

ANNUAL REPORT 2021



AARHUS UNIVERSITY



CONTENTS

1. Statement by the management and auditors' report.....	3
1.1 Statement by the management on the annual report.....	3
1.2 Independent auditors' report	4
2. Report	6
2.1.1 Management.....	6
2.1.2 Strategic overview	7
2.1.3 Key figures	9
2.1.4 Financial highlights	10
2.2 Management's report.....	12
2.3 Outlook for the coming year.....	19
2.4 Financial review	20
2.4.1 Special subsidies	22
2.5 Performance reporting.....	23
3. Financial statements	27
3.1 Accounting policies.....	27
3.2 Income statement 1 January - 31 December.....	31
3.3 Balance sheet as at 31 December	32
3.4 Cash flow statement.....	33
3.5 Statement of changes in equity.....	33
3.6 Notes to the financial statements	34
3.7 Special specifications	40
4. Sino-Danish Center for Education and Research.....	42
Colophon	44

1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

1.1 STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

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

The annual report has been prepared in accordance with the Danish Act on Audit of State Accounts, etc., Ministerial Order No. 116 of 19 February 2018 on State Accounting etc., the Ministry of Finance's Economic Administrative Guidelines, Danish (Consolidation) Act no. 778 of 8 August 2019 on Universities (University Act), Ministerial Order No. 1957 of 15 October 2021 on the Funding and Audit etc. of Universities, as well as the Danish Agency for Higher Education and Science's guidelines for the preparation of the annual report.

In accordance with section 39(4) nos.1-3 of Ministerial Order No. 116 of 19 February 2018 on State Accounting, it is hereby confirmed:

- 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 of and reporting on targets in the annual report are adequate.
- that the financial transactions included in the financial statements are consistent with the reported grants, legislation and other provisions, as well as agreements made and general practice.
- that procedures have been set up to ensure financially efficient administration of the funds and the operations of the institutions covered by the annual report.

Aarhus, 7 April 2022



Brian Bech Nielsen
Rector



Arnold Boon
University Director



Berit Eika
Pro-rector

BOARD



Connie Hedegaard
Chair



Carsten Bjerg
Alternate



Caroline Søbørg Ahlefeldt



Peter Balling



Anne Skorkjær Binderkrantz



Jørgen Carlsen



Jens Peter Christensen



Mikkel Grøne



Uffe Pilegaard Larsen



Jonathan Sebastian Rossen



Astrid Söderbergh Widding

1.2 INDEPENDENT AUDITORS' REPORT

To the Board of Aarhus University

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Aarhus University for the financial year 1 January - 31 December 2021. The financial statements comprise the accounting policies, income statement, balance sheet, cash flow statement, statement of changes in equity, notes and special specifications. The financial statements are prepared in accordance with Ministerial Order No.116 of 19 February 2018 on State Accounting, the Ministry of Finance's Economic Administrative Guidelines, Ministerial Order No. 778 of 8 August 2019 of the Danish Act on Universities, Ministerial Order No. 1957 of 15 October 2021 on the Funding and Auditing etc. of Universities, as well as the Danish Agency for Higher Education and Science's guidelines for the preparation of the annual report (hereinafter referred to as 'government accounting rules').

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

Basis of Opinion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, whereby the audit is performed on the basis of Ministerial Order No. 1957 of 15 October 2021 on the Funding and Auditing etc. of Universities. Our responsibility according to these standards and requirements is described in more detail in the auditor's report, in the section 'The auditor's responsibility for the audit of the financial statements'. We are independent of the university in accordance with International Ethics Standards Board of Accountant's guidelines (IESBA Code) and the additional ethical requirements applicable in Denmark, just as we have fulfilled our other ethical obligations under these requirements and the IESBA Code. In our opinion, the audit evidence obtained is sufficient and provides a suitable basis for our opinion.

Management's responsibility for the financial statements

The management is responsible for preparing financial statements which are correct in all material respects, i.e. prepared in accordance with the government accounting rules. The management is also responsible for such internal controls as the management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In connection with the preparation of the financial statements, the management is responsible for assessing the university's ability to continue as a going concern; for providing information on matters relating to its continued operations, where relevant; and for preparing financial statements based on a going concern principle, unless the management either intends to liquidate the university or to cease operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our goal is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, cf. Ministerial Order no. 1957 of 15 December 2021 on the Funding and Auditing etc. of Universities, will always identify material misstatements, when they exist. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, see Ministerial Order no. 1957 of 15 June 2021 on the Funding and Auditing etc. of Universities, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the appropriateness of the accounting policies applied by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
- Conclude whether the management's preparation of the financial statements on a going concern basis is appropriate, and whether, based on the audit evidence obtained, material uncertainty exists related to events or matters which may cast significant doubt on the university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on information available to us as of the date of the auditor's report. Future events or conditions may, however, cause the university to cease to continue as a going concern.

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

Auditor's statement on the management's report and Sino-Danish Center For Education Research

Management is responsible for the management's report, pages 6-26, and the report on Sino-Danish Centre for Education and Research, pages 42-43.

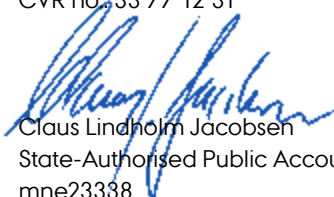
Our opinion on the annual financial statements does not comprise the management's report and the report on the Sino-Danish Center for Education and Research, and we have not expressed any opinion on the management's report and the report on the Sino-Danish Center for Education and Research.

In connection with our audit of the financial statements, it is our responsibility to read the management's report and the report on the Sino-Danish Center for Education and Research, and in this regard to consider whether the management's report and the report on the Sino-Danish Center for Education and Research are materially inconsistent with the financial statements or any knowledge obtained by us during the audit, or in any other way appear to contain material misstatement.

Aarhus, 7 April 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no.: 33 77 12 31



Claus Lindholm Jacobsen
State-Authorised Public Accountant
mne23338

Our responsibility is furthermore to consider whether the management's report and the Sino-Danish Center for Education and Research contain the information required in accordance with the government accounting rules.

Based on the work performed, it is our opinion that the management's report and the report on the Sino-Danish Center for Education and Research are in accordance with the financial statements and have been prepared in accordance with the requirements set out in the government accounting rules. We have not found any material misstatement in the management's report and the report on the Sino-Danish Center for Education and Research.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

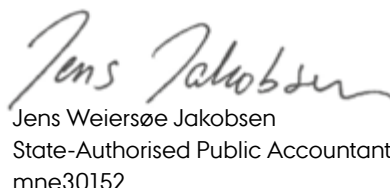
Statement on legal-critical audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting are consistent with the reported grants, legislation and other provisions as well as agreements made and general practice; and that due financial consideration has been given to the administration of the funds and the operations which are covered by the financial statements. In this respect, management is responsible for establishing systems and processes that support financial prudence, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility, in accordance with generally accepted public auditing standards, to select relevant items for both compliance audit and performance audit purposes. In our compliance audit, we test the selected items to obtain reasonable assurance as to whether the tested transactions covered by the financial reporting are consistent with the relevant provisions in grants, legislation and other regulations, as well as agreements made and customary practice. In our performance audit, we assess with reasonable assurance whether the tested systems, processes or transactions support due financial concerns in relation to the management of the assets and operations of the entities covered by the financial statements.

If, on the basis of the work that we have performed, we conclude that there is a material misstatement of this information, we are required to report on this.

We have no significant critical comments to report in this respect.



Jens Weiersøe Jakobsen
State-Authorised Public Accountant
mne30152

2. REPORT

2.1.1 MANAGEMENT

Institution	Aarhus University Nordre Ringgade 1 8000 Aarhus C, Denmark Tel.: +45 87 15 00 00 Email: au@au.dk CVR: 31119103 Financial year: 1.1.2021 - 31.12.2021 Registered in: Aarhus
University Board 2021	Connie Hedegaard, chair Carsten Bjerg, alternate Caroline Søeborg Ahlefeldt Peter Balling, employee representative (academic staff) Anne Skorkjær Binderkrantz, employee representative (academic staff) Jørgen Carlsen Jens Peter Christensen Uffe Pilegård Larsen, employee representative (technical and administrative staff) Mikkel Grøne, student representative Hanna-Louise Schou Nielsen, student representative Astrid Söderbergh Widding
Management 2021	Brian Bech Nielsen, rector Berit Eika, pro-rector Arnold Boon, university director Lone Ryg Olsen, director of enterprise and innovation Johnny Laursen, dean (Arts) Thomas Pallesen, dean (Business and Social Sciences) Lars Bo Nielsen, dean (Health) (until 31.7.2021) Hans Erik Bøtker, acting dean (Health) (1.8 - 30.11.2021) Anne-Mette Hvas, dean (Health) (from 1.12.2021) Kristian Pedersen, dean (NAT) Eskild Holm Nielsen, dean (TECH)
Bank	Danske Bank
Auditors	Danish National Audit Office Landgreven 4 DK-1301 Copenhagen K
Institutional auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C, Denmark

2.1.2 STRATEGIC OVERVIEW

Aarhus University is a strong university that is internationally recognised for the high quality of its research, research-based degree programmes and public sector government consultancy, in addition to value-creating collaboration with private businesses, public sector institutions and civil society. The curiosity-driven creation of knowledge rooted in strong disciplines to benefit society has been at the core of the university since its founding in 1928.

Aarhus University's academic portfolio ranges from the classic university disciplines of the humanities, natural sciences, social sciences, health sciences and theology to business and engineering, educational theory and practice and the environmental and agricultural sciences. The range gives the university a unique opportunity to combine strong disciplines to forge research breakthroughs, and to establish close collaboration with many sectors to benefit society as a whole.

Research is the foundation of Aarhus University's work, including what is perhaps the university's most important task: to educate students and to give them access to new knowledge through research-based degree programmes that also develop their characters, creativity, independence and cooperation skills. In the eyes of the university, students and graduates are the most important bearers of the university's knowledge. For this reason, it is important that they – along with the university's academic staff – take responsibility during and after their studies for bringing their knowledge into play and thus contributing to a sustainable society and an informed democracy. The university has a broad understanding of sustainability and contributes to global cooperation on the UN Sustainable Development Goals.

Realising Strategy 2025 requires that the university remains an attractive place to work that continuously develops the quality of its work environment and study environment. The university's ambition is to be an inspiring framework for all staff and students. To succeed in this, the university must ensure that opportunities and development are available to all, as well as ensuring staff and student involvement and visible, accessible leadership.

AARHUS UNIVERSITY'S VISION

Aarhus University's vision is to be a research-intensive university that aspires to the highest international quality and excels in creating value through knowledge, new insights and collaboration, in addition to facilitating connections between Denmark and the world.

The vision emphasises Aarhus University's consistent ambition to ensure that research activities meet the highest international standards, thereby forming a solid foundation for all of the university's other activities such as education, public sector consultancy, collaboration and knowledge dissemination.

The vision demands that the university applies its academic strength and breadth and its international position to generate value for society, both in Denmark and internationally. In the context of this strategy, value should be understood in a broad sense, including the social, economic and cultural development of society as a whole. Thus value cannot be construed solely as a question of contributing to economic growth, since the university's role is also to develop critical, constructive dialogue and to frame human existence within a larger context, as well as to contribute to democratic development and a sustainable future.

New advances and breakthroughs in knowledge are generated through free and independent research both within and across individual disciplines. In recognition of this, the university will both attract international researchers and cultivate its own research staff, whether they be established researchers, promising junior researchers or talented PhD students.

The university is one of the cornerstones of society, and its students, graduates and researchers help shape the society of the future through the knowledge they bring into play, from popular research communication to the general public, to research-based public sector consultancy and participation by researchers in government commissions and councils.

Collaboration is absolutely crucial in this strategy. Specifically, the university's goal is to strengthen collaboration: across disciplines; with private sector and public sector institutions; and in promoting innovation. In this way, the university can increase the value of its contribution to society while at the same time maintaining its position at the vanguard of the needs of the society of the future.

What drives Aarhus University's international collaboration is the vision of working to connect Denmark to the global society through the university's activities. With their strong tradition for international collaboration, the universities have a special responsibility to take the lead at a time in which international collaboration is facing political challenges, and in which the need

to work together to find solutions to global societal challenges is greater than ever. Thus the university wants to promote a global exchange of knowledge and talent.

Democracy and sustainability are central themes in the university's vision for 2025. One of the university's tasks is to contribute to a democracy in which opinions are debated and decisions are made on an informed basis and on the background of the latest knowledge. One of the greatest challenges facing society is the transition to sustainable development. In this context, the university's task is to contribute solutions through research, education and collaboration. The ongoing digital transformation will also have a decisive impact on society in the years to come. Here too, the university must contribute both to driving development and studying its effects on society.

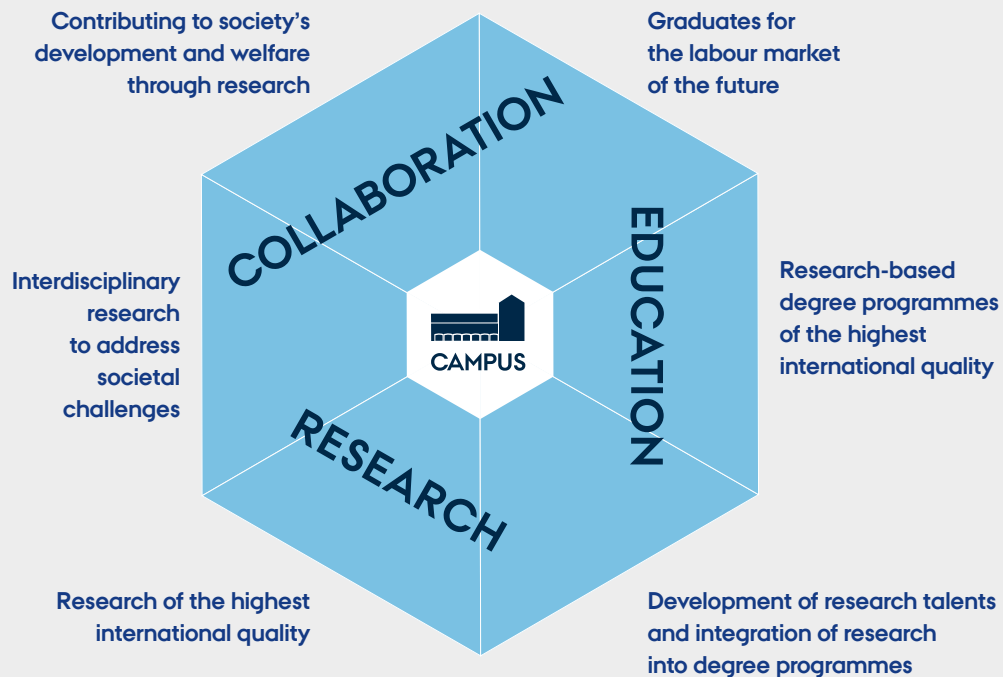
The outset of the vision is that Aarhus University is a genuine international campus university with vibrant campuses where students, staff and external partners meet in close collaboration. The university's main campus in Aarhus is already recognised internationally for its distinctive architecture and urban location. In the coming years, the university will develop and rethink both its

main and satellite campuses, developing them into even more vibrant, engaging and innovative study, research and work environments of the highest international calibre that are operated and developed sustainably. The university's vision for its own sustainable operation and development is described in its climate strategy, which supports the overall vision for 2025.

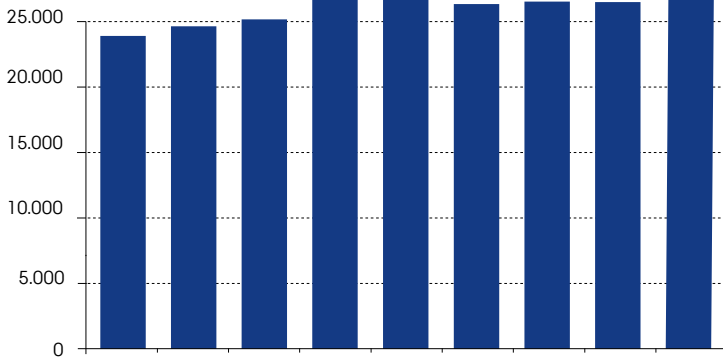
The vision for Strategy 2025 is a manifestation of Aarhus University as a research-intensive university that aspires to the highest international quality and excels in creating value through knowledge, new insights and collaboration. The vision also emphasises the university's international commitment to bridge between Denmark and the international community. The six core activities of Aarhus University are defined in the university's mission in the strategy, and are reproduced in the figure below.

The core activities are categorised under the three main headings research, education and collaboration, and they all include specific strategic goals, sub-goals and initiatives to support the overall goal to ensure the highest international quality within the core activities.

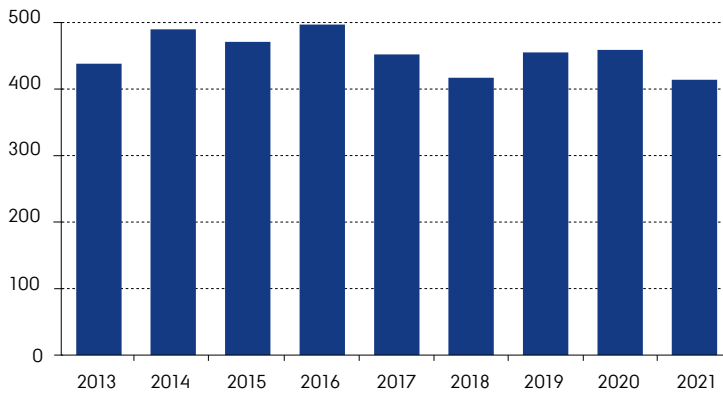
Figure. Aarhus University's mission



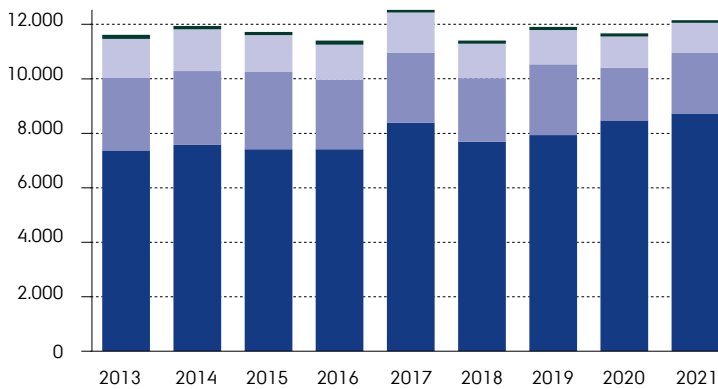
2.1.3 KEY FIGURES



**Student FTEs,
student full-time equivalents**

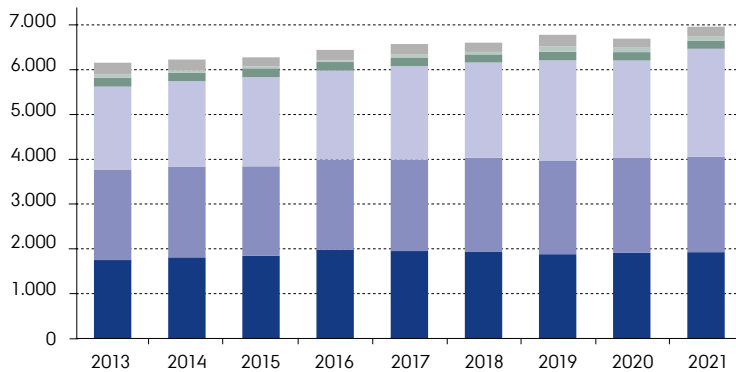


PhD degrees awarded



Publications

- Teaching publications
- Research dissemination publications
- Reviews, editorials, conference papers, scientific reports, etc.
- Articles, books and contributions to books



AU's total income, by purpose, DKK mill.

- Other income
- Other government subsidies
- Research-based public sector consultancy
- External funding
- Research
- Education

2.1.4 FINANCIAL HIGHLIGHTS

No.	Financial highlights	2021	2020	2019	2018	2017
Income statement (DKK mill.)						
1	Government subsidies	4,246	4,237	4,191	4,168	4,153
2	Other subsidies	2,245	1,986	2,052	1,949	1,900
3	Sales of goods and services	348	335	369	359	349
4	Other revenues	97	103	116	120	132
5	Total operating income	6,936	6,662	6,728	6,596	6,534
13	Staff costs	4,681	4,536	4,407	4,236	4,100
14	Rent	661	661	676	656	640
15	Depreciation, amortisation, write-downs and impairment losses	158	151	143	139	147
16	Losses in connection with the sale of buildings and impairment on buildings for sale	0	0	2	0	2
17	Other operating costs	1,456	1,349	1,502	1,574	1,617
18	Other operating costs, total	6,955	6,698	6,730	6,606	6,508
19	Profit/loss before financial items and extraordinary items	-19	-36	-2	-10	26
20	Profit/loss for the year	14	0	51	-2	68
Balance sheet (DKK mill.)						
21	Non-current assets*	1,364	1,278	1,246	1,169	1,171
22	Balance sheet total	5,333	5,266	4,791	4,438	4,320
23	Equity	924	909	958	907	915
24	Long-term liabilities	518	495	463	433	391
Accounting key figures (per cent)						
25	Profit margin	0.21%	0.00%	0.76%	-0.04%	1.03%
26	Liquidity ratio	111.73%	128.26%	129.65%	132.37%	130.76%
27	Solvency ratio	17.32%	17.27%	19.99%	20.43%	21.18%
28	Funding ratio	0.96%	1.15%	1.35%	1.62%	1.80%
29	Debt factor	0.18%	0.21%	0.25%	0.28%	0.32%
Staff (full-time equivalents)						
30	Academic staff	4,402	4,175	4,129	4,009	3,902
31	Part-time academic staff	325	341	367	377	397
32	Technical/administrative staff	3,563	3,489	3,544	3,486	3,526
33	Staff full-time equivalents, total	8,290	8,005	8,040	7,872	7,825
Active enrolment- Ordinary study programmes						
34	Theory - student FTEs	26,996	26,475	26,521	26,341	26,842
35	Internship - student FTEs	0	0	0	0	0
36	Student FTEs with subsidies from other ministries	176	182	179	182	209
37	Student FTEs on ordinary degree programmes, total	27,172	26,657	26,700	26,523	27,051
38	Number of admissions to academy profession degree programmes.	10	15	16	18	12
39	Number of admissions to professional Bachelor's degree programmes	989	1,019	1,047	1,193	1,165
40	Number of admissions to Bachelor's degree programmes	6,554	7,187	6,815	7,018	6,989
41	Number of admissions to Master's degree programmes	5,767	5,771	5,925	5,898	5,767
42	Number of admissions to other ordinary degree programmes	0	0	0	0	0
43	Total number of enrolled students on ordinary degree programmes	32,543	33,027	32,630	32,602	32,451
44	Number of graduates from academy profession degree programmes	16	16	12	10	13
45	Number of graduates from professional Bachelor's degree programmes	825	697	659	589	565
46	Number of Bachelor's degree graduates	4,974	3,956	3,966	3,923	3,803
47	Number of Master's degree graduates	5,229	4,987	5,045	5,203	5,917
48	Number of graduates from other ordinary programmes	0	0	0	0	0

No.	Financial highlights	2021	2020	2019	2018	2017
Actively enrolled – part-time degree programme/open education						
49	Student FTEs, part-time degree programme/open education, higher education degree programmes	505	492	591	627	661
50	Student FTEs, part-time degree programme/open education, non-tertiary/other programmes	344	342	367	403	481
51	Student FTEs, part-time degree programme/open education, total	849	834	958	1,030	1,142
Course activities - income-generating activities (DKK mill.)						
52	Course activities - income-generating activities, revenues**	20	-	-	-	-
Internationalisation						
53	Number of outgoing students (exchange students)	664	1,128	1,487	1,405	1,409
54	Number of incoming students (exchange students)	612	636	996	1,090	1,055
55	Number of foreign exchange students on full programmes in Denmark	2,786	2,717	2,790	2,962	2,913
PhD programmes						
56	Number of PhD students enrolled	1,894	1,840	1,820	1,851	1,798
57	Number of newly enrolled PhD students	516	549	491	490	507
58	Number of approved PhD dissertations	414	459	455	417	452
Research and communication						
59	Number of research publications***	7,206	6,854	6,949	6,605	5,823
60	Number of reported patents	17	28	20	24	19
61	Number of reported inventions	69	72	80	68	54
62	Number of projects with business and industry	2,710	2,616	2,713	2,474	2,358
63	Number of external projects	5,138	5,045	5,038	4,699	4,720
64	Revenues from cooperation with business and industry (DKK mill.)	962	831	790	690	574
Buildings						
65	Buildings, total (gross area in m ²)	697,196	700,848	707,642	685,770	695,132

* Non-current assets including investments from 2021.

** It has not been possible to separate course activities until 2021.

*** Research publications are published with a one-year delay. The number for a given year therefore pertains to the previous year.

Note: Sum discrepancies can occur on last digits due to rounding.

2.2 MANAGEMENT'S REPORT

Assessed on the basis of key figures and realisation of strategic objectives, 2021 has been a particularly satisfactory year for Aarhus University. The coronavirus pandemic, however, significantly impacted the university's activities in 2021, with a long lockdown and staff and students working from home during spring, followed by a controlled reopening after the summer holidays, before the year ended with a wide range of restrictions. The senior management team considers that employees and students handled the situation impressively and converted research, teaching and exam activities, etc. to suit the circumstances. However, the senior management team also acknowledges that it may be necessary to address the consequences for students and the study environment in the future.

During 2021, Aarhus University made a significant contribution to how society managed the coronavirus pandemic. A number of Aarhus University's researchers contributed basic research about Covid-19. They helped inform the public about the pandemic and put its consequences into perspective. This applies to questions about the virus and its treatment, infection trends, socio-economic consequences, how daily behaviour is affected by restrictions, etc. Researchers from the university have also been part of expert committees that advised the government during the year. Researchers also contributed through a significant increase in a number of expert statements covering topics ranging from politics to economics and health.

At the end of the year, Aarhus University submitted a draft institutional plan to the parties behind the political agreement on more and better educational opportunities throughout Denmark. The overall political objective of the agreement is to reduce the number of student places in the four big cities and create more student places in other cities and areas of Denmark. The campus mentality is central to Aarhus University's strategy and identity, and therefore, in its approach to the political task, the university has maintained that the relocation of study programmes should be to existing campuses in Herning and Viborg. Students and researchers must experience a high degree of professional excellence and a thriving student life. At the same time, a number of student places and programmes at the university's campuses in Aarhus and Emdrup will be downsized and closed, and the institutional plan proposes a total reduction and relocation corresponding to six per cent of the university's total admissions in Aarhus and Emdrup. The time frame for the institutional plan runs until 2030. Political negotiations began at the start of 2022 and these will ultimately result in the final plan for Aarhus University and the other universities. The plan is expected to be an appendix to the strategic framework contract for 2022-25.

Shortly before Christmas 2021, a new strategic framework contract was signed for the period 2022-2025 between the Minister for Higher Education and Science and Aarhus University. The framework contract is based on the university's Strategy 2025, and is thus an integral part of the university's implementation of the strategy. The framework contract was drawn up following an extensive consultation process at the university.

In the spring, Aarhus University was heavily criticised by the Danish Agency for Higher Education and Science with regard to freedom of information requests received following the so-called 'beef-report case' in 2019. The agency criticised delays in releasing documents, and the incomplete reports that were submitted to the agency. Aarhus University agreed with the criticism and has established procedures to deal with freedom of information requests correctly in the future.

2021 was the first full year of Aarhus University's climate strategy 2020-2025. Across the university, 68 activities were launched as part of the 2021 climate action plan. Of these, 54 have reached their targets or are close to reaching their targets. Completed activities include energy optimisation of buildings, preparation of a draft travel policy including climate considerations, procurement of electric cars and shared car fleets, and a nudging campaign to promote cycling to and from the workplace. The university is also part of Climate Alliance Aarhus, which focuses on circular procurement and climate-friendly workplaces. Aarhus University's climate accounts for 2020 show that the university's CO₂ emissions decreased by 44% from 2019 to 2020. However, a significant portion of that reduction was due to the coronavirus pandemic.

In collaboration with Forskningsfondens Ejendomsselskab A/S, Aarhus University continued developing a unified and city-integrated main campus in Aarhus during 2021, specifically the campus areas of the University City and Katrinebjerg. At the turn of 2022, the first major relocation to the University City took place when the Department of Molecular Biology and Genetics moved into 23,000 m² newly renovated premises in the old hospital buildings.

Lars Bo Nielsen resigned from his position as the dean of the Faculty of Health on 1 August 2021, and Anne-Mette Hvas was appointed as the new dean of the faculty on 1 December 2021. Anne-Mette Hvas was previously the deputy head of the Department of Clinical Medicine at AU and a consultant at the Department of Clinical Biochemistry at Aarhus University Hospital.

FINANCIAL RESULTS AND PERFORMANCE REPORTING

Aarhus University ended 2021 with a surplus of DKK 14 million. The budget had included an expected DKK 48 million deficit. Total revenues were DKK 21 million less than budgeted, while costs were DKK 69 million lower than budgeted. Financial items, on the other hand, were DKK 14 million more than budgeted. The budget variances reflect the operational uncertainties caused by the coronavirus pandemic throughout the majority of 2021.

2021 was the fourth and final year of Aarhus University's strategic framework contract with the Minister for Higher Education and Science. The framework contract is described in detail in section 2.5 of the annual report. Aarhus University assesses that the university has achieved the goals of the strategic framework contract. The only exception relates to goal 6 regarding research-based public sector consultancy, which, due to continued cutbacks in the area, has only been partially met.

RESEARCH AND TALENT DEVELOPMENT

Aarhus University is a research-intensive university, striving for the highest international quality. Excellent basic research is a cornerstone of Aarhus University's activities, because basic research generates new knowledge and insights to benefit society. Moreover, excellent basic research is the foundation of the university's other core activities and it is an important prerequisite for attracting competitive research funding.

Talent and career development - gender equality and diversity

The university's strong position within research depends on its ability to recruit and retain talented researchers, from tenure-track assistant professors to professors. Therefore, the university has consistent focus on improving the quality of its recruitment processes, including focus on ensuring diversity. These efforts are based on the university's code of practice for recruitment and, in 2021, efforts were supported by a workshop series for all levels of management on gender equality, diversity and unconscious bias (cf. Action Plan for Gender Equality 2020-22).

In 2021, the university's graduate schools received an outstanding international evaluation of their ability to train talented researchers. Most PhD graduates do not continue in academia after completing their PhDs, and therefore the university has launched pilot projects to study how to create an even better transition to both the public and the private labour markets.

Responsible conduct of research

For a number of years, Aarhus University has focused on responsible conduct of research and the freedom of research in research and teaching programmes, as these are fundamental to the credibility of research.

In 2021, focus was on facilitating local dialogue about responsible conduct of research and freedom of research in research and teaching programmes themselves. The departments therefore held workshops on research integrity centred on themes that they determined were particularly relevant.

Use of external research funds and attracting new grants in 2021

Aarhus University's focus on securing and utilising external research funds in 2021 has resulted in an almost 12 per cent increase in real terms in *utilisation* of external research funding compared with 2020. There has been increased utilisation of funding from all sources; Danish public and private sources, as well as EU and other foreign sources. At the same time, the proportion of funding from private Danish foundations continued to increase (40 per cent), and the proportion of funding from public-sector Danish foundations continued to decrease (41 per cent). EU sources accounted for 14 per cent of funding.

Competition between Danish and international universities for new external research grants is constantly intensifying. This is particularly evident under the EU framework, from which Aarhus University has received considerable funding over the years. Under the previous framework programme for research and innovation, Horizon 2020, which expired in 2020, Aarhus University secured a total of DKK 1,626 million over a seven-year period. This corresponds to an average of DKK 232 million a year and a success rate of 15.5 per cent. The new framework programme for research and innovation, Horizon Europe, was launched in 2021. The start-up process led to significant delays for a number of grants, including several prestigious ERC grants from the European Research Council that have not yet been awarded.

The preliminary number of grants secured by Aarhus University in 2021 has fallen by 21 per cent, corresponding to DKK 654 million less than in 2020. Note that 2019 and 2020 were favourable years for Aarhus University with regard to securing funding, and that the total amount awarded in 2021 has not yet been consolidated. The decline in funding is therefore expected to be less than currently projected. Funding awarded by private Danish foundations has increased significantly. However, there has been a decline in Danish public funding, primarily from the Danish National Research Foundation. The number of grants awarded by the foundation varies greatly from year to year, and in 2020, the foundation awarded a particularly high number of grants due to the coronavirus pandemic. Finally, the transition from one framework programme to another has likely caused a transient decline in EU funding. The university is closely monitoring developments within research funding.

Major new grants

Several major initiatives and grants have enabled research programmes from Aarhus University and their collaboration partners at other universities to carry out research into significant

societal challenges, the scope and complexity of which often require collaboration across academic disciplines.

The Novo Nordisk Foundation CO₂ Research Center is to be established with a grant of DKK 630 million from the Novo Nordisk Foundation (NNF) and based at Aarhus University at the faculties of Natural Sciences and Technical Sciences. Research conducted at the new centre will focus on reducing CO₂ in the atmosphere by developing and implementing new technology. The centre will collaborate with a number of Danish and international partners

In its Strategy 2025, Aarhus University committed itself to providing interdisciplinary research to benefit society and address societal challenges. Three interdisciplinary centres will therefore be established. Initial funding will be provided by the university's strategic development funds. The centres will later be supported by funding from private foundations and the EU.

The Platform for Inequality Research at Aarhus University (PI-REAU) was established collaboratively by Aarhus BSS and Health. Inequality is a growing and complex societal challenge, not least because different types of inequality, e.g. financial and health inequality, often appear simultaneously and exacerbate each other. The centre will therefore launch research projects focusing on the interplay between different types of inequality.

The eight Danish universities will work together to establish the second centre, a national centre for the green transition of food production and agriculture, with Aarhus University as one of the power houses. The Centre for Sustainable Agrifood Systems (START) is expected to open in early 2022, and the centre will focus on solutions and strategies to help achieve Denmark's ambitious 70% reduction target by 2030, as well as its environmental and biodiversity targets in line with the international objectives. The centre will position Denmark at the leading edge of the European green transition of the agricultural sector through collaboration, research and living laboratories.

The third research centre, Shaping Digital Citizenship (SHAPE), will focus on active citizenship and democracy in the digital age. Projects will be centred on the ramifications of living in a digital society. The centre will be led by Arts, with participation by researchers from Natural Sciences and Aarhus BSS. Researchers from additional faculties will be able participate in the future, just as SHAPE will also seek out collaborations with public authorities, civil society and businesses.

Research environments from all five faculties participated in corona-related projects during the year. Research has focused on understanding the pandemic and its spread, developing treatment options and understanding the societal consequences for citizens and for the democracy in society in a broad sense. Grants have been obtained from a number of sources. For example, researchers from the Department of Clinical Medicine

received a grant of DKK 103 million from the Ministry of Health for the ENFORCE research project to study the effects of vaccines. The project was launched by the Danish Medicines Agency and is being headed by Rigshospitalet and Aarhus University/University Hospital.

In 2021, three private foundations awarded large sums to six individual researchers. Professors Nanna Brix Finnerup and Per Borghammer from the Department of Clinical Medicine, and Professor Søren Riis Paludan from the Department of Biomedicine were each awarded an LF Professorship by the Lundbeck Foundation. In total, they will receive more than DKK 94 million for their groundbreaking brain research. Professor Milena Corredig from the Department of Food Science has been awarded a DKK 30 million Villum Investigator grant for her research on securing food processes in the future. Professor Anja-Verena Mudring from the Department of Chemistry has received a DKK 40 million grant for research on nanotechnology. Both grants were awarded by the Villum Foundation. Professor Simon Calmar Andersen from the Department of Political Science has received a DKK 20 million grant from the Novo Nordisk Foundation. The grant funds research on how to upscale an initiative aimed at parents to help their children learn to read; an initiative that would benefit thousands of children across Denmark.

Awards

In 2021, researchers from Aarhus University received prizes and awards for their research. To mention a few:

One of Scandinavia's most prestigious research honours, the Anders Jahre Medical Prize awarded by Oslo University, was conferred on Professor Poul Nissen from the Department of Molecular Biology and Genetics. The prize was awarded in recognition of Professor Nissen's research on the structure and function of membrane proteins. His work has advanced our understanding of a variety of diseases, including cancer, cardiovascular diseases and psychiatric disorders.

Professor Dorthe Berntsen from the Department of Psychology received the Carlsberg Foundation Research Prize for her memory research and for being an interdisciplinary role model. Her basic research on autobiographical memory has contributed to a variety of fields, including our understanding of disorders such as dementia, depression and post-traumatic stress disorder.

Professor Signe Normand from the Department of Biology received one of the five Elite Research Prizes awarded by the Ministry of Higher Education and Science each year. The prize was awarded in recognition of her research on the spread and dynamics of plants over time and space. Her original and innovative study describes how climate and environmental changes affect various plant species over time, space and scale.

Professor Jens-Christian Svenning from the Department of Biology received the Villum Kann Rasmussen Annual Award of

DKK 5 million for his significant contribution to technical and scientific research. The award is given by the Villum Foundation. Jens-Christian Svenning conducts research into the biodiversity and the dynamics of ecosystems to reveal the factors that shape, threaten and safeguard biological diversity on Earth.

Professor Preben Bo Mortensen from the Department of Economics and Business Economics received Aarhus University's own award, the Rigmor and Carl Holst-Knudsen Award for Scientific Research for his research on the causes of mental illness. Professor Isabelle Torrance from the School of Communication and Culture received the new Victor Albeck Award from Aarhus University for her interdisciplinary research within classical and modern literature.

DEGREE PROGRAMMES

Portfolio of degree programmes

In its Strategy 2025, Aarhus University affirmed its goal to develop its portfolio of degree programmes. In 2021, a great deal of effort was spent looking into the possibilities of establishing a degree programme in veterinary medicine in Foulum near Viborg. Technical Sciences already has a high-quality research environment in Foulum, which could provide a strong foundation for a veterinary medicine programme if this is financially viable. Within the area of further education, Technical Sciences was prequalified in 2021 for a new Master's degree programme in sustainable construction. Beginning in 2023, the programme will meet the industry's demand for competences within (project) management for sustainability in construction projects.

In September 2021, Natural Sciences applied for pre-qualification of an Erasmus Mundus Master's Degree in Quantum Technologies and Engineering. One of the objectives of the programme is to educate a new generation of students to exploit quantum-mechanical phenomena in technological development.

Although language skills are important to Denmark's trade with the outside world, applications for German and French programmes are declining nationally. Aarhus University will work to reverse this trend in 2022, with help from the DKK 11 million allocated by the Danish Parliament to boost the university's German and French degree programmes.

Recruitment and commencement of studies

A total of 7,243 new students were offered places on Bachelor's programmes in 2021; approximately 250 fewer (3 per cent) than last year. This should be seen in the light of the fact that Aarhus University offered 539 extra places in 2020 at the request of the Government, so that more people could replace their gap year with a degree programme due to the pandemic. This meant that some young people began their studies one year earlier than planned, and as the number of school-leavers is currently decreasing, intake in 2021 is considered satisfactory. Intake on the MSc programmes increased by 1 per cent compared with the previous year.

The coronavirus pandemic is in all likelihood also the reason for the increase in 2021 in the difference between the number of places offered and the number of students admitted as at 1 October. The phenomenon of applicants with good grades choosing a gap year rather than studying is very probably caused by the coronavirus pandemic.

Bachelor's and Master's degree students

- 32,662 students enrolled
- 28,184 applications
- Bachelor's degree programmes: 6,554 admissions, 4,974 graduates
- Master's degree programmes: 5,767 admissions, 5,229 graduates

As mentioned, 2020 was a special year, and it is more appropriate to compare the 2021 admissions to engineering programmes and digital programmes with the 2019 intake. In 2021, the number of new students on engineering and IT degree programmes increased by 2 per cent compared to 2019. Moreover, in 2021, Aarhus University admitted 15 per cent more women to STEM programmes than in 2019.

This year's intake is still characterised by high grade averages. With a qualifying average grade of 8.9, the level is the same as in 2020.

Coronavirus

Most classes and exams were reorganised in the spring due to Covid-19. This was very challenging for both students and teaching staff. However, their impressive skill, dedication and energy ensured that high-quality teaching was carried out in difficult and changeable conditions. This year, the commencement of studies was reminiscent of times before the coronavirus pandemic. Campus once again buzzed with life, even though some elements of orientation week were still virtual. By the autumn, the vast majority of teaching took place as normal, until new restrictions were imposed at the end of the year. This affected many exams at the start of the new year.

Coronavirus has had a significant impact on the study environment over the last two years. Aarhus University therefore launched a number of initiatives in 2021 to reboot the study environment. For example, funding was allocated to the Student Council in 2022 to appoint a union consultant for six months to help relaunch voluntary clubs and societies and support their efforts to create a good academic and social study environment.

Overall, the study environment was a high priority for the faculties in 2021. In connection with the reopening, for example, Arts launched 'Restart your student life' on the study portal, with tips and advice for students on returning to student life. Arts and Aarhus BSS have also appointed wellbeing coordinators to support student-driven initiatives to restart in-person study activities. These include theme days aimed at getting more students involved in student clubs and societies.

Structure and process

Since it came into force in 2014, the study progress reform has led to a significant increase in ECTS credits across all Aarhus University degree programmes. Study progression on Bachelor's degree programmes has risen from 27.0 to 29.0 ECTS on average per semester, while Master's degree programmes have increased from 20.2 to 26.7 ECTS.

Time on task, based on student assessments of the time they spend on their studies, was 36 hours per week on average in 2021, with variations between faculties from 32 hours per week at Arts to 40 hours per week at Technical Sciences. Time on task was lower in both 2020 and 2021 compared to 2018, when the first survey was taken. The university's assesses that the slight decrease in 2020 and 2021 was a result of the coronavirus pandemic, which entailed difficult conditions for study group activities and academic events.

In order to retain a high time on task, there is constant focus on embedding student activities in all degree programmes, both in teaching and in the time between scheduled lessons. Among other things, student-activating activities are supported by a minimum number of lessons on all Bachelor's and Master's degree programmes of 12 and 8 lessons per week, respectively, as well as through the EDU IT initiative. In the period 2018-2024, Aarhus University has allocated DKK 60 million for the EDU IT Initiative, to improve the quality of research and knowledge-based teaching; partly as an objective in itself and partly as a means of increasing time on task, reducing dropout rates and making the university's degree programmes even more attractive.

In 2021, at the half-way mark of the project, a wide-ranging evaluation of the EDU IT Initiative was carried out. The mid-term evaluation showed an overall satisfactory status, and that there is a solid starting point for preparing EDU IT version 2.0 in 2022. The four main tracks of the project are all proceeding according to plan. This particularly applies to the driving force behind the entire initiative: curriculum development at programme level through the redesign of course programmes. The faculties are in charge of the redesign, with technological support from the university's EDU IT Hub. The number of courses that have been redesigned is calculated annually and in 2021 there were 160.

In 2021, the university's Centre for Educational Development was largely responsible for the seamless transition of Aarhus University to the Brightspace learning management system. Beginning in the autumn semester of 2021, all of the university's courses took place in Brightspace, and during the year, approx. 850 teaching staff participated in the Brightspace workshop held by the Centre for Educational Development.

Collaboration with upper secondary schools

Aarhus University has well-functioning collaboration with upper-secondary schools. The university's large portfolio of upper-secondary-school activities helps students make a qualified choice of degree programme. A good example of this are the

free live-streamed lectures tailored to upper-secondary school students. Aarhus University has provided these lectures for four years, and 17,000 pupils from across Denmark registered for the lectures in 2021. Upper secondary schools are very satisfied with the academic content of the lectures. This year's lectures covered current issues such as the municipal elections and vaccines, and the lectures organised by the German and French language programmes were also well-attended. Professor Philipp Schröder's lecture on economic policy during the coronavirus pandemic was the most well-attended: 5,000 pupils from 143 schools.

Transition to working life

Graduates are the university's most important contribution to society, and the university's efforts to train graduates for the labour market of the future are therefore central to Strategy 2025. This includes attuning our graduate competency profile to the needs of the public and private sectors, and improving our students' ties to the labour market.

Student collaboration with the private and public sectors through thesis collaborations and project placements, as well as other labour-market activities is a good starting point for students' transition to working life. Aarhus University has therefore launched a number of initiatives in recent years to develop and increase these degree programme elements. Thesis collaborations increased by 96 per cent from 2018 to 2021 (from 472 to 926) and project placements increased by 20 per cent in the same period (from 1,627 to 1,948).

The faculties have also launched a number of initiatives to support students' transition to the labour market. For example, the Academics in Business Life project, which used short-term employments to increase awareness of the competences of new graduates. In 2021, 34 small and medium-sized businesses benefited from full-time or part-time employments with newly qualified graduates from the Faculty of Arts. The project was a collaboration between Arts and six business councils in central and western Jutland.

In 2021, as in previous years, Aarhus University offered a series of case competitions conducted at faculty and university levels. The latter, for example, was an AU Challenge, where 106 students from 55 degree programmes provided the architect studio AART with suggestions on how to measure the social, environmental and economic sustainability of buildings. In the spring, 60 students from different fields of study participated in the university's new case competition, SME Challenges, where they helped solve some of the challenges currently faced by small and medium-sized businesses.

COLLABORATION AND KNOWLEDGE EXCHANGE

In 2021, Aarhus University adopted a new sub-strategy for business collaboration and innovation. The sub-strategy is based on the university's overarching Strategy 2025. Aarhus University will apply the sub-strategy to develop the university within three main areas. Firstly, we will increase entrepreneurship and innovation at the university to create more knowledge-based spinouts and startups and to generate more entrepreneurial experience that can contribute to the growth and development of society. Secondly, Aarhus University wants to establish more concrete and value-generating project partnerships that create value for researchers, students and businesses. Thirdly, the university will ensure proper framework conditions for business collaboration and innovation, and promote a strong business and innovation culture.

In 2021, Aarhus University established new collaborations and projects, some of which resulted in the investment of DKK 585 million in three spinouts from Aarhus University: Muna Therapeutics, RadiSurf and iSD Immunotech AU employees also registered 69 inventions in 2021, and entered into 509 research agreements with companies. This was despite the many postponements, cancellations and conversions to online events and meetings caused by Covid-19, which also made it challenging to build networks and create new collaborations.

Examples of external collaboration

Aarhus University entered into partnerships with several large companies during 2021. A strategic partnership agreement has been established between the Department of Computer Science and Infosys from India. This agreement will strengthen collaboration on research and innovation within artificial intelligence (AI), cryptography and data security. A partnership agreement has been established between Merck and Health. The agreement includes research visits, collaboration on industrial PhD and postdoc positions and micro scholarships for entrepreneurs within life sciences, etc.

Aarhus University has also continued to contribute to regional development. An example of this contribution is the university's Centre for Small and Medium-Sized Enterprises, which helps companies develop through various projects, for example Gentæk NU. Companies will be able to develop and future-proof their business through facilitated sprint programmes and sparring. Another example is the Crown Prince Frederik Centre for Public Leadership, which has collaborated closely with many public organisations across the country on management development. In 2021, in collaboration with the University of Copenhagen, Roskilde University and VIA University College, the Centre established a new platform for research-based knowledge called 'Ledelsesavisen' to support dialogue on public leadership and to provide managers with a multilateral approach to management. A third example is our collaboration with Norddjurs Municipality on a number of projects, including the establishment

of a research station in 2021 to study fruit, berries and vegetables. The university has, to a varying degree, collaborated with all the municipalities in the Central Denmark Region and has established formal collaboration agreements with a number of municipalities, including Norddjurs Municipality.

Aarhus University's entrepreneurial environment was bolstered in 2021. A large number of workshops and events were held, both in-person, hybrid and virtual, with a view to getting more students and researchers to seize opportunities they come across. A total of 199 students and 75 researchers have been affiliated with the entrepreneurship hubs at Aarhus University. A total of 82 workshops with 848 participants were held in The Kitchen. This was despite the coronavirus situation, which made it much more difficult to attract students and researchers because The Kitchen, the base for Aarhus University's joint academic innovation activities, was closed for long periods of time. A large number of collaborations have been entered into with external partners, and Innovation Fund Denmark, the Danish Foundation for Entrepreneurship, etc., have been integral collaboration partners at The Kitchen, providing both consultancy and funding opportunities. Furthermore, collaboration was established in 2021 between Aarhus University and four Danish universities to set up the internationally acclaimed innovation programme SPARK Denmark. The programme received a grant of DKK 44 million from the Novo Nordisk Foundation. The aim of the programme is to help researchers commercialise the results of their research or innovative ideas, and to attract investors.

A number of spinouts from Aarhus University distinguished themselves in 2021. Humio, founded by researchers from the Department of Computer Science, was sold to American Crowdstrike for DKK 2.4 billion. Associate Professor Simon Glerup and his team from Aarhus University developed Muna Therapeutics, which received one of Denmark's largest biotech investments of almost DKK 0.5 billion from international foundations to develop drugs against dementia diseases. A number of new spinouts were started in 2021, for example Inotify, which was established by the Department of Biomedicine to develop new treatment options for infertility in women. The founder of Inotify, Karin Lykke-Hartmann, has also been accepted to the BioInnovation Institute's programme Creation House, which gives her access to expert advice and a convertible loan of DKK 10 mill.

In order to increase entrepreneurship in Central Denmark Region, Aarhus University founded the organisation 'The Link' in 2020 in collaboration with Central Denmark Region, Aarhus Municipality, Grundfos, UNSILO, Incuba and Færchfonden. The Link was founded by the collaboration partners after of the two-year Regional Entrepreneurship Acceleration Programme at the Massachusetts Institute of Technology (MIT). The Link is located in The Kitchen, and the aim of the organisation is to establish good framework conditions for innovation-driven entrepreneurship by bridging the gap between stakeholders responsible for research and innovation within health, sustainable food and cleantech.

In 2021, special focus was on communicating the stories, cases and collaborations created at Aarhus University and connecting entrepreneurs with companies and investors.

Research-based public-sector consultancy

Aarhus University has significant public sector consultancy services covering research, consultancy, emergency response and research dissemination under framework agreements with Danish ministries, primarily with the Ministry of Environment and the Ministry of Food. The framework agreements are supplemented by additional contracts with the ministries, and, finally, the framework agreement funding is substantially geared by external funding attracted by the research environments. Public sector consultancy is therefore an asset for Aarhus University, where research is the basis for high-quality public sector consultancy.

In 2019, Aarhus University introduced a quality management system for research-based public sector consultancy in accordance with the international ISO 9001 standard. The quality management system, aimed at improving the quality of public sector consultancy, was certified in 2020 after a comprehensive audit carried out by the accredited certification company FORCE. Aarhus University retained this certification in 2021 following a monitoring audit.

The research base has been under increasing pressure as a result of the 2 per cent annual reduction of the framework budget since 2009. During that same period, the Ministry's demands for consultancy have increased, as have the costs of buildings, which means the share of the framework grant earmarked for research has been under pressure from several angles. Consequently, Technical Sciences was forced to carry out staff reductions and make significant cutbacks during 2021. In its bilateral negotiation with the ministries in 2021, Aarhus University went to great lengths to restore its research base. In 2022, Aarhus University will receive an extraordinary grant of DKK 4.9 million from the research reserve funds. However, the amount will not restore research funding to its previous level, and negotiations with the ministries will continue in 2022.

Aarhus University also provides research-based public sector consultancy for the Ministry of Justice, undertaken by the Department of Forensic Medicine.

Other forms of external cooperation

Aarhus University's exhibitions received commendation in 2022. The exhibition "Profession and Passion: A Life in Science" at the Steno Museum at Aarhus University won the prestigious and internationally renowned UMAC-AWARD 2021. The overall focus of the exhibition was the question: What drives a researcher? Why do researchers spend their lives discovering how cells work or trying to understand the cardiac functions of certain animals?

In 2021, Natural Sciences and the Carlsberg Foundation once again held their public lectures on natural sciences, organised in collaboration with a number of hosts in different Danish cities. The lectures are held 10 to 12 times a year at the Lakeside Lecture Theatres in Aarhus. A number of lectures were streamed due to the corona lockdowns. This meant that in autumn of 2021, audiences gathered at 364 community centres, schools, upper secondary schools, cultural centres, cinemas, etc. across Denmark. On average, each lecture attracted more than 10,000 viewers, who learned about natural science discoveries, pandemics, the Earth's innermost core and the salt balance of cells.

2.3 OUTLOOK FOR THE COMING YEAR

In 2022, Aarhus University will focus on implementing the political agreement on more and better educational opportunities throughout Denmark. It is important for the university to have study programmes relocated to the campuses in Herning and Viborg, as these already have a strong academic environment and thriving student life. It is also important that the political decision to reduce and close student places in Aarhus and Emdrup be implemented appropriately and with respect for the continued development of those academic environments.

In 2022, the university will continue to focus on processing the consequences of the corona lockdowns, as their full impact remains unknown. One important point of focus will be the negative impact of the corona lockdowns on the study environment and on student well-being, and the university will have strong focus on mitigating these impacts in 2022.

Aarhus University's Strategy 2025 and the 2022 action plan will be the basis for a number of initiatives over the course of the year. The new strategic framework contract will be prepared during 2022 and is expected to be closely interconnected with Strategy 2025 and the 2022 action plan. The following central initiatives of the 2022 action plan are of particular note:

- Research-based degree programmes of the highest international quality based on engaged teaching and learning. Focus will be on ensuring and further developing the pedagogical and didactic competences of lecturers, e.g. through the implementation of a new job structure and continued digitalisation. Focus will also be on the recruitment, admission and retention of talented, motivated international students. Aarhus University's participation in the Circle U. partnership will contribute significantly to this goal.
- Connecting students and the labour market. Initiatives will be launched to help graduates from programmes with low employment rates transition to the labour market, and the university will offer a course to equip students with additional entrepreneurial competences.
- Research of the highest international quality. This will be by securing increased external research funding, supported by the preparation of a model that provides a better overview of both the direct and indirect costs related to external funding. It will also be necessary to introduce more opportunities for career development, e.g. by establishing a fast track for members of academic staff and introducing a promotion programme for professorships,
- Increasing the university's contribution to the development and welfare of society as a whole. The sub-strategy for business collaboration and innovation will be implemented,

thus facilitating the development of projects with the business community and public institutions, strengthening innovation and entrepreneurship, and creating a stronger basis for business collaboration and innovation. The university also plans to enter into a number of research agreements with companies.

- Addressing societal challenges through interdisciplinary research efforts and establishing interdisciplinary research centres. The centres are currently under development and research will focus on reducing CO₂, the green transition of food production and agriculture, and inequality and digitalisation.
- Bolster international collaboration via the international university networks: The Guild and the Circle U Alliance. Provide joint activities within research, education and talent development via the alliances.
- Promote gender equality among employees and managers. The action plan for gender equality 2020-22, which is the basis of the university's targeted efforts, will in 2022 focus on developing and testing local initiatives at departments.

2.4 FINANCIAL REVIEW

FINANCIAL RESULTS FOR THE YEAR

Aarhus University ended 2021 with a surplus of DKK 14 million. A budget overrun of DKK 48 million was expected, cf. table 1. Both total revenues and costs were lower than budgeted. Revenues were DKK 21 million lower, corresponding to a budget variance of -0.3 per cent, while costs were DKK 69 million lower, corresponding to a budget variance of -1.0 per cent. Financial items on the other hand were DKK 14 million higher than budgeted, corresponding to a budget variance of 70.8 per cent.

Table 1: Profit/loss for the year

DKK mill.	FS2019	FS2020	B2021	FS2021	FS2021-B2021
Finance Act grants	4,191	4,237	4,245	4,246	1
External funding	2,048	1,984	2,294	2,243	-51
Sales/other operating income	488	439	417	447	30
Total revenues	6,727	6,660	6,957	6,936	-21
Salary	4,410	4,533	4,751	4,684	-67
Construction costs	949	910	875	901	26
Other operating costs	1,224	1,101	1,237	1,213	-23
Depreciation and amortisation	146	152	162	157	-5
Total costs	6,729	6,696	7,025	6,955	-69
Profit/loss before financial items	-2	-36	-68	-19	49
Financial items	53	35	20	34	14
Profit/loss	51	0	-48	14	63

Note: Budget and budget follow-up have been completed in accordance with the university's chart of accounts and therefore do not fully follow the state's chart of accounts, which was implemented after the budget had been planned.

The multiple corona lockdowns during 2021 played a role in the budget variances. The budget was prepared with the expectation that corona restrictions would be lifted during the first half of 2021, but the second half was also affected. The coronavirus pandemic thus created operational uncertainties for most of 2021.

Total revenues are not as high as expected, but are upwardly trending after a downturn in 2020 due to coronavirus. In real terms, total revenues increased by 1.1 per cent from 2019 to 2021.

The budget variances for revenues are primarily due to the lower than expected utilisation of external funding. Expectations were

revised downwards during the year, and some of the revisions can still be attributed to coronavirus. Although the utilisation of external funding was less than expected, there was still a 9.5 per cent increase compared to 2019, corresponding to a real increase of 7.4 per cent.

Finance Act grants were as budgeted but there were some underlying variances. There were more student FTEs than expected, which has resulted in more activity-related educational income than budgeted. Aarhus University also received temporary corona-related grants, as well as a subsidy to boost German and French programmes over the next three years. On the other hand, quality grants lapsed, as they are covered by financing for the political agreement on the relocation of study places. Furthermore, revenues from the National Centre for Foreign Languages were reorganised so they accrue and are recognised as income in line with costs. Aarhus University has also received DKK 109.5 million in 2021 to establish a veterinary medicine programme in Foulum. These funds have been accrued and are thus not recognised as income in 2021, but will be recognised in the coming years if it is decided to establish the degree programme. The grant of DKK 109.5 million has been earmarked to establish a veterinary medicine programme, but a final agreement has not been reached on how to finance the establishment and ongoing operation of the programme. For this reason, Aarhus University has not yet come to a final decision to establish the degree programme.

Sales/other operating income, including tuition fees for further and continuing education, consultancy and forensic services were very sensitive to the corona lockdowns. However, they still brought in DKK 30 million more than projected in the budget. The 2021 level was above 2020, but still not on par with 2019.

The budget variances for total costs should be seen in light of the lower than expected utilisation of external funding. There are also variances of a more technical nature. The adjustment to the holiday pay liability was DKK 19 million lower than expected, and Aarhus University received DKK 16 million more in refunded energy taxes than expected as a result of a decision by the National Tax Board in 2019 that was not implemented until 2021. However, higher energy prices have also started to have an effect.

One reason for the overall budget improvement is in the financial items. Returns on Aarhus University's investments were DKK 16 million higher than expected. The total result before financial items was a loss, as projected in the budget.

BUDGET PROJECTIONS 2022-2025

Aarhus University expects a budget deficit in 2022 and 2023, a small budget surplus in 2024 and a balanced budget in 2025, cf. table 2. The deficits in 2022 and 2023 will primarily be due to the planned utilisation of financial reserves in connection with the engineering initiative and the digitalisation strategy, including the introduction of the new study administration system.

Table 2: Budget for 2022-2025

DKK mill., 2022 prices	FS2020	FS2021	B2022	B2023	B2024	B2025
Revenues	6,835	7,054	7,220	7,328	7,411	7,472
Costs	6,871	7,073	7,297	7,374	7,440	7,502
Financial items	36	34	30	30	30	30
Profit/loss	0	15	-47	-17	2	0

The consequences of the political agreement on the relocation of study places have not been incorporated into the budget. However, the agreement will only begin to seriously impact Aarhus University's revenues from 2024, as admissions numbers will not fall until 1 September 2023 if Aarhus University's institutional plan is accepted by the parties behind the agreement.

The budget has been prepared under the assumption that Aarhus university's activities will not be impacted by coronavirus during the budget period. If corona once again effects Aarhus University's activities, it will affect both total revenues and costs.

A DKK 252 million increase in revenues is expected, corresponding to 3.5 per cent over the budget period, primarily due to increased utilisation of external funding. External funding is therefore expected to increase from approx. DKK 2 billion to approx. DKK 3 billion over the budget period. However, the rate of the increase is uncertain and may be affected by corona. The increase in external funding is consistent with Aarhus University's strategic efforts. Corona also delayed utilisation of external funding in both 2020 and 2021. Since the revenue increase is borne by external funding and because basic research funding did not increase at the same rate, Aarhus University will become more dependent on the proportion of overhead provided by grant givers and subsidies for fixed or indirect costs. All of these have been declining in recent years due to the increasing number of private grants. Aarhus University is working on including as much overhead as possible in the grants, including increased coverage of fixed or indirect costs. Work has begun on including these items in applications, and a dialogue with the largest private foundations has also been initiated.

Costs are expected to increase by DKK 205 million, corresponding to 2.8 per cent over the budget period. Salaries and other operating costs are expected to rise in connection with increased external funding. The salary increase is primarily due to increased full-time equivalents for members of academic staff. Full-time equivalents for technical/administrative staff have remained relatively stable. Building costs will be affected by Aarhus University's campus development and the resulting relocations and reshuffles.

In the coming years, Aarhus University will be purchasing and implementing a new study administration system, including associated integrations, procedures, etc. The total project is estimated to cost up to DKK 300 million. Aarhus University will capitalise large parts of the project's costs, thereby pushing recognition of the expense to the years after implementation, which is expected to be in 2026.

Financial items are budgeted at DKK 30 million for the entire budget period. This is an upwards adjustment of DKK 10 million in relation to the 2021 budget due to the altered risk profile in Aarhus University's investment policy and higher liquidity. However, there is some uncertainty associated with returns on invested funds.

Aarhus University expects on aggregate a deficit of DKK 62 million over the entire budget period. In the years up to 2022, Aarhus University has built up equity above the equity target of 10 per cent of revenues. The planned deficit is expected to reduce equity, but equity will still be more than 10 per cent of revenues in 2025.

2.4.1 SPECIAL SUBSIDIES

FUNDING TO DEVELOP TOOLS FOR MANAGEMENT EVALUATION

The Danish Agency for Institutions and Educational Grants has asked Aarhus University to develop a generic tool for management evaluation. In 2021, the university received funding of DKK 1.5 million. The funding is a continuation of similar funding in 2019 and 2020.

Further to the agreement on management and competencies in the public sector, in collaboration with the government, Local Government Denmark (LGDK), and Danish Regions, the Crown Prince Frederik Center for Public Leadership at Aarhus University will develop a joint public management evaluation tool. The tool is a free-of-charge service for the state, local authorities and regions. The primary objective is to give managers and workplaces a tool for dialogue and a basis for working on management and leadership, including working on individual managers' own development. The management evaluations will also generate an overview at national level, which can be used to assess the need for new management initiatives in the state, local authorities and regions, and for research. The evaluation is supported by a number of process materials collated on the evaluation website. Both the questionnaire survey and the supporting process material are based on research at the Crown Prince Frederik Center for Public Leadership into public leadership, experience with management training and methodological skills.

The centre for public leadership started development work on the management evaluation in 2019. The researchers have conducted extensive literature studies, interviews with Danish public-sector organisations about their experience with management evaluation, and an international research workshop, and they have developed and tested a concept for management evaluation in a number of public-sector organisations. In August 2021, the website www.ledelsesevaluering.dk was launched, where all materials for the evaluation were made available to the public. Moreover, the researchers assisted the Danish Employee and Competence Agency in the procurement of an IT system that will be able to support the evaluation. The IT system is expected to be launched in spring 2022.

The full grant for 2021 has been used during the year.

FUNDING TO IMPLEMENT EU LAW INTO DANISH LAW

In 2019, Aarhus University received funding of DKK 0.7 million from the Danish Agency for Institutions and Educational Grants. The funding was granted by agreement with the Presidium of the Danish Parliament, which, at the behest of the European Committee, granted funding for a research project to investigate how EU legislation – with special focus on regulations – affects Danish law. The grant was not used in 2019, but the full grant was used in 2020. The project was carried out by the Department of Political Science and followed the timetable agreed with the customer (Danish Parliament). However, the timetable was postponed in relation to the original grant letter due to Covid-19.

The project was completed on schedule in 2021 with the publication of the following book: Jens Blom-Hansen, Jørgen Grønnegård Christensen, Caroline Howard Grøn, Michael Hansen Jensen and Peter Bjerre Mortensen (2021). *Det nationale råderum ved gennemførelse af EU-regler*. Copenhagen: Djøf Publishing. The results from the project were communicated to the customer, the Danish Parliament, at two meetings in spring 2021 at the European Affairs Committee and the Standing Orders Committee, respectively.

2.5 PERFORMANCE REPORTING

On 3 July 2018, Aarhus University entered into a strategic framework contract with the Minister for Higher Education and Science. The framework contract was valid from 1 January 2018 to 31 December 2021.

The framework contract consists of seven strategic goals that are reported below. The report summarises the conclusions of the assessment of goal achievement for Aarhus University's strategic framework contract 2018-2021 prepared for the Ministry of Higher Education and Science.

Aarhus University assesses that the university has achieved the goals of the strategic framework contract. The only exception relates to goal 6 regarding research-based public sector consultancy, which, due to continued cutbacks in the area, has only been partially met. This assessment is described in detail below.

Strategic goal 1: Reinforce the quality of research with a view to strengthening Aarhus University's position as a strong international research institution

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goal to reinforce the quality of research has been met. This has been done through four focus areas:

1. Codes of practice for recruitment to permanent academic positions were introduced in 2018 with a view to increasing competition for permanent research positions. The codes of practice set a common standard for the recruitment process across faculties. The aim is to help ensure a satisfactory number of qualified applicants for permanent research positions and a diverse pool of applicants in terms of gender and internationalisation.

The associated indicator "The number of qualified applicants for permanent academic positions at the entire university" shows overall positive development during the contract period, although with fluctuations between individual years. For 2020 and 2021, it is likely that the figures were negatively affected by the fact that, during Covid, there were not the same opportunities to participate in fairs, conferences and other professional contexts to recruit foreign employees.

During the contract period, there was a decrease in the percentage of job advertisements attracting only one qualified applicant. Similarly, there was an increase in the percentage of job advertisements attracting two to three qualified applicants and four+ qualified applicants. The overall development for the pe-

riod 2018-2021 indicates a need to be careful in recruitment processes to ensure the desired volume in the field of applicants.

The indicator "Annual use of external research funding per senior academic staff FTE" also shows overall positive developments during the contract period. The year 2020 is an exception, as there was a slight decline in use. This may be due to the Covid lockdown, which in some periods resulted in reduced research activity. However, the trend in use was once again positive in 2021.

2. The strengthened career development initiative has been running in two tracks:

- For PhD students, Aarhus University adopted the Basic principles for doctoral education at AU in 2019. The principles set a common quality standard for PhD degree programmes. A recently completed international evaluation of the PhD schools concludes that the university educates PhD graduates of high international quality for both the national and the international labour market, and for both the public and the private sectors.
- For postdocs/junior temporary employees, Aarhus University completed the pilot project Junior Researcher Development Programme in 2017-20. The aim was to help this group work strategically with their own career development and help research directors in their career development dialogue with early-career researchers. The project received a positive evaluation in 2020. Activities at central level have been implemented on the basis of this evaluation. A process for implementing decentralised initiatives is on the way.

3. Intensified efforts in relation to diversity and gender equality. The university's goal of research of the highest quality can only be achieved if the whole talent pool is brought into play. Therefore, Aarhus University has intensified its efforts to promote diversity and gender equality since 2019. Organisational development of this nature takes time, but there is momentum and motivation across faculties and the administration to make changes.

4. Responsible conduct of research and freedom of research are fundamental and crucial elements in research production. Since 2018, Aarhus University has therefore been working to increase awareness of the rules and guidelines for responsible conduct of research and freedom of research, and to support local dialogue on this topic.

Strategic goal 2: Strengthen research efforts in areas where the labour market particularly lacks expertise and qualified manpower.

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goal of reinforcing the quality of research has been met.

Aarhus University assesses that work on this strategic goal has proceeded as planned. The initiatives and activities described in the action plans 2018-2021 have thus been implemented. The business initiative reached the total number of planned appointments as early as in 2019. Similarly, the IT and engineering initiative has succeeded in expanding capacity, and 125 new tenured members of academic staff were employed within the three areas during the period. In 2018 and 2019, use of external research funding at the Faculty of Arts was significantly above the baseline level in 2015-2017. The years 2020 and 2021 saw a decrease in the otherwise rising curve, which is likely because of Covid-19. However, use of external research funding is at a fairly stable level and was DKK 439,000 per senior academic staff FTE in 2021. Having said this, there has been positive development in the indicator. Each of the faculties involved has been working to fulfil their share of the goal, which has been continuously monitored and followed up by the university management twice a year.

Strategic goal 3: Enhance students' learning outcomes

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the university has met the goal to enhance students' learning outcomes, including the sub-goals in the strategic framework contract and the associated action plans concerning 1) time on task, 2) ECTS credits, 3) student/member of academic staff ratio and 4) the EDU-IT initiative. In 2020 and 2021, Aarhus University also extended the range of initiatives to increase students' learning outcomes with a new study-start concept and initiatives to reboot the study environment after Covid lockdowns.

1. Time on task. The Danish Student Survey shows that the median for students' own indication of their time spent on studying is 36 hours per week at Aarhus University. Time on task was lower in the Covid years 2020 and 2021 than in the first measurement in 2018, as the slightly decreasing trend from 2020 continued in 2021. The development from 2020 to 2021 covers unchanged time spent on teaching, an increase in time spent on project placements or internships and a decrease in time spent on preparation and independent study. This underpins the university's assessment that the decrease in 2020 and 2021 was a result of the coronavirus pandemic, which resulted in difficult conditions for study group activities and academic events. It is satisfactory to note that, despite the difficult conditions during the lockdown, it has been possible to maintain a time on task of 36 hours per week. In order to support time on task, Aarhus University imple-

mented a minimum number of teaching hours for all degree programmes during the contract period.

2. ECTS credits per semester. Throughout the contract period, it has been possible to maintain ECTS credits at a stable, high level. For 2021, ECTS credits earned have been calculated at 28.0 ECTS per semester per student. This result is considered satisfactory. Partly because the baseline of 28.0 ECTS in 2018 was high, and partly because a significant decrease could have been expected during the lockdown.

3. The ratios of number of students per tenured member of academic staff at the Faculty of Arts and Aarhus BSS are 19.4 and 24.5, respectively. This is a clear improvement compared to the established baselines at 20.9 and 27.9 students per tenured member of academic staff at Arts and Aarhus BSS.

4. As part of the EDU-IT initiative, 486 courses were redesigned during the contract period to increase learning outcomes through more and better use of learning technology. Approx. 35,200 students are following the redesigned courses. The figures only include courses in which the didactics have been redesigned. The many courses that were online during the lockdowns have therefore not been included. In 2021, a broad interim evaluation of the EDU-IT initiative was carried out. During 2022, the overall satisfactory results of the evaluation and the experience with reorganised teaching due to Covid will be translated into EDU IT version 2.0.

Strategic goal 4: Prepare students better for the labour market

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the university has met the goal to prepare students better for the labour market, and that the university has achieved the goals set for adjusting the graduate competency profile.

Aarhus University's work to strengthen the transition from student life to working life is essential in the different types of collaboration between the labour market and the students during their studies. The most important initiatives in the contract period have been to increase the number of Master's theses written in cooperation with business and industry as well as the number of students in project placement. This development is mainly driven by the Faculty of Arts and Aarhus BSS, and from 2018 to 2021 it looks as follows:

- The number of Master's theses prepared in collaboration with business and industry has increased from 472 to 926, corresponding to an increase of 96%.
- The number of project placements has increased from 1,627 to 1,948, corresponding to an increase of 20%.

The percentage of graduates (except Bachelor's degree graduates) and Master's degree graduates from Aarhus University employed in the private sector increased correspondingly. In 2017, 48% of all types of graduates and 46% of graduates from Master's degree programmes found employment in the private sector. In 2021, these figures rose to 52% of all graduates and 51% of graduates from Master's degree programmes.

At the same time, Aarhus University has been working at strategic level on a profile adjustment towards more students on engineering and IT programmes as well as STEM subjects in general. Moreover, there has been a focus on adapting the portfolio of degree programmes at Arts and BSS to increase the number of graduates in employment – particularly in the private sector.

The profile adjustment with more students on engineering and IT degree programmes has largely succeeded during the contract period, even though Aarhus University still has ambitions to educate more people within engineering and IT degree programmes. This is also stated in the framework contract for 2022-2025.

The development in applications and admissions to IT and engineering programmes has increased throughout the contract period, with the exception of 2019, when new admission requirements at Natural Sciences and Technical Sciences resulted in lower admissions. The year 2020 was record-breaking for admissions to these degree programmes, as many young people applied to university due to the coronavirus pandemic. Consequently, Aarhus University also offered 539 extra student places within natural sciences, technical and economics degree programmes.

Internal admissions figures from October 2021 show that all 'wet' faculties admitted more new students in 2021 than in 2019, while the 'dry' faculties admitted 5-10% fewer students. The number of new students on engineering and IT programmes is 2% above the level of 2019. Moreover, in 2021, the university admitted 15% more women to STEM programmes than in 2019. In the same period, 8% more men were admitted. Efforts to attract more students to STEM programmes will continue in the coming years.

Strategic goal 5: Help to promote greater innovation in private enterprises and the public sector

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goal to promote greater innovation in private enterprises and the public sector has been met.

Aarhus University has established a wide range of collaborations to benefit businesses, students and researchers, and many startups have been established at Aarhus University. This is despite the fact that Covid was the cause of many postponements, cancellations and conversions into online events and meetings in 2020 and 2021, making it challenging to build networks and new collaborations because of the limited opportunities to meet.

The university's business initiative has really gained momentum. A good framework for collaboration and entrepreneurship was established in 2021 with a new sub-strategy that sets a common direction for the university towards 2025. The implementation process has begun, and the university is working strategically with a number of implementation tracks to make it easier for students and researchers to collaborate and start businesses.

During the contract period, a wide range of collaborations has been established with municipalities, businesses, the Central Denmark Region, business clusters and other stakeholders in the ecosystem that contributes to growth and innovation throughout the region. This provides researchers with access to data, fields of practice and funding, while students establish contact with business and industry during their studies and gain specific experience from their future workplace.

In order to increase opportunities for researchers and students to start their own businesses, Aarhus University established the interdisciplinary entrepreneurship hub, The Kitchen, in 2020. Despite the pandemic, the hub has become well known at the university for providing students and researchers with the best conditions to develop startups and spinouts at Aarhus University.

The number of new research agreements increased in 2021 to 509 agreements, and thus Aarhus University, from 2018 to 2021, has maintained the same high level, despite the coronavirus situation.

Strategic goal 6: Develop the university's contribution to society through research-based public sector consultancy

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goal to develop the university's contribution to society through research-based public sector consultancy has been partially met.

During the contract period, quality assurance of the consultancy improved. In 2019, after several years of preparation, Aarhus University introduced a quality management system for research-based public sector consultancy. In 2020, the system was certified according to the international quality management standard, ISO 9001. Aarhus University has maintained this certification after a monitoring audit in 2021, and the system is continuously being improved.

The research base has been strengthened, among other things through increased interdisciplinary collaboration and through national and international collaborations and partnerships.

Gearing of the contract funds with external research funding has been satisfactory and has been maintained and developed during the contract period.

So Aarhus University has worked hard on the planned initiatives in order to maintain its strong position within research-based public sector consultancy.

However, as a consequence of continued cutbacks, it has not been possible to implement the quantitative reinforcement of the research base through increased funding.

The continued reduction in ministries' adjustable grant for research-based public sector consultancy caused a financial imbalance at Tech of DKK 70 million for the 2022 budget year. Among other things, this was mitigated through redundancies and cutbacks. Negotiations with the ministries to increase the adjustable grant for research-based public sector consultancy have not yet restored the reduced amount for consultancy services by researchers.

Strategic goal 7: Strengthen the development of schools and daycare on the basis of research

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goal to strengthen the development of schools and daycare on the basis of research – under the auspices of the National Centre for School Research (NCS) – has been met.

The NCS has come a long way in its efforts to take on a key national role in strengthening the development of schools and daycare on the basis of research. The initiatives and activities described in the action plans for 2018-2021 have to a large extent been implemented, in particular the planned communication and networking activities as well as associated PhD projects. Establishment of the planned interdisciplinary research projects is documented through the indicator for use of project funding, which has been at a stable high level for most years. However, the coronavirus crisis challenged possibilities to carry out projects in collaboration with employers and university colleges, not least in 2020, so there was a slight decrease in the use of project funding. Use in 2021, however, has again stabilised at the previous high level.

3. FINANCIAL STATEMENTS

3.1 ACCOUNTING POLICIES

3.1.1 BASIS OF ACCOUNTING

These financial statements of Aarhus University have been prepared in accordance with the Danish Audit of State Accounts etc. Act, Ministerial Order no.116 of 19 February 2018 on State Accounting, the Ministry of Finance's Economic Administrative Guidelines, Danish (Consolidation) Act No. 778 of 8 August 2019 on Universities (University Act), Ministerial Order No. 1957 of 15 October 2021 on the Funding and Audit etc. of Universities, as well as the Ministry of Higher Education and Science's guidelines for the preparation of annual reports.

The financial statements are presented in DKK '000. Sum discrepancies can occur on last digits due to rounding.

Comparative figures have been adapted to the new annual report template, see section 3.1.3.

Recognition and measurement in general

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

Revenues have been recognised in the income statement as they are earned. Furthermore, all costs incurred to achieve the earnings for the year, including depreciation, amortisation, write-downs, impairment losses and provisions, as well as reversals of amounts previously recognised in the income statement as a result of changed accounting estimates, have been recognised in the income statement.

Assets have been recognised in the balance sheet if it is probable that future financial benefits will flow to the university and the value of the assets can be measured reliably.

Liabilities have been recognised in the balance sheet if it is probable that future financial 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 that prove or disprove matters existing on the balance sheet date. Danish kroner (DKK) is used as the currency of measurement. All other currencies are regarded as foreign currency.

Income taxes and deferred tax

Aarhus University is not subject to taxation.

Revenues

The university is covered by the Danish University Act and thus receives government subsidies and funding. The government subsidies are disbursed monthly in twelve instalments on the basis of the forecast student full-time equivalents and are recognised in the period in which they are received. Every year in October, the actual student full-time equivalents are calculated and the on-account payments are adjusted. Government subsidies concerning public sector consultancy are recognised in the period in which they are received. External funding received and pledges about such funding, including revenues from collaboration agreements, are recognised as revenues as costs are incurred. Tuition fees from open education programmes are recognised as revenues in the period to which they relate. Other sales and cash sales are recognised as revenues at the time of invoicing.

Costs

Costs include the costs associated with the year's activities.

Financial items

Financial items are recognised on an ongoing basis. This applies to both interest on cash and securities as well as realised and unrealised capital losses and capital gains.

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.

Prepayments

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

Securities

Securities recognised under current assets and which form part of the cash reserves 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, due to an event that happened at the latest on the balance sheet date, the university has a legal or constructive obligation, and it is probable that economic benefits will flow out of the university to meet such an 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, 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.

Short-term debt

Aarhus University has an overdraft facility of up to DKK 100 million.

Liabilities

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

Other deferred income

Other deferred income recognised as liabilities covers other payments received relating to income in subsequent financial years. As part of the relocation plans, Aarhus University received startup funding for the veterinary degree programme in 2021, and the Agency has approved that the grant can be spread over up to 10 years.

3.1.2 REGARDING THE TRANSITION TO A STANDARDISED CHART OF ACCOUNTS

Aarhus University implemented the standardised chart of accounts for educational institutions under the Ministry of Higher Education and Science with effect from 2021, but AU considers 2021 as a pilot year.

The standardised chart of accounts includes the dimensions of type of account (state chart of accounts), divisional financial statements, place and purpose. Use of the standardised chart of accounts is in accordance with the guidelines of the Danish Agency for Higher Education and Science on accounting and allocation, including associated models and guidelines.

In the 2021 pilot year, AU focused in particular on establishing a structure for the purpose-allocation system, including creating all projects with a purpose and description of allocation keys for use in co-production.

The purpose-allocation system at AU is based on the projects in Navision Sag, as all active projects and underlying activities have been marked with main purposes 1-8. This ensures that main purposes of the costs are always posted in the same way as for the divisional financial statements, place and account. This applies to payroll costs as well as other costs.

For each combination of place and type of cost, allocation keys have been developed to allocate costs recognised on main purpose 8 (co-production). The allocation keys are based on uniform principles across AU, taking into account that the places have different academic natures, and that the available data basis to support the keys is different in the individual places.

Implementation of the standardised chart of accounts does not result in any change in recognition and measurement, see the basis of accounting.

3.1.3 REGARDING IMPLEMENTATION OF A NEW ANNUAL REPORT TEMPLATE

The annual report for 2021 has been presented in accordance with the standardised annual report template for educational institutions under the Ministry of Higher Education and Science.

In some cases, comparative figures in the income statement, the balance sheet and the notes for the year prior to implementation of the standardised annual report template are only shown as a summarised overview. Comparative figures have been updated retrospectively to 2017 and therefore do not correspond to comparative figures in previous annual reports.

3.1.4 EXEMPTION

In a letter dated 9 June 2021, the Danish Agency for Higher Education and Science granted the universities an exemption from the standardised annual report template regarding disclosure of costs in the income statement to ensure that the universities can report costs in the income statement according to type. The exemption means that, in a note to the income statement, the universities must also include the institution's costs by purpose according to the same principles as the disclosure of costs in the income statement stated in the standardised annual report template and associated guidelines.

In a letter dated 20 January 2022, the Danish Agency for Higher Education and Science allowed Aarhus University to derogate from using account 20.10 to neutralise depreciation of donations and instead maintain AU's current accounting policy, in which donations are recognised as income in step with depreciation charges on assets financed by the donations on account 20.30.

3.1.5 SPECIAL AREAS

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 transaction date and the rate on the payment date are recognised in the income statement as financial items.

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 transaction date are recognised in the income statement as financial items.

Intangible assets

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 they are incurred.

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

Inventions, patents and licences are measured at cost less accumulated amortisation and impairment losses or any lower recoverable amount, and are amortised over the term of the rights or a shorter useful life.

Property, plant and equipment

Land is measured at cost. No depreciation is provided on 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 Higher Education and Science.

Property, plant and equipment under construction 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 at cost in the year of acquisition.

Assets are normally depreciated over their expected useful life (see table below).

Assets deemed to have a shorter economic life based on a concrete assessment may instead be depreciated over their economic life.

Profits from disposals of plant are recognised in the income statement in a separate account under other revenues, while losses from disposals of plant are recognised in a separate account under operating costs.

Non-current assets received as donations

AU continuously acquires non-current assets using funding from grant-financed activities. The projects are financed by the EU, businesses, the Danish State, private foundations and organisations, grants and private individuals. Property, plant and equipment are depreciated in accordance with the usual accounting policies.

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

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 any value.

Equity investments and share certificates

Aarhus University's strategy is primarily to enter into licence agreements in connection with commercialisation. However, AU has equity investments in some companies. The equity investments in question were acquired in connection with inventions and patents. AU has not recognised a value of the equity investments in the balance sheet, as there is not sufficient guarantee that the acquired equity investments have a value.

In connection with the merger with the Danish Institute of Agricultural Sciences in 2007, AU took over capital, primarily in ARLA, Copenhagen Fur, Danish Crown and DLG. The share certificates were a prerequisite for supplying goods to these companies.

Receivables from ongoing funding activities

To the extent that Aarhus University incurs costs for activities which are financed by grants under 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.

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 revenues as the grants are spent.

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

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

Holiday pay payable

This item includes both holiday pay payable and the holiday pay liability. In addition, in 2020 a new item in the balance sheet concerned frozen holiday funds.

Cash flow statement

The cash flow statement shows the cash flows for the year from operating, investing and financing activities and the cash effect of these cash flows. The cash flow statement has been prepared using the indirect method and is based on the profit/loss for the year.

3.2 INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK '000			
Note	Income statement	FS 2021	FS 2020
3.6.1	Government subsidies	4,245,564	4,237,314
3.6.2	Other subsidies	2,244,840	1,986,335
3.6.3	Sales of goods and services	348,348	334,855
3.6.4	Other revenues	97,348	103,372
	Total operating income	6,936,100	6,661,875
	Staff costs	4,680,620	4,536,414
	Rent	660,649	661,413
	Depreciation, amortisation, write-downs and impairment losses	158,275	150,751
	Losses in connection with sales of land and property, plant and equipment and impairment on buildings for sale	321	172
	Other operating costs	1,455,508	1,349,001
3.6.5	Other operating costs, total	6,955,372	6,697,751
	Profit/loss before financial items	-19,272	-35,876
3.6.6	Financial income	119,437	139,667
3.6.6	Financial expenses	85,757	104,031
	Profit/loss for the year	14,408	-240

Note: Sum discrepancies can occur on last digits due to rounding.

3.3 BALANCE SHEET AS AT 31 DECEMBER

DKK '000				
Note	Assets		FS 2021	FS 2020
	Non-current assets			
	Intangible assets			
	Acquired concessions, patents, licences, software etc.		1,449	2,484
3.6.7	Total intangible assets		1,449	2,484
	Property, plant and equipment			
	Land and buildings		528,824	544,392
	Work in progress at own expense		169,326	126,465
	Transport equipment, including ships		44,116	48,548
	Plant and machinery		525,956	519,856
	IT equipment		25,012	34,688
	Furniture and equipment		939	1,280
3.6.8	Total property, plant and equipment		1,294,173	1,275,229
	Investments			
3.6.9	Share certificates		2,740	2,901
3.6.11	Deposits		65,947	45,621
	Total investments		68,687	48,522
	Total non-current assets		1,364,309	1,326,235
	Current assets			
	Inventories		6,162	7,842
3.6.12	Trade receivables		134,621	130,375
3.6.13	Receivables from ongoing funding activities		1,139,284	1,061,838
3.6.14	Other receivables		63,521	35,294
3.6.15	Other prepayments		11,343	9,203
3.6.16	Securities		2,490,111	2,552,640
	Cash		123,946	142,115
	Total current assets		3,968,988	3,939,307
	Total assets		5,333,297	5,265,542
DKK '000				
Note	Equity and liabilities		FS 2021	FS 2020
	Equity		502,199	502,199
	Retained profit		418,161	403,756
	Other equity		3,496	3,496
	Total equity		923,856	909,451
3.6.17	Total provisions		34,153	33,169
3.6.18	Accrued donations		505,056	480,014
3.6.19	Debt to mortgage credit institutions		12,472	14,610
	Total long-term debt		517,528	494,624
	Short-term debt			
	Holiday pay liabilities		305,390	359,511
	Frozen holiday pay		0	359,581
	Prepaid tied-up funds from ongoing funding activities		2,574,806	2,347,875
	Current account with the Danish Ministry of Higher Education and Science		436,807	324,489
	Current account with the Ministry of Children and Education		1,950	2,055
3.6.22	Other deferred income		42,647	35,967
	Suppliers of goods and services		364,816	251,861
3.6.23	Other short-term debt		131,344	146,959
	Total short-term debt		3,857,760	3,828,298
	Total equity and liabilities		5,333,297	5,265,542

3.4 CASH FLOW STATEMENT

DKK '000	FS 2021	FS 2020
Profit/loss	14,410	-237
Reversal of items with no cash effect:		
Adjustment of equity brought forward	-3	-47,850
Depreciation, amortisation and impairment losses on non-current assets	158,275	150,751
Profit/loss from disposal of non-current assets	175	-1,254
Other non-cash operating items	-78,943	-71,725
Change in		
Inventories	1,680	297
Receivables excl. ongoing funding activities	-54,939	73,094
Ongoing funding activities	-77,447	-276,744
Provisions	984	2,524
Short-term debt excl. prepaid tied-up funds	-197,470	-3,815
Prepaid tied-up funds	226,932	492,240
Cash flows from operating activities	-6,346	317,281
Purchases of intangible assets	-	-2,417
Purchases of property, plant and equipment	-179,674	-181,336
Disposal of property, plant and equipment	3,316	2,059
Cash flows from investment activities	176,358	-181,694
Change in donation obligation	103,984	105,449
Change in other long-term liabilities	-2,139	-2,144
Cash flows from financing activities	101,845	103,305
Cash flows for the year	-80,858	238,892
Cash, including total securities, brought forward	2,697,656	2,458,764
Cash, including total securities, carried forward	2,616,798	2,697,656

3.5 STATEMENT OF CHANGES IN EQUITY

Equity (DKK '000)	FS 2021	FS 2020
Equity as at 1 January 2005	68,292	68,292
Merger of HIH 2006	48,089	48,089
Merger of ASB and DPU 2007	158,434	158,434
Merger of DJF and DMU 2008	142,376	142,376
Merger of IHA 2012	85,008	85,008
Total equity	502,199	502,199
Retained profit		
Balance brought forward	403,756	451,845
Adjustment of equity brought forward	-3	0
Changes for the year	14,408	-237
Adjustment of holiday pay liabilities	0	-47,852
Balance carried forward	418,161	403,756
Other equity, merger corrections		
Balance brought forward	3,496	3,496
Changes for the year	0	0
Balance carried forward	3,496	3,496
Total equity as at 31 December	923,856	909,451

3.6 NOTES TO THE FINANCIAL STATEMENTS

Note 3.6.1. Government subsidies

DKK '000	FS 2021	FS 2020
Education grants, full-time degree programmes	1,800,223	1,776,807
Education grants, part-time degree programmes/open education	9,744	9,290
Education grants from other ministries	21,795	22,960
Subsidies for other purposes	75,516	92,924
Subsidies for research and development	1,945,494	1,929,898
Subsidies for research-based public sector consultancy	365,308	373,333
Special subsidies	27,485	32,101
Total	4,245,564	4,237,314

Note 3.6.2. Other subsidies

DKK '000	FS 2021	FS 2020
Subsidies for research from public Danish sources etc.*	833,499	775,190
Subsidies for research from private Danish sources etc.	801,972	688,251
Subsidies for research from the EU	287,965	238,221
Subsidies for research from sources abroad etc.	111,794	95,935
Other grant-financed activities	129,024	114,283
Donations spread over several years	78,943	71,791
Payments from external commissions	1,642	2,663
Total	2,244,840	1,986,335

* In 2020 there is DKK -1,000 in divisional financial statement 1 General activities. These have been included under 'Subsidies for research from public Danish sources etc'.

Note 3.6.3. Sales of goods and services

DKK '000	FS 2021	FS 2020
Course activities (income-generating activities)*	20,197	-
Forensic services	51,807	51,929
Other sales of goods and services	276,344	282,926
Total	348,348	334,855

* It has only been possible to extract course activities separately from 2021.

Note 3.6.4. Other revenues

DKK '000	FS 2021	FS 2020
Tuition fees, full-time degree programmes	11,892	11,857
Tuition fees, part-time degree programmes/open education	56,918	51,964
Letting of premises and equipment	7,863	14,294
Sales of buildings, land and property, plant and equipment	145	1,425
Other income	20,529	23,831
Total	97,348	103,372

Note 3.6.5 Figures by purpose

DKK '000	FS 2021	FS 2020
Education	1,653,008	-
Research and development	3,181,218	-
Dissemination and knowledge transfer	116,213	-
Public sector services, consultancy and other services	229,540	-
General joint costs	611,110	-
Buildings and building operations	1,164,282	-
Total	6,955,372	6,667,751

Note: The figures by purpose were not implemented until 2021.

Note 3.6.6 Financial items

DKK '000	FS 2021	FS 2020
Interest income and other financial income	161	-56
Capital gains on securities	119,275	139,723
Total financial income	119,437	139,667
Interest expenses and other financial expenses	8,959	6,426
Capital losses on securities	76,798	97,605
Total financial expenses	85,757	104,031
Profit/loss of financial items	33,680	35,636

Note 3.6.7 Intangible assets

DKK '000	Acquired concessions, patents, licences etc.	Total
Cost as at 1 January 2021	12,624	12,624
Additions	0	0
Transferred to work in progress	0	0
Disposals	0	0
Cost as at 31 December 2021	12,624	12,624
Amortisation as at 1 January 2021	10,140	10,140
Amortisation for the year	1,035	1,035
Amortisation of assets sold	0	0
Amortisation as at 31 December 2021	11,175	11,175
Carrying amount	1,449	1,449
Amortisation period/years	3	

Out of the total carrying amount of TDKK 1,449, TDKK 0 was financed by donations, cf. note 3.6.18.

Note 3.6.8 Work in progress at own expense

DKK '000	Land and buildings	Plant and machinery	Transport equipment	IT equipment	Furniture and equipment	Work in progress at own expense	Total
Cost as at 1 January 2021	781,088	1,703,171	104,397	231,143	33,503	126,465	2,979,767
Additions	21,632	142,810	1,045	13,674	513	0	179,674
Transferred to/from work in progress	-6,532	-32,673	105	-3,558	-203	42,861	0
Disposals	-21,412	-78,032	-3,434	-7,911	-3,766	0	-114,555
Cost as at 31 December 2021	774,776	1,735,276	102,113	233,348	30,047	169,326	3,044,886
Amortisation as at 1 January 2021	236,696	1,183,315	55,849	196,455	32,223	0	1,704,538
Amortisation for the year	27,703	103,511	5,582	19,792	651	0	157,239
Amortisation of assets sold	-18,447	-77,506	-3,434	-7,911	-3,766	0	-111,064
Amortisation as at 31 December 2021	245,952	1,209,320	57,997	208,336	29,108	0	1,750,713
Carrying amount	528,824	525,956	44,116	25,012	939	169,326	1,294,173
Amortisation period/years	10-50 years	5-20 years	5-30 years	3 years			

Out of the total carrying amount of TDKK 1,294,173, TDKK 505,056 was financed by donations, cf. note 3.6.18.

Public assessment of land and buildings, see the most recent assessments

Building value	415,835
Land value	73,066
Total public assessment	488,901
Property for which no separate public assessment has been made. Book value	3,300

Note 3.6.9 Share certificates

Name of cooperative	Carrying amount at the end of the year DKK '000
Arla Food	1,297
DLG	808
Kopenhagen Fur	524
Danish Crown	52
AKM Midtjylland, Borris	25
AKV Langholt Amba	18
OK andelskapital	15
EIT Food CLC North-East	1
Total	2,740

Note 3.6.10 Other equity investments

DKK '000	2021	Accumulated	Total company share capital (nominal amount in DKK)	AU's ownership share in %
Name of company Aarhus University has ownership interests in the following companies:				
SIMHERD A/S	0	145	500	29.00
Pleuratech ApS	0	5	125	3.84
Cercare Medical A/S	0	2	485	0.50
Methyl Detect	0	13	50	25.40

Equity investments were acquired in connection with inventions and licences.

Equity investments are recognised in the financial statements at DKK 0.

AU had no revenues or expenses in 2021 relating to the above companies following their formation.

Note 3.6.11 Deposits

DKK '000	FS 2021	FS 2020
Deposits on tenancies, recognised as financial non-current assets	65,698	45,339
Other deposits, recognised as financial non-current assets	249	282
Total	65,947	45,621

Note 3.6.12 Trade receivables

DKK '000	FS 2021	FS 2020
Trade receivables etc.	137,082	133,785
Reserved for losses on trade receivables etc.	-2,461	-3,410
Total	134,621	130,375

Note 3.6.13 Receivables from ongoing funding activities

DKK '000	FS 2021	FS 2020
Receivables from ongoing funding activities	1,145,884	1,068,438
Provision for losses on ongoing funding activities	-6,600	-6,600
Total	1,139,284	1,061,838

Note 3.6.14 Other receivables

DKK '000	FS 2021	FS 2020
Reimbursements from funds regarding salaries, maternity/paternity leave and flexi jobs etc.	10,193	9,542
Accrued income	49,494	21,073
Other receivables	3,834	4,679
Total	63,521	35,294

Note 3.6.15 Other prepayments and accrued income

DKK '000	FS 2021	FS 2020
Prepayments	11,343	9,203
Total	11,343	9,203

Note 3.6.16 Securities

DKK '000	FS 2021	FS 2020
Bonds	2,171,958	2,212,953
Other securities	318,153	339,687
Total securities	2,490,111	2,552,640

Note 3.6.17 Provisions

DKK '000	FS 2021	FS 2020
Reestablishment of tenancies	3,272	3,272
Salary – limited tenure	19,881	18,897
Other provisions	11,000	11,000
Total provisions	34,153	33,169

Note 3.6.18 Accrued donations

Distribution of accrued donations by asset types:

DKK '000	Acquired concessions, patents, licences etc.	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Total
Cost brought forward 1 January 2021	3,540	108,815	968,229	33,393	75,879	1,189,856
Additions during the year	0	1,901	98,604	181	3,398	104,084
Disposals during the year	0	-3,578	-11,622	-188	-2,639	-18,027
Cost carried forward 31 December 2021	3,540	107,138	1,055,211	33,386	76,638	1,275,913
Amortisation brought forward	-3,334	-29,257	-608,965	-8,313	-59,972	-709,841
Amortisation for the year	-206	-5,866	-63,565	-1,211	-8,095	-78,943
Disposals during the year	0	3,578	11,523	187	2,639	17,927
Accumulated amortisation carried forward	-3,540	-31,545	-661,007	-9,337	-65,428	-770,857
Carrying amount as at 31 December 2021	0	75,593	394,204	24,049	11,210	505,056
Accrued donations recognised as revenues in the following periods:						
Within one year						79,310
Between one and five years						222,067
After five years						203,679
Total accrued donations as at 31 December 2021						505,056

Note 3.6.19 Debt to mortgage credit institutions

Loan no.	Property	ISIN code	Currency	Interest rate (per cent)	Fixed/floating interest rate	Non-repayment	Principal amount (DKK mill.)	Outstanding debt (DKK mill.)	Expiry
4	Birk Centerpark 15, 7400 Herning	DK0009520876	DKK	-0,1390	Floating	no	32.0	7.2	2026
5	Birk Centerpark 15, 7400 Herning	DK0009520876	DKK	-0,1323	Floating	no	10.0	4.8	2034
6	Birk Centerpark 15, 7400 Herning	DK0009521338	DKK	Floating	Floating	no	1.2	0.5	2032

Note 3.6.20 Short-term portion of long-term debt to mortgage credit institutions

DKK '000	FS 2021	FS 2020
Within one year	2,135	2,142
Between two and five years	7,250	8,525
After five years	3,087	3,943
Total long-term debt to mortgage credit institutions	12,472	14,610

Note 3.6.21 Bank loans

DKK '000	FS 2021	FS 2020
Bank loans	0	0
Overdraft utilised	59	561
Total bank loans	59	561
Overdraft facility, maximum	100,000	100,000

Note 3.6.22 Other prepayments and accrued income

DKK '000	FS 2021	FS 2020
Accrual of continuing and further education	23,244	22,803
Accrual of income-generating activities etc.	19,403	13,164
Total other prepayments	42,647	35,967

Note 3.6.23 Other short-term debt

DKK '000	FS 2021	FS 2020
VAT settlement to the Ministry and the Danish Tax Agency	5,303	34,031
Salary transfers, income tax, labour market contributions, Labour Market Supplementary Pension	85,308	79,452
Deponents	18,441	18,512
Accrued expenses	21,719	16,147
Other short-term debt	573	-1,183
Total other short-term debt	131,344	146,959

Note 3.6.24 Charges and guarantees

DKK '000		
	Carrying amount subject to mortgage	Value of mortgage in land and buildings
	51,514	12,472

Note 3.6.25 Contractual obligations**Aarhus University has rental commitments with periods of non-terminability up to 1 July 2037.**

The rental commitments are as follows:

DKK '000	Rental commitments
Within one year	187,009
Between one and five years	327,273
After five years	413,426
Total rental commitments	927,708

Note 3.6.26 Contingent assets and liabilities

Aarhus University has a full or partial right to certain inventions and patents. The value of these patents and licences is uncertain, and there is no sufficient basis for recognition.

Some employees have civil servant status, which means that Aarhus University is obligated to provide redundancy pay for up to 36 months if they are dismissed. The total maximum liability is TDKK 42,451. The pension liability for civil servants has been covered by the ongoing payment of pension contributions to pension funds.

In respect of salaried 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 discontinue the Institute of Business and Technology in Herning (AU Herning) or to discontinue the programmes offered at the centre, the Ministry of Higher Education and Science will be entitled to an amount of TDKK 52,499, equivalent to the net transfer price at the time of the centre's amalgamation with the university on 1 January 2006, adjusted according to specific 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 Higher Education and Science would have a pro rata claim. The Ministry of Higher Education and Science 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 Higher Education and Science.

Aarhus University must conduct research at the Villum Research Station in northeast Greenland until the contract expires on 1 January 2025. At this time, Aarhus University will be subject to a re-establishment obligation if the Government of Greenland does not wish to renew the cooperation agreement, and if Aarhus University does not wish to conduct research at the station after this date. This is not considered to be likely.

3.7 SPECIAL SPECIFICATIONS

3.7.1. Revenues and costs by company types

DKK '000	FS 2021	FS 2020	FS 2019	FS 2018
General activities*				
Revenues	4,638,491	4,624,057	4,553,526	4,500,933
Costs	4,635,608	4,637,180	4,514,242	4,513,249
Profit/loss	2,883	-13,123	39,284	-12,315
Grant-financed research activities				
Revenues	2,121,938	1,884,450	1,922,414	1,813,467
Costs	2,121,938	1,884,450	1,922,728	1,813,430
Profit/loss	0	0	-314	38
Other grant-financed activities				
Revenues	130,300	115,459	135,909	137,152
Costs	130,279	115,459	135,909	137,152
Profit/loss	2022 prices	0	0	0
Income-generating activities				
Revenues	113,473	126,134	130,339	131,474
Costs	101,970	113,251	118,587	123,236
Profit/loss	11,503	12,883	11,752	8,238
<i>Accumulated profit/loss for income-generating activities (equity)**</i>	<i>154,170</i>	<i>142,666</i>	<i>129,784</i>	<i>118,032</i>
Forensic examinations				
Revenues	51,334	51,443	49,718	47,178
Costs	51,334	51,443	49,372	45,561
Profit/loss	0	0	346	1,617

* Divisional financial statement 6 – Educational research, and Divisional financial statement 9 – Greenland taxation have been included under General activities

** Aggregate result includes the results from 2007 onwards. The source of the information for 2007 is the merged institutions' individual annual reports. The National Environmental Research Institute (NERI) had one set of divisional financial statements in 2007. Consequently, the figures for 2007 do not include any revenues from income-generating activities in the National Environmental Research Institute.

3.7.2. Management salaries

DKK '000	FS 2021	FS 2020
Board		
Number of external board members	6	6
Remuneration paid to the chair	262	260
Total remuneration paid to other external members	429	433
Managers in general		
Number of management FTEs	223	186
Total payroll costs for managers, incl. pension	191,485	162,079

3.7.3. Student political activities

DKK '000	FS 2021	FS 2020
Student sports activities and other student activities		
Student sports activities	830	877
Other student activities	1	2022 prices
Total student activities	831	899
Student political activities		
Student Council/Studenterlauget/Joint Student Council	1,569	1,447
Konservative Studenter	130	100
Frit Forum	155	142
Total student political activities	1,854	1,690
Total	2,685	2,589

3.7.4. Free place and scholarship funds for the universities

	Number of students enrolled on fully or partly free places	Number of scholarship recipients	Use of free places (DKK '000)	Use of scholarships (DKK '000)	
Rate 1	34	28	1,501	2,996	
Rate 2	1	1	69	94	
Rate 3	23	15	2,038	1,405	
Total	58	44	3,608	4,495	
	Transferred from the Danish Agency for Higher Education and Science (DKK '000)	Retained earnings from international fee-paying students (DKK '000)	Use in the financial year (DKK '000)	Profit for the year (DKK '000)	Accumulated results
2020	9,218	563	8,775	1,007	3,248
2021	9,962	232	7,880	2,314	5,562

3.7.5. Staff full-time equivalents

	FS 2021	FS 2020
Number of FTEs, incl. employees on special terms	8,290	8,005

4. SINO-DANISH CENTER FOR EDUCATION AND RESEARCH

Completion of the SDC building in China, a meeting with China's ambassador in Denmark and an external evaluation of recruitment to the Master's degree programmes at the SDC. These are just some of the events that marked 2021 at the SDC. Covid-19 continues to make its mark on work of the SDC, and naturally this challenges research collaboration across borders, as well as students' opportunities to engage in cultural exchange and form networks. However, students and researchers have shown great flexibility and initiative. Students have been inventive when they trying to find internships, teachers have made a huge effort in online teaching, and PhD students have adjusted their course of study to ensure that they continue to benefit as much as possible from their collaboration with Danish and Chinese supervisors. The high academic level of PhD students at the SDC was underpinned when SDC Social Sciences PhD student Annesofie Lindskov from Roskilde University received the Elite Research Prize travel grant from the Danish Ministry of Higher Education and Science in 2021.

In China, the SDC building on Yanqihu campus was completed. The flats for teachers from Danish universities and other guests were also completed, and it is hoped that the building will soon again provide the framework for teaching, symposia and other academic events for Danish and Chinese students and researchers, as well as business and industry in China.

In January, the first 'Danish Business Outlook on China index' was published. The index summarises the overall expectations of the Danish business community regarding China as a market and it will be published quarterly. The Danish Embassy in China, the Danish Chamber of Commerce in China, the Danish-Chinese Business Forum and the SDC are behind the initiative.

This year's Danish and international graduates were celebrated by both current and future students at a graduation event in Denmark. The SDC wants to improve the academic environment and intercultural collaboration. Therefore, the Study Milieu and Intercultural Learning (SMIL) at the SDC, which is anchored at Roskilde University, supports a good academic environment from admission to graduation. The course ensures that new students have close contact with the other students. In 2021, for example, two physical seminars with focus on group dynamics across cultures were held. A culture buddy system has also been set up to give students the best possible foundation for an efficient virtual classroom. In future, SMIL will also support pedagogical work with current and future classes.

In March, an external group with members from the Danish universities and the Danish Accreditation Institution completed an evaluation of the possibilities to improve recruitment of Danish students to degree programmes at the SDC. This was initiated by the Danish board in order to realise the strategy for sustainable admissions and create a better balance between Danish and Chinese students on degree programmes. The evaluation group prepared a report with specific recommendations regarding recruitment, marketing, educational collaboration and framework conditions. In the light of the recommendations, the SDC has launched several initiatives, including a recruitment and marketing plan to ensure joint and concerted efforts between the SDC and the Danish universities.

In September, China's ambassador in Denmark H.E. Feng Tie visited Aarhus University and, among others, met with Morten Laugesen, the Danish Executive Director of the SDC, and Morten Foss, Principal Coordinator for Nanoscience.

In 2021, the Danish SDC Board welcomed two new members. Vice Dean of International Education at CBS, Martin Jes Iversen, replaced his colleague Dana Minbaeva, while Dean of Natural Sciences at Aarhus University, Kristian Pedersen, took over from Lars Bo Nielsen, who moved to a position as Director General of the Danish Medicines Agency.

THE SINO-DANISH CENTER FOR EDUCATION AND RESEARCH
 INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2021
 BALANCE SHEET AS AT 31 DECEMBER 2021

DKK '000				
Note	Income statement		FS2021	FS2020
	Ordinary operating income			
	Grants for own operation from the Danish Finance Act		30,387	34,389
	External funding		30,600	30,300
1	Grants from the Danish Industry Foundation		9,000	0
	Total ordinary operating income		69,987	64,689
	Subsidies transferred to Danish universities		54,860	45,355
	Subsidies transferred to China		0	0
	Total funds transferred		54,860	45,355
	Ordinary operating costs			
	Consumption costs			
	Rent		295	437
	Other consumption costs		0	0
	Total consumption costs		295	437
	Staff costs		7,975	8,061
2	Other ordinary operating costs		14,556	2,142
	Depreciation, amortisation, write-downs and impairment losses		0	92
	Total ordinary operating costs		77,686	56,087
	Profit/loss for the year		-7,699	8,602

Balance sheet				
Assets				
	Current account with AU		56,453	64,152
	Total assets		56,453	64,152
Equity and liabilities				
	Balance carried forward 2020		64,152	55,550
	Funds paid by partners 2021		69,987	64,689
	Use of funds paid by partners 2021		-77,686	-56,087
	Funds available for future activities, end of 2021		56,453	64,152
	Total equity and liabilities		56,453	64,152

Note 1: The Danish Industry Foundation has awarded DKK 9,000,000 to complete the House of the Danish Industry Foundation in Beijing.

Note 2: Of this, DKK 8,462,000 has been spent on completing the House of the Danish Industry Foundation in Beijing.

COLOPHON

Annual Report 2021

www.au.dk/arsr2021

Copyright

Aarhus University

Editors: Events and Communication Support, Rector's Office and AU Finance

The following publications report on Aarhus University's activities: *Annual Report* and *AU Key Statistics*.

All publications are available at www.au.dk – see the menu item “About AU/Strategy”.

Events and Communication Support

Email: kommunikation@au.dk

Web: www.au.dk/kommunikation
