation field, comprising educational and social studies, health studies, the technical-commercial area and cooperation on IT, philosophy and student guidance. In addition, the individual main academic areas cooperate with different university colleges and institutions under the Ministry of Education on more specific subjects.

Further and continuing education

Indicator 30 – Number of course participants

| | DC | Achieved |
|------|-------|----------|
| 2006 | 6,050 | |
| 2008 | 6,200 | 6,635 |
| 2009 | 6,300 | 6,026 |
| 2010 | 6,400 | 8,591 |

Comments: The target for 2010 has been achieved. The significant increase from 2009 to 2010 is due to an adjustment of the calculation method in one of the main academic areas to bring it in line with the definition.

Indicator 31 – Course fee

| | DC | Achieved |
|------|------------|------------|
| 2006 | 65,849,000 | |
| 2008 | 74,900,000 | 79,007,000 |
| 2009 | 76,600,000 | 84,942,000 |
| 2010 | 77,900,000 | 79,361,000 |

Comments: The target for 2010 has been achieved.

Participation in the public debate

Indicator 32 – Number of written dissemination contributions in popular media

| | DC | Achieved |
|------|-------|----------|
| 2006 | 1,746 | |
| 2008 | 2,100 | 1,680 |
| 2009 | 2,450 | 1,827 |
| 2010 | 2,750 | 1,683 |

Comments: The target for 2010 has not been achieved. Aarhus University concludes that the targets were too ambitious for this indicator in 2007. There is strong focus on wide research dissemination, which is also reflected in a number of the other indicators in this development contract. However, there has not been paid enough particular attention to the achievement of this indicator.

Indicator 33 – Number of lectures open to the public

| | DC | Achieved |
|------|-------|----------|
| 2006 | 4,368 | |
| 2008 | 4,700 | 5,204 |
| 2009 | 4,850 | 5,520 |
| 2010 | 5,050 | 5,446 |

Comments: The target for 2010 has been achieved.

Indicator 34 – Participation in councils and on boards

| | DC | Achieved |
|------|-------|----------|
| 2006 | 2,918 | |
| 2008 | 3,000 | 3,875 |
| 2009 | 3,050 | 4,991 |
| 2010 | 3,100 | 5,765 |

Comments: The target for 2010 has been achieved.

Cooperation with the business community

Indicator 35 – Number of cooperation agreements

| | DC | Achieved |
|------|-----|----------|
| 2006 | 276 | |
| 2008 | 300 | 455 |
| 2009 | 325 | 587 |
| 2010 | 350 | 657 |

Comments: The target for 2010 has been achieved.

Indicator 36 – Reported inventions

| | DC | Achieved |
|------|-----|----------|
| 2006 | 59 | |
| 2008 | 85 | 41 |
| 2009 | 100 | 52 |
| 2010 | 110 | 49 |

Comments: The target for 2010 has not been achieved. In 2010, a strategy for the technology transfer activities at Aarhus University was adopted. As part of the implementation of this strategy, a scouting programme was launched. The scouting programme will continue in 2011; however, due to delays in the process, it has not yet provided the desired number of reported inventions.

Indicator 37 – Patents and licenses sold

| | DC | Achieved |
|------|----|----------|
| 2006 | 9 | |
| 2008 | 13 | 12 |
| 2009 | 15 | 11 |
| 2010 | 17 | 17 |

Comments: The target for 2010 has been achieved.

Indicator 38 – Income from patents and licenses sold

| | DC | Achieved |
|------|-----------|-----------|
| 2006 | 1,423,000 | |
| 2008 | 3,800,000 | 2,397,678 |
| 2009 | 5,000,000 | 3,807,102 |
| 2010 | 6,000,000 | 3,287,235 |

Comments: The target for 2010 has not been achieved. The income from the sale of patents and licences continued to be lower than expected in 2010, which should be seen in the light of the squeeze brought on by the financial crisis in society as a whole. It should further be noted that the targets were set at a time when the universities' patenting activities had not yet found a realistic level.

Research-based public-sector consultancy**Indicator 39 – Awarded PhD degrees**

| | DC | Achieved |
|------|----|----------|
| 2006 | 34 | |
| 2008 | 44 | 30 |
| 2009 | 53 | 29 |
| 2010 | 60 | 22 |

Comments: The target for 2010 has not been achieved. In connection with the determination of the progression of the targets, due consideration has not been had of the fact that many PhD studies are extended due to maternity leave which postpones the time of completion. There has also been a delay in admission to the agricultural science graduate school, which affects the number of PhD degrees awarded in the contract term.

Indicator 40 – Income from public-sector consultancy

| | DC | Achieved |
|------|-------------|-------------|
| 2006 | 454,006,645 | |
| 2008 | 476,000,000 | 585,488,000 |
| 2009 | 502,000,000 | 592,916,000 |
| 2010 | 517,000,000 | 578,172,000 |

Comments: The target for 2010 has been achieved.

6.2. OVERVIEW OF ACTIVITY TYPES (DIVISIONAL FINANCIAL STATEMENTS)

| Income, DKK '000 | | All divisional financial statements | DFS1: General activities | DFS 2: Commercial activities | DFS 3: Forensic medicine | DFS 4 *: Grant-financed research | DFS 5: Other grant-financed activities |
|--------------------|---|-------------------------------------|--------------------------|------------------------------|--------------------------|----------------------------------|--|
| Finance Act grants | Full-time programmes | 1,171,539 | 1,171,539 | 0 | 0 | 0 | 0 |
| | Part-time programmes | 31,788 | 31,788 | 0 | 0 | 0 | 0 |
| | Exchange students | 10,287 | 10,287 | 0 | 0 | 0 | 0 |
| | Completion bonus | 119,967 | 119,967 | 0 | 0 | 0 | 0 |
| | Basic research | 1,873,857 | 1,873,857 | 0 | 0 | 0 | 0 |
| | Capital purpose | 5,325 | 5,325 | 0 | 0 | 0 | 0 |
| | Public-sector consultancy | 221,393 | 221,393 | 0 | 0 | 0 | 0 |
| | Other purposes | 139,300 | 139,300 | 0 | 0 | 0 | 0 |
| | Total Finance Act grants | 3,573,456 | 3,573,456 | 0 | 0 | 0 | 0 |
| | External funding | 1,483,957 | 0 | 0 | 0 | 1,441,068 | 42,888 |
| | Disposals and other operating income | 506,971 | 343,388 | 92,239 | 40,539 | 27,042 | 3,763 |
| | Total income | 5,564,384 | 3,916,844 | 92,239 | 40,539 | 1,468,111 | 46,651 |
| Costs | | | | | | | |
| Wages and salaries | Academic staff salary | 1,397,036 | 872,833 | 29,601 | 3,192 | 487,425 | 3,985 |
| | PhD salary | 421,083 | 266,107 | 247 | -18 | 154,043 | 704 |
| | Part-time academic staff salary | 198,343 | 183,236 | 719 | 0 | 11,329 | 3,059 |
| | Administrative/technical staff | 1,304,642 | 1,148,048 | 16,855 | 17,789 | 116,320 | 5,631 |
| | Part-time technical and administrative staff salary | 58,675 | 47,717 | 800 | 238 | 9,282 | 638 |
| | Other wages and salaries | 84,410 | 68,292 | 150 | 38 | 11,447 | 4,482 |
| | Total wages and salaries | 3,464,189 | 2,586,233 | 48,372 | 21,238 | 789,846 | 18,498 |
| | Total rent | 566,464 | 558,749 | 518 | 4,283 | 1,903 | 1,011 |
| | Other operating costs | | | | | | |
| | Operating costs ** | 2,666,916 | 1,902,887 | 30,459 | 11,089 | 686,583 | 35,900 |
| | Cost-cutting accounts ** | -1,321,821 | -1,254,431 | -4,532 | 0 | -55,045 | -7,813 |
| | - of which OH income | -245,993 | -245,792 | 0 | 0 | -202 | 0 |
| | Other total operating income | 1,345,096 | 648,457 | 25,927 | 11,089 | 631,538 | 28,087 |
| | Total depreciation | 114,329 | 64,670 | 279 | 3,928 | 45,437 | 15 |
| | Total costs | 5,490,078 | 3,858,109 | 75,096 | 40,538 | 1,468,724 | 47,611 |
| | Profit before net financials | 74,306 | 58,735 | 17,143 | 1 | -613 | -961 |
| | Financial income | 25,331 | 24,552 | 0 | 0 | 775 | 4 |
| | Financial expenses | 1,432 | 1,295 | -6 | 1 | 136 | 5 |
| | Net profit/loss for the year | 98,205 | 81,992 | 17,149 | 0 | 26 | -961 |

*) DFS4 includes DFS9 Activities on Greenland

***) Operating costs comprise internal purchases and internal transfers and the systematic accrual of overhead costs. The purpose of the cost-cutting accounts is to eliminate these items.

6.3. COSTS BROKEN DOWN BY PURPOSE

| DKKm | 2010 | 2009 |
|--------------------------------------|----------------|----------------|
| Research | 2,340.8 | 2,179.5 |
| Education | 1,291.5 | 1,191.6 |
| Dissemination and knowledge transfer | 177.6 | 165.3 |
| Public-sector consultancy | 311.9 | 305.2 |
| Other purposes | 1,369.1 | 1,432.2 |
| All purposes | 5,490.9 | 5,273.8 |

6.4. FINANCIAL AND OPERATING DATA

| no. | Financial and operating data | 2010 | 2009 |
|-----|---|---------|---------|
| | Income, DKKm | | |
| 1 | Education | 1,413.4 | 1,315.6 |
| 2 | Research | 1,873.9 | 1,792.2 |
| 3 | External funds | 1,647.5 | 1,534.6 |
| 4 | Research-based public-sector consultancy | 221.4 | 246.7 |
| 5 | Basic grants | 139.1 | 149.7 |
| 6 | Other income | 293.9 | 262.5 |
| | Costs in DKKm broken down by purpose | | |
| 7 | Research | 2,340.8 | 2,179.5 |
| 8 | Education | 1,291.5 | 1,191.6 |
| 9 | Dissemination and knowledge transfer | 177.6 | 165.3 |
| 10 | Public-sector consultancy | 311.9 | 305.2 |
| 11 | General management, administration and service | 444.4 | 428.6 |
| 12 | Buildings | 924.7 | 1,003.6 |
| | Staff (full-time equivalent) | | |
| 13 | Academic staff: | 3,417.9 | 3,204.3 |
| 14 | Academic staff (part-time) | 458.9 | 429.6 |
| 15 | Other full-time equivalents | 3,315.9 | 3,271.5 |
| | Balance sheet | | |
| 16 | Equity, DKKm | 779.6 | 675.6 |
| 17 | Balance sheet, DKKm | 3,188.8 | 3,027.4 |
| 18 | Buildings, total sq. m. | 613,863 | 627,847 |
| | Activity and production information | | |
| | Students | | |
| 19 | Number of admissions on the Bachelor's degree programme | 6,172 | - |
| 20 | Number of students on the Master's degree programme | 4,790 | - |
| 21 | Number of students enrolled as at 1.10. | 32,304 | 30,414 |
| 22 | Years of full-time study | 19,383 | 18,516 |

| | | | |
|---|--|-------|-------|
| Graduates | | | |
| 23 | Number of Bachelor's degree graduates | 3,486 | 3,185 |
| 24 | Number of Master's degree graduates | 3,256 | 3,407 |
| Open and part-time programmes | | | |
| 25 | Number of active FTEs | 1,526 | 1,474 |
| 26 | Graduates on full programmes (Master's degree, diploma degree) | 685 | 764 |
| Internationalisation | | | |
| 27 | Outgoing exchange students | 947 | 1,031 |
| 28 | Incoming exchange students | 1,255 | 1,083 |
| 29 | Exchange students on full programmes | 3,188 | 2,917 |
| PhD programmes | | | |
| 30 | PhD students enrolled | 1,822 | 1,610 |
| 31 | PhD intake | 574 | 475 |
| 32 | Approved PhD dissertations | 329 | 260 |
| Research and dissemination results | | | |
| 33 | Publications | 4,895 | - |
| 34 | Reported patents | 27 | 27 |
| 35 | Reported inventions | 57 | 52 |
| 36 | Number of projects with the business community | 2,526 | 1,963 |
| 37 | Number of external projects | 5,122 | 4,209 |
| 38 | Income from cooperation with business community, DKKm | 470.3 | 401.3 |

7. SINO-DANISH CENTER FOR EDUCATION AND RESEARCH (SDC)

The Ministry of Science and the eight Danish universities have launched a partnership to create new opportunities for students and researchers in realisation of the Ministry of Science's China strategy from 2008. The Sino-Danish Center for Education and Research (SDC) became a reality in April 2010 when the Chairman of Universities Denmark, Jens Oddershede, signed a partnership agreement on an intensive research and education collaboration with the Graduate University of Chinese Academy of Sciences (GUCAS) in Beijing on behalf of the eight Danish universities

At the same time, the Minister for Science, Charlotte Sahl-Madsen, signed an agreement with GUCAS on the construction of a dedicated building for SDC. This building, for which the Danish Industry Foundation has donated DKK 80 million, will be home to the education-related activities of the cooperation from the spring of 2013. An architectural competition for the construction of the building was announced in the autumn of 2010.

One of the objectives of establishing SDC is for Danish and Chinese research environments to generate new knowledge in the areas in which both nations already have strong competences. To begin with, focus will be placed on five general areas; however, in time new areas will be added. The five general areas are:

1. Water & Sustainable Environment
2. Renewable Energy
3. Nanoscience
4. Social Science
5. Life Science

With regard to research, the cooperation will be centred around specific research projects as well as cooperation between Danish and Chinese research environments on the training of young scientists through the establishment of actual PhD programmes.

It is expected that a number of Master's degree programmes within more of the five areas will be offered from September 2012. All students will receive double degrees in the form of a degree from GUCAS and one from a Danish university. Teaching will be offered by both Danish and Chinese lecturers and will take place in English. As the Master's degree programmes at SDC must be accredited in Denmark in accordance with the applicable legislation, it has required a great deal of resources for the SDC secretariat in 2010 to coordinate the work of the many institutions involved.

Since the partnership agreement was signed in 2010, a number of Danish scientists have visited research environments at GUCAS with a view to establishing contacts and discussing the opportunities for research and education cooperation. In August 2010, the first Danish scientist was sent to Beijing on a long-term research stay financed by SDC. Many more are expected to follow in the years to come.

SDC is a Sino-Danish project in which the parties are equal. SDC is organised with a Danish and a Chinese director. Secretariat functions have been established in both Denmark and in China, and these coordinate the work of the two countries. The Danish SDC secretariat is located at Aarhus University. SDC's organisation also includes a senior Sino-Danish board (Joint Managerial Committee) as well as a Danish board with a representative from each of the Danish universities. The Rector at Aarhus University, Lauritz B. Holm-Nielsen, is the chairman of the Danish board.

SINO-DANISH CENTER FOR EDUCATION AND RESEARCH
INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2010
BALANCE SHEET AS AT 31 DECEMBER 2010

| DKK '000 | Income statement | FS 2010 |
|----------|--|---------------|
| Note | | |
| | Non-current assets | |
| | Ordinary operating income | |
| | Grants for own operation over the Danish Finance Act | 1,930 |
| | External funds | 17,000 |
| | Sale of goods and services | 0 |
| | Total ordinary operating income | 18,930 |
| | Subsidies transferred to Danish universities | 575 |
| | Subsidies transferred to China | 0 |
| | Total funds transferred | 575 |
| | Ordinary operating costs | |
| | Consumption costs | |
| | Rent | 173 |
| | Other consumption costs | 71 |
| | <i>Total consumption costs</i> | 244 |
| | Staff costs | 2,133 |
| | Other ordinary operating costs | 1,404 |
| | Depreciation, amortisation and impairment losses | 0 |
| | Total ordinary operating costs | 4,356 |
| | Profit before net financials | 14,574 |
| | Net financials | |
| | Financial income | 0 |
| | Financial expenses | 0 |
| | Profit before extraordinary items | 14,574 |
| | Extraordinary items | |
| | Extraordinary income | 0 |
| | Extraordinary costs | 0 |
| | Net profit for the year | 14,574 |
| | Balance sheet | |
| | Assets | |
| | Balance, AU | 15,202 |
| | Total assets | 15,202 |
| | Liabilities and equity | |
| | Balance end of 2009 | 628 |
| | Funds paid by partners 2010 | 18,930 |
| | Use of funds paid by partners 2010 | -4,356 |
| | Funds available for future activities, end of 2010 | 15,202 |
| | Total liabilities and equity | 15,202 |

The above activities have been included in the financial statements for Aarhus University

Abbreviations

| | | |
|-----|---|---|
| HUM | = | The Faculty of Humanities |
| SUN | = | The Faculty of Health Sciences |
| SAM | = | The Faculty of Social Sciences |
| TEO | = | The Faculty of Theology |
| NAT | = | The Faculty of Natural Sciences |
| DJF | = | The Faculty of Agricultural Sciences |
| DMU | = | The National Environmental Research Institute |
| ASB | = | The Aarhus School of Business |
| DPU | = | The Danish School of Education |
| HIH | = | The Institute of Business and Technology in Herning |

2010 Annual report

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All publications are available at www.au.dk – See the menu item "Information material".

For printed publications, please contact AU Communication:

Telephone: +45 8942 2340

Fax: +45 8942 2333

E-mail: info@au.dk

Web: www.dk/info





AARHUS UNIVERSITY
Nordre Ringgade 1
DK-8000 Aarhus C

Tel: +45 8942 1111
Fax: +45 8942 2333

E-mail: au@au.dk
www.au.dk/arsr2010