

ANNUAL REPORT 2022



AARHUS UNIVERSITY



CONTENTS

1. Statement by the management and auditor's report.....	3
1.1 Statement by the management on the annual report.....	3
1.2 Independent auditor's report.....	4
2. Report	6
2.1.1 Institutional information.....	6
2.1.2 Presentation of the institution	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	26
3.1 Accounting policies.....	26
3.2 Income statement 1 January - 31 December.....	29
3.3 Balance sheet as of 31 December.....	30
3.4 Cash flow statement.....	31
3.5 Statement of changes in equity.....	31
3.6 Notes on the financial statements.....	32
3.7 Special specifications	38
4. Sino-Danish Center for Education and Research.....	40
Colophon	42

1. STATEMENT BY THE MANAGEMENT AND AUDITOR'S 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.

Aarhus, 14 April 2023

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.

Brian Bech Nielsen
Rector

Kristian Thorn
University Director

Berit Eika
Pro-rector

BOARD

Birgitte Nauntofte
Chair

Carsten Bjerg
Alternate

Trine Holm Thomsen

Jonas Dahl

Lars Rohde

Peter Balling

Anne Skorkjær Binderkrantz

Uffe Pilegaard Larsen

Astrid Söderbergh Widding

Thea Bonnemann

Sofie Hillgaard Pedersen

1.2 INDEPENDENT AUDITOR'S 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 2022. The financial statements comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies as indicated on pages 26-28. The financial statements are prepared in accordance with Ministerial Order No. 1957 of 15 October 2021 on the Funding and Auditing etc. of Universities, as well as the guidelines and instructions on financial statements set by the Ministry of Higher Education and Science and the Danish Agency for Institutions and Educational Grants, hereinafter collectively referred to as the 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 and the agreement on internal auditing of universities between the minister for higher education and science and the Auditor General in accordance with section 9 of Auditor General's Act. 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, 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, 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, whereby the audit is performed on the basis of the Ministerial Order no. 1957 of 15 October 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 a conclusion 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 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

Management is responsible for the management's report.

Our opinion on the annual financial statements does not comprise the management's report, and we do not express any opinion on the management's report.

In connection with our audit of the financial statements, it is our responsibility to read the management's report, and in this regard to consider whether the management's report is 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.

Our responsibility is furthermore to consider whether the management's report contains the information required in accordance with the government accounting rules.

Based on the work performed, it is our opinion that the management's report is in accordance with the financial statements and has 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.

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. Management is also responsible for ensuring that due financial consideration has been given to the administration of the funds and operations 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.

Aarhus, 14 April 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Jakob Boutrup Ditlevsen
State-Authorised Public Accountant
mne27725

Lars Jørgen Madsen
Registered Auditor
mne18495

2. REPORT

2.1.1 INSTITUTIONAL INFORMATION

The institution

Aarhus University
Nordre Ringgade 1
8000 Aarhus C, Denmark

Tel.: +45 87 15 00 00
Email: au@au.dk

CVR no.: 31119103
Financial year: 1.1. – 31.12.2022
Registered in: Aarhus

Board 2022

Connie Hedegaard, chair (1 January – 30 November 2022)
Birgitte Nauntofte, chair (1. December 2022 –)
Carsten Bjerg, alternate
Caroline Søbørg 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 (– 31 January 2022)
Jonathan Rossen, student representative (1 February 2022 –)
Astrid Söderbergh Widding

Management 2022

Brian Bech Nielsen, rector
Berit Eika, pro-rector
Arnold Boon, university director (until 30 September 2022)
Lone Ryg Olsen, director of enterprise and innovation
Johnny Laursen, dean (Arts)
Thomas Pallesen, dean (Business and Social Sciences)
Anne-Mette Hvas, dean (Health)
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

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

2.1.2 PRESENTATION OF THE INSTITUTION

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, as well as its 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 is broad-ranging, 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 interna-

tional 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. This includes popular research communication to the general public, 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 connecting 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.

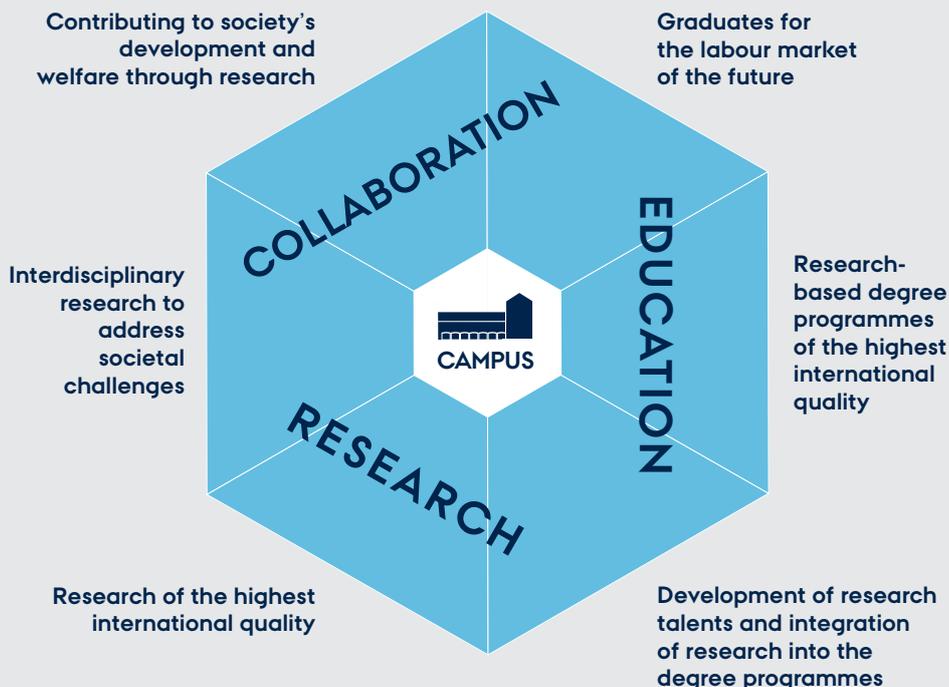
The outset of the vision is that Aarhus University is a genuine international campus university with vibrant campuses where students, staff and external partners meet in close collaboration. The university's main campus in Aarhus is already recognised internationally for its distinctive architecture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

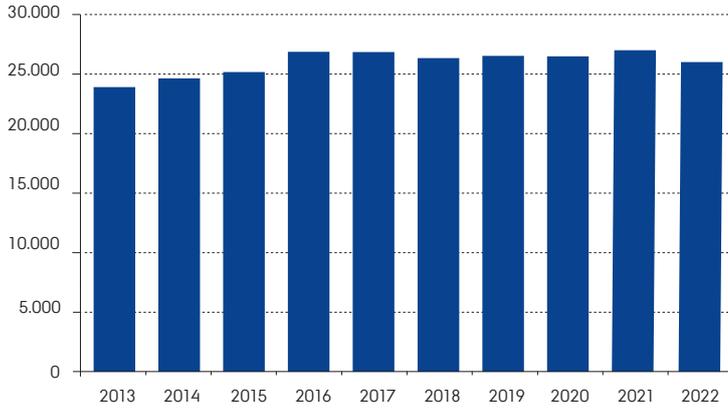
The core activities are categorised under the three main headings research, education and collaboration, and they all include specific strategic goals, sub-goals and initiatives to support the overall goal to ensure the highest international quality within the core activities.

Figure. Aarhus University's mission

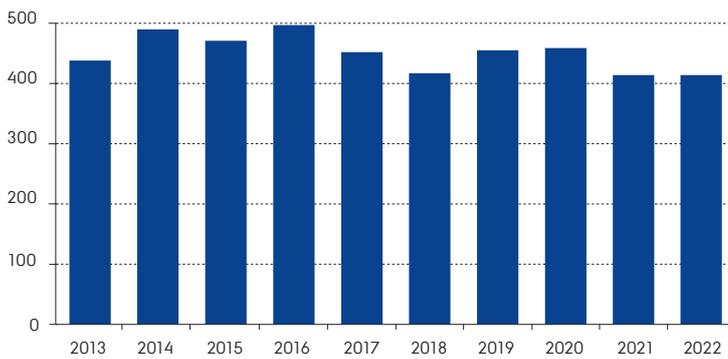


2.1.3 KEY FIGURES

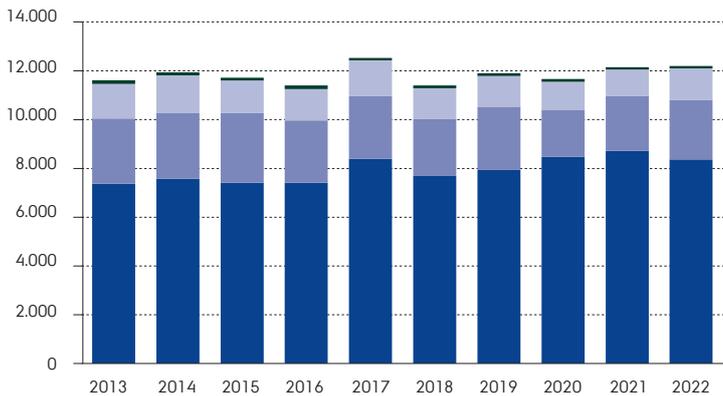
The following key figures will be further elaborated in section 2.2 Management report.



**Student FTE production
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	2022	2021	2020	2019	2018
Income statement (DKK mill.)						
1	Government subsidies	4,234	4,246	4,237	4,191	4,168
2	Other subsidies	2,575	2,245	1,986	2,052	1,949
3	Sales of goods and services	412	348	335	369	359
4	Other revenues	94	97	103	116	120
5	Total operating income	7,316	6,936	6,662	6,728	6,596
13	Staff costs	4,854	4,681	4,536	4,407	4,236
14	Rent	669	661	661	676	656
15	Depreciation, amortisation, write-downs and impairment losses	170	158	151	143	139
16	Losses in connection with the sale of buildings and impairment on buildings for sale	0	0	0	2	0
17	Other operating costs	1,659	1,456	1,349	1,502	1,574
18	Other operating costs, total	7,352	6,955	6,698	6,730	6,606
19	Profit/loss before financial items and extraordinary items	-36	-19	-36	-2	-10
20	Profit/loss for the year	-292	14	0	51	-2
Balance sheet (DKK mill.)						
21	Non-current assets*	1,375	1,364	1,278	1,246	1,169
22	Balance sheet total	5,699	5,333	5,266	4,791	4,438
23	Equity	631	924	909	958	907
24	Long-term liabilities	423	518	495	463	433
Accounting key figures (per cent)						
25	Profit margin	-4.00%	0.21%	0.00%	0.76%	-0.04%
26	Liquidity ratio	100.34%	111.73%	128.26%	129.65%	132.37%
27	Solvency ratio	11.08%	17.32%	17.27%	19.99%	20.43%
28	Funding ratio	-	0.96%	1.15%	1.35%	1.62%
29	Debt factor	-	0.18%	0.21%	0.25%	0.28%
Staff (full-time equivalents)						
30	Members of academic staff (VIP)	4,532	4,402	4,175	4,129	4,009
31	Part-time academic staff (DVIP)	314	325	341	367	377
32	Technical and administrative staff (TAP)	3,571	3,563	3,489	3,544	3,486
33	Staff full-time equivalents, total	8,417	8,290	8,005	8,040	7,872
Active enrolment- Ordinary study programmes						
34	Theory - student FTEs	25,966	26,996	26,475	26,521	26,341
35	Internship - student FTEs	0	0	0	0	0
36	Student FTEs with subsidies from other ministries	124	176	182	179	182
37	Student FTEs on ordinary degree programmes, total	26,090	27,172	26,657	26,700	26,523
38	Number of admissions to academy profession degree programmes.	0	10	15	16	18
39	Number of admissions to professional Bachelor's degree programmes	993	989	1,019	1,047	1,193
40	Number of admissions to Bachelor's degree programmes	5,411	6,554	7,187	6,815	7,018
41	Number of admissions to Master's degree programmes	5,407	5,767	5,771	5,925	5,898
42	Number of admissions to other ordinary degree programmes	0	0	0	0	0
43	Total number of enrolled students on ordinary degree programmes	31,972	32,543	33,027	32,630	32,602
44	Number of graduates from academy profession degree programmes	15	16	16	12	10
45	Number of graduates from professional Bachelor's degree programmes	841	825	697	659	589
46	Number of Bachelor's degree graduates	3,854	4,974	3,956	3,966	3,923
47	Number of Master's degree graduates	5,028	5,229	4,987	5,045	5,203
48	Number of graduates from other ordinary programmes	0	0	0	0	0

No.	Financial highlights	2022	2021	2020	2019	2018
	Actively enrolled – part-time degree programme/open education					
49	Student FTEs, part-time degree programme/open education, higher education degree programmes	479	505	492	591	627
50	Student FTEs, part-time degree programme/open education, non-tertiary/ other programmes	306	344	342	367	403
51	Student FTEs, part-time degree programme/open education, total	786	849	834	958	1,030
	Course activities - income-generating activities (DKK mill.)					
52	Course activities - income-generating activities, revenues**	51	20	-	-	-
	Internationalisation					
53	Number of outgoing students (exchange students)	1,074	664	1,128	1,487	1,405
54	Number of incoming students (exchange students)	962	612	636	996	1,090
55	Number of foreign exchange students on full programmes in Denmark	2,827	2,786	2,717	2,790	2,962
	PhD programmes					
56	Number of PhD students enrolled	1,898	1,894	1,840	1,820	1,851
57	Number of newly enrolled PhD students	510	516	549	491	490
58	Number of approved PhD dissertations	414	414	459	455	417
	Research and communication					
59	Number of reported patents	32	17	28	20	24
60	Number of reported inventions	75	69	72	80	68
61	Number of projects with business and industry	3,225	2,710	2,616	2,713	2,474
62	Number of external projects	5,862	5,138	5,045	5,038	4,699
63	Revenues from cooperation with business and industry (DKK mill.)	1,143	962	831	790	690
	Buildings					
64	Buildings, total (gross area in m ²)	717,925	697,196	700,848	707,642	685,770

* Non-current assets including investments from 2021.

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

2.2 MANAGEMENT'S REPORT

The past year has been marked by the global consequences of the war in Ukraine, which have resulted in considerable economic uncertainty. This affected Aarhus University. The university ended 2022 with a deficit of DKK 292 million. The main reasons behind the deficit were increasing energy prices and the significantly low yields on the investments the university is obliged to make. In the autumn of 2022, the university launched a number of counter measures, including energy-saving measures and a temporary, qualified hiring freeze. The initiatives had a positive effect on the university's finances.

Despite its financial situation, Aarhus University once again achieved impressive results within its core areas of research, education, external collaboration and public sector consultancy.

The Russian invasion of Ukraine has left a mark on the university. Just eight days after the war began, the Aarhus University Research Foundation granted DKK 10 million to the Aarhus Institute for Advanced Studies. The grant was used to establish AUFF Ukraine Research Fellowships, which granted fellowships to 12 Ukrainian researchers. This allowed the researchers to continue their research in a safe environment together with colleagues from Aarhus University.

In the spring of 2022, the AU Board adopted the statement on 'Freedom of expression for staff and students at Aarhus University'. Freedom of expression, academic freedom and freedom of research are the cornerstones of the university's activities. The statement affirms the right to freedom of expression for students and employees - even if what they express may offend others. The statement was adopted after a thorough consultation by the University's liaison committee, the academic councils, the faculty management teams and the student organisations.

Forskningsfondens Ejendomsselskab A/S (FEAS) and Aarhus University will continue developing the University City on the former grounds of the municipal hospital; an area which is now part of the university's overall campus. At the beginning of 2022, the Department of Molecular Biology and Genetics was the first department to move into the University City; an occasion that was commemorated by a visit from HM Queen Margrethe II later in the year. The relocation of Aarhus BSS's current activities on Fuglesangs Allé to a 36,000 m² space in the northern and central part of the University City was celebrated by cutting the first sod on 20 April 2022. The relocation is expected to be completed in 2025. Over the course of the year, FEAS established 132 new units of student housing in the University City, and in the sum-

mer of 2022, the northern passage connecting the University City with the University Park was opened. The passage, which can be used by both pedestrians and cyclists, links the University Park and the University city.

In 2022, Aarhus University received a listing proposal from the Agency for Culture and Palaces in collaboration with Det Særlige Bygningssyn. The proposal comprised a number of specific buildings and an area listing for the University Park and Vennelystparken. In December, the university submitted a critical consultation response, which had been approved by the board. The university is expecting a decision on the proposal from the Agency for Culture and Palaces by March 2023.

Aarhus University's latest greenhouse gas emissions report is for 2021. The report shows an overall 37 per cent decrease in CO₂ emissions compared to the 2018 baseline. This means the university has already met its target of a 35 per cent reduction by 2025. However, the greenhouse gas emissions report covers an atypical period, when the university and the rest of the world were impacted by lockdowns and travel restrictions as a result of the Covid-19 pandemic. This contributed to the decline in CO₂ emissions.

In 2022, the Circle U. university alliance held its first activities for students and staff. The activities were held at the alliance's partner universities, and included summer schools in the fields of democracy, global health, climate, and digital entrepreneurship, and seminars, conferences. In 2022, the Circle U. alliance expanded to include two new members, the University of Pisa and the University of Vienna, and the year also saw the launch of several research and educational collaborations. Lastly, 2022 was spent preparing the application to the EU for funding for the next phase of the alliance. The application was submitted in January 2023. The next phase will begin in November 2023 and will run for four years.

In 2022, the Minister for Higher Education and Science approved Birgitte Nauntofte as the new chair of the board for a four-year period. She took up the position vacated by Connie Hedegaard on 1 December 2022. Birgitte Nauntofte was previously a researcher and vice-dean at the University of Copenhagen and spent 12 years as a director of the Novo Nordisk Foundation.

In April, the Aarhus University Board decided to appoint Brian Bech Nielsen as the rector for a new five-year period. Brian Bech Nielsen has been the rector of the university since 2013.

FINANCIAL RESULTS AND PERFORMANCE REPORTING

Aarhus University ended 2022 with a deficit of DKK 36 million. This is an improvement of DKK 41 million compared to the budgeted deficit of DKK 77 million. The improved deficit is a result of revenues being DKK 96 million higher than budgeted, while costs were DKK 55 million higher.

Financial items ended in a deficit of DKK 257 million, which is DKK 286 million worse than budgeted. The reason for the deficit is a significant decline in prices of securities in AU's portfolio, which is managed by external asset management firms in accordance with the Ministerial Order on Investment.

Overall, the university ended 2022 with a deficit of DKK 292 million. A deficit of DKK 47 million was budgeted at the start of the year. Due to the deficit on financial items, the annual result is therefore DKK 245 million lower than budgeted.

The annual result and budget variances should be viewed in light of external circumstances, primarily the war in Ukraine, which has led to rising energy costs, inflation and general uncertainty on the financial markets.

2022 was the first year of Aarhus University's strategic framework contract for 2022-2025 with the Ministry of Higher Education and Science. A detailed report of the first year is in section 2.5 of this annual report. The assessment of Aarhus University is that progress towards the targets has been satisfactory given that 2022 was the first year of the framework contract.

RESEARCH AND TALENT DEVELOPMENT

Aarhus University is a research-intensive university, striving for the highest international quality. Excellent basic research is a cornerstone that provides answers to major societal challenges and delivers new insights and solutions to benefit society as a whole. Basic research is also the foundation of the university's other core activities: education, innovation and public sector consultancy.

Talent and career development - gender equality and diversity

The university's top position within research depends on its ability to recruit and retain talented researchers. The university is therefore constantly working to improve quality and ensure diversity in its recruitment processes and career development for early career researchers. The university also promotes inclusive academic environments. In 2022, a digital screening tool was tested on job advertisements to limit bias, and locally defined activities were carried out at each department and school. A new AU action plan for gender equality, diversity and inclusion for the period 2023-25 has been approved. Lastly, 21 workshops on career development and career paths have been held for PhD students. The workshops were held in close collaboration with the academic environments to ensure relevance. A total of 243 PhD students participated in the workshops.

Interdisciplinary initiatives to solve important societal challenges

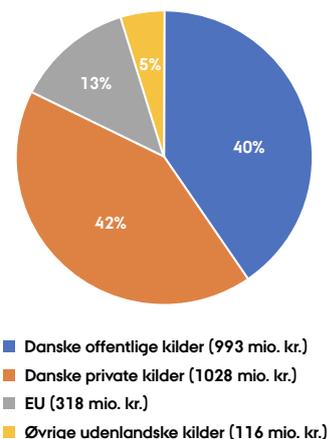
In 2022, Aarhus University established three interdisciplinary research initiatives that each addressed a major societal challenge: START (Centre for Sustainable Agrifood Systems) will contribute to the sustainable transition of agriculture and food production. PIREAU (Platform for Inequality Research at Aarhus University) will generate new interdisciplinary knowledge about inequality and the initiatives to combat it. SHAPE (Shaping Digital Citizenship) will promote democracy and active citizenship in a world increasingly characterised by data and algorithms. Each of the three centres has received a starting grant of DKK 10 million from Aarhus University for the period 2022-2023. They are expected to attract external funding to support ongoing operations.

Increase in external research funding

A growing proportion of external research funding is being granted by private foundations, which have so far not financed the full cost of running research projects. For this reason, Aarhus University began work on making the full costs of projects more visible in 2022. The goal is to achieve better coverage of both direct and indirect costs when securing external funding. At sector level, a constructive dialogue with the major foundations on funding actual costs has been established, and Aarhus University has proposed several models.

Utilisation of external research funding and attracting new grants in 2022

Changes in how the university utilises and attracts new external research funding are shown in section 2.4 Financial review. The utilisation of funding in 2022 is illustrated by source below.



Utilisation of external research funding in 2022 by Aarhus University totalled DKK 2,455 million. This is an increase of 12 per cent in real terms compared with 2021. Utilisation of funding from the three largest sources of funding – Danish private foundations, Danish public foundations and the EU – has increased. There was a slight two per cent decline in the utilisation of funds

from "other foreign sources". Over the past few years, utilisation of funding from private Danish foundations has increased, and this trend has continued. In 2022, 42 per cent of utilised funding came from private Danish foundations. This is an increase of one per cent compared to 2021.

A provisional statement at the beginning of March 2023 shows that the university received DKK 2,883 million in external funding in 2022. The amount in 2021 was DKK 2,529 million.

With regard to funding from the European research and innovation programme Horizon Europe, Aarhus University had received funding for 135 projects as of January 2023, and in 2022 received almost DKK 542 million. This is the largest amount of funding ever received, and a preliminary statement shows that Aarhus University is the fourth biggest recipient of Horizon Europe funding in the programme's history.

Major new grants

In 2022, a number of research environments and researchers from Aarhus University received large grants from both international and national grant givers. Research is often conducted in close collaboration with other universities. This is how Aarhus University contributes new knowledge and helps solve important and often complex societal challenges.

The European research and innovation programme Horizon Europe is the most important international source of research funding. ERC grants are considered particularly prestigious. In 2022, Cecilia Ramlau-Hansen from the Department of Public Health, together with her colleagues from Germany and Norway, received an ERC Synergy Grant totalling DKK 104 million. The group's research centres on untangling the biological and social causes of low fertility in high-income societies. Thomas Pohl from the Department of Physics and Astronomy and his German colleagues also received a Synergy Grant of DKK 60 million for their project "Superatom Waveguide Quantum Electrodynamics" (SuperWave).

Two early career researchers each received an ERC Starting Grant of approx. DKK 11 million: Jihan Zakarriya from the Aarhus Institute for Advanced Studies received funding for a research project on feminism in the Gulf states. Mads F. Schou from the Department of Biology received funding for a research project aimed at developing a better understanding of how large animals will be affected by major temperature fluctuations in the future.

Doug Speed from the Centre for Qualitative Genetics and Genomics received a Consolidator Grant of almost DKK 15 million. Furthermore, researchers from Aarhus University received a total of almost DKK 104 million in 2022 as research coordinators on EU missions and under Pillar 2 of the Horizon Europe programme.

Both private and public Danish foundations awarded significant grants to researchers and research environments at Aarhus University in 2022. Five of the six largest Danish foundations – the Carlsberg Foundation, the Danish National Research Foundation, the Lundbeck Foundation, the Novo Nordisk Foundation, and the Villum Foundation – have joined together and granted a total of up to DKK 240 million to establish Land-Craft: Pioneer Centre for Landscape Research in Sustainable Agricultural Futures. The centre is a collaboration between Aarhus University and the University of Copenhagen, and it aims to develop fundamental research-based solutions for the green transition of the agriculture sector. The centre is headed by Klaus Butterbach-Bahl from the Department of Agroecology at Aarhus University, and is part of a national partnership to establish pioneer centres for selected research areas.

In 2022, the Danish National Research Foundation granted funding to establish three new basic research centres at Aarhus University. Each of the three centres received DKK 60 million. CiViA, the Center for Immunology of Viral Infections, headed by Søren Riis Paludan from the Department of Biomedicine, will explore the secrets of the immune system. The Center for Chemistry of Clouds, under the direction of Merete Bilde from the Department of Chemistry, will seek to gain a better understanding of clouds. Cloud formations are one of the great mysteries of climate research, and the answers to this mystery could be extremely important. The objective of the ECONOVO centre is to illustrate how promotion of biodiversity and robust ecosystems can create positive climate impacts. The centre is headed by Jens-Christian Svenning from the Department of Biology.

In 2022, TrygFonden's Centre for Child Research received a new grant of DKK 70 million from the Trygfonden Foundation. The new grant means the centre can continue its activities until 2031. In the coming years, research at the centre will focus on two periods during childhood and early adolescence that have shown potential to improve learning and development. This could help many children benefit more from school teaching in the future.

The Novo Nordisk Foundation's Challenge Programme has granted DKK 57 million to a research centre on plastic being headed Daniel Otzen from iNANO. Together with colleagues from Denmark and Portugal, the centre will look for gentle methods of breaking down plastic.

Via the Monograph Fellowships, the Carlsberg Foundation has made it possible for seven humanities researchers to conduct groundbreaking humanistic research. The fellowships have a broad thematic scope: from human evolution and the development of ethical ideas in practice, to the role of digital media in the clash between cultural values, and the connections between modern and historical conflicts in the US and Denmark.

Awards

In 2022, researchers from Aarhus University received prizes and awards for their research.

Professor Jørgen Christensen-Dalsgaard from the Department of Physics and Astronomy was the first Dane to receive the Norwegian Kavli Prize for outstanding scientific research. The prize includes a cash award of USD 1,000,000. He shared the prize with two other researchers within the same field of research: asteroseismology. Jørgen Christensen-Dalsgaard also became a member of the National Academy of Sciences, a prestigious American society.

Lars Wiuff Andersen from the Department of Clinical Medicine received this year's Anders Jahre Award for young medical researchers. He received the award for his research on the treatment of cardiac arrest.

Elisa Katariina Uusimäki from the School of Culture and Society was awarded the Nils Klim Award 2022 for her research into the literary and cultural history of Judaism in antiquity. The Nils Klim Award is awarded to a junior researcher from a Nordic country who has conducted outstanding research in the field of humanities, social science, law or theology.

Felix Riede from the School of Culture and Society received one of the five Elite Research Awards presented each year by Ministry of Higher Education and Science. He received the award for his research on how climate change and natural disasters have caused major changes in society and culture throughout history.

Michael Bang Pedersen from the Department of Political Science received two awards for research communication: the Danish Ministry of Higher Education and Science's Research Communication Award and the Anniversary Foundation's Research Communication Prize. He won the awards for his efforts during the Covid-19 epidemic when, on the basis of the results from the HOPE project, he described the importance of trust and communication for good crisis management.

Søren Riis Paludan from the Department of Biomedicine was awarded Aarhus University's own prize, the Rigmor and Carl Holst-Knudsen Award for Scientific Research for his research on how viral infections activate the immune system. Signe Normand from the Department of Biology received the Victor Albeck Award from Aarhus University for developing new research methods to understand how plants are affected by environmental and climate change.

DEGREE PROGRAMMES

Portfolio of degree programmes

Aarhus University is on track with implementation of the institutional plan, which is a result of the political agreement on more and better educational opportunities throughout Denmark. The plan includes establishing new study programmes outside Aarhus

and closure of study programmes and student places in Aarhus and Emdrup. As part of establishing AU Viborg, the Bachelor's and Master's degree programmes in veterinary medicine were approved in pre-qualification at the beginning of 2023. Applications have also been submitted for Bachelor's and Master's degree programmes in animal science, a Bachelor's degree programme in plant and food science, and a Master's degree programme in plant science. The Bachelor's and Master's degree programmes in Agrobiography will also be transferred to AU Viborg.

The university has closed admissions to seven Master's degree programmes in 2023. These are: Cognitive Semiotics, Diaconia, the English Master's degree programme in political science, Business Communication, Corporate Communication, Agriculture, Nature and the Environment, as well as Nursing, which was offered in Emdrup. The latter – including enrolled students – has been transferred to Roskilde University. The Master's degree programme in IT, communication and organisation will be scaled down in Aarhus until the final intake in 2027, after which the programme will close completely. The number of places offered in Herning will be increased correspondingly from 2023.

Recruitment and commencement of studies

In 2022, Aarhus University welcomed 6,404 new Bachelor's students, which is two per cent fewer than in 2021. The intake is considered satisfactory in a year which saw a declining numbers of admissions to all Danish universities.

For the past two years, the difference between the number of places offered and the number of admitted students on 1 October has been greater than previous years. In 2019, 743 people declined a place on a degree programme. In 2022 that number was 1,133.

Aarhus University is continuing efforts to change its profile to attract more students to engineering degree programmes and IT-related degree programmes. However, admissions to the engineering degree programmes remained largely unchanged in 2022. The IT degree programmes show positive development with a seven-per-cent increase in admissions compared to 2021.

The university is working strategically to ensure correct matches in student recruitment. The recruitment initiatives are based on honest communication and accurate insight into the content of study programmes. Initiatives include the open house event U-days (with approx. 7,000 participants), live-streamed lectures for upper-secondary schools (with approx. 11,000 participants) and a networking day for senior managers at upper secondary schools and Aarhus University (90 participants). Aarhus University's campus in Herning is facing recruitment challenges, and the university is therefore working closely with Herning Municipality to increase the target group's awareness of AU Herning's distinctive features such as its proximity to the city, innovative spirit and its role as a university for business and industry.

The 2022 admissions were characterised by high grade-point averages with a qualifying average grade of 8.8.

Bachelor's and Master's programmes

- 31,960 students enrolled
- 26,254 applications
- Bachelor's: 6,404 admitted, 4,695 graduated
- Master's: 5,485 admitted, 5,028 graduated

The average first-year drop-out rate from the university's programmes has increased from 16.8 per cent in 2021 (calculated in 2020) to 18.3 per cent in 2022 (calculated in 2021). The drop-out rate varies between faculties and degree programmes, but a recurring trend is that an increasing proportion of people who accept a student place do not show up for orientation and dropouts are taking place earlier in the programme. Aarhus University has therefore launched initiatives to ensure that new students are integrated academically and socially into their programmes to limit drop-out rates. Ahead of the commencement of studies in 2023, an online student adviser course will be developed to better prepare tutors to establish a psychologically safe environment and to prevent inappropriate behaviour during orientation week.

Structure and completion time

The average number of ECTS credits earned per semester by enrolled students is a key indicator of the university's quality assurance system. The average number of ECTS credits earned each semester is usually high for enrolled Bachelor's and Master's degree students, although there has been a slight drop compared to 2021. In 2022, Bachelor's students earned 29.1 ECTS compared to 29.3 ECTS credits in 2021, and Master's degree students earned 26 ECTS credits compared to 26.4 ECTS credits in 2021. There are also differences across the degree programmes.

There has been a slight decline in individual students' assessment of the average time they spend on their degree programme. The self-reported time spent varies across degree programmes, but the average has dropped from 37 to 36 hours per week from 2021 to 2022. Minor changes have also been observed in student performances at exams, namely an 0.8 per cent fall in pass rates compared to 2021. The different indicators of behavioural change are also reflected by the decline in the university's student FTE revenues in 2022. The university will monitor developments closely in 2023.

In 2022, Aarhus University continued its efforts to increase the academic learning outcomes of students. A pilot project was carried out on the study-related spaces for reflection, which aim at preparing teachers to help first-year students develop robust learning strategies and competencies. In 2023, the project will

be expanded to include workshops for first-year students.

Finally, there is also work to further develop the pedagogical didactic competences of teachers. In 2022, the university began implementing a new job structure with stricter requirements for maintaining and development teaching competencies.

The academic environment

During the corona pandemic, initiatives for well-being were implemented across the university to improve the social integration of new students. In 2022, the university evaluated the initiatives as part of the teaching environment assessment, and the positive experiences from the initiatives continue locally at the faculties. For example, the appointment of wellbeing coordinators helped students return to the university's student organisations after the corona lockdowns. Another initiative to safeguard social well-being is the university's management of harassment and offensive conduct. In 2022, eight recommendations were presented to improve current and planned initiatives.

In 2022, Aarhus University also continued optimising its physical learning environments to better motivate students to learn and remain on campus. These improvements included premises for voluntary organisations, more group workplaces and refurbished classrooms. Improvements were either by renovating existing locations or building new premises.

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 at the hub of our quality assurance work at degree programme level. Digital skills are an important component in this work. In 2022, Aarhus University launched the third main initiative of the university's digitalisation strategy: 'Digitally Competent Graduates'. The goal of the initiative is to advance the digital skills of students by incorporating digital methods into the curriculum. The initiative consists of four tracks: identifying the development needs of Aarhus University, developing the curriculum of degree programmes, competency development of academic staff, and extracurricular coding camps (where interested students learn about coding and computer logic). All four tracks are progressing as planned. In 2022, a total of 17 degree programmes were reviewed with a view to folding the new digital elements into study programmes. A total of 492 teaching staff also participated in digital competency development.

Several recurring events at Aarhus University aim to make students more aware of the broader societal aspects and of the career opportunities related to digitalisation. One example of this is the student-run Aarhus Symposium. In 2022, the symposium brought together students and chief executives from the business community to debate the strengths of the Nordic region in a competitive and changeable world. Another event that gives

students an opportunity to devise solutions to societal challenges is the Circle U. Challenge. The challenges are set by the alliance's partners. Aarhus Municipality, an alliance member, set a challenge called "Aarhus eats greener".

In the academic year 2021-2022, almost 2,000 students took part in project placements, and more than 1,000 students wrote their Master's thesis in collaboration with businesses. In continuation of this positive development, a survey conducted by Epinion on behalf of Aarhus University showed that the business community is happy with its collaboration with students on business-oriented programmes and sees potential for expanding this collaboration.

Data on graduate unemployment and employment has traditionally been historical and therefore difficult to act on for both the university and its collaboration partners. In 2022, special efforts were made to ensure that the latest data on graduate employment is readily and easily accessible. The data is also used in the university's collaboration with the employment office (Beskæftigelsesforvaltningen) in Aarhus municipality.

Every year, AU admits between 350 and 400 international students to its English-language programmes (full degree). A number of studies show that international students generally find it more difficult to gain a foothold in the Danish labour market than their Danish counterparts. In 2022, with funding from the Ministry of Higher Education and Science's project pool, Aarhus University developed a structured career programme to better prepare international students for the labour market by helping them improve their Danish language skills and their connection with the Danish labour market.

COLLABORATION AND KNOWLEDGE EXCHANGE

External collaborations enhance the university's ability to bring about positive change because they help disseminate knowledge to society. In 2022, Aarhus University therefore increased its commitment to collaboration with the public and private sectors and with civil society. Collaboration includes knowledge sharing and development partnerships with university colleges regarding primary and lower secondary schools, for example.

Examples of external collaboration

In 2022, Aarhus University contributed to regional development by establishing three new collaboration agreements with the municipalities of Struer, Samsø and Ikast-Brandø. The collaboration agreement with Struer includes strengthening innovation within Sound Hub Denmark through collaboration with entrepreneurship hubs at Aarhus University. The agreement includes matching local companies with students from Aarhus University on joint projects and collaborations. A specific example of this is the Sounding City summer course; a three-week course in Struer for students from Aarhus University organised in collaboration with Struer Sound Art Lab and Struer City of Sound. New collabora-

tion agreements have recently been entered into in the areas of climate, sustainability, social economy, the marine environment, coastal defences and management development.

In 2022, Aarhus University joined the new collaborative platform Plant2Food within open innovation in science. The platform aims to put Denmark at the forefront in the development of plant-based foods. The platform will allow researchers and companies to work together on complex issues within plant and food science, and share new knowledge across sectors – without patenting the results. The Novo Nordisk Foundation will support the platform with up to DKK 200 million over the next five years. The other university partners in the platform are the University of Copenhagen, the Technical University of Denmark (DTU) and Wageningen University & Research in the Netherlands. Food & Bio Cluster Denmark will act as a link between researchers and industry, so that the research conducted at the universities is communicated to companies and translated into practice.

Entrepreneurship and innovation

Aarhus University's entrepreneurial environment grew in 2022. A total of 354 students and 91 researchers have worked with the entrepreneurship hubs at Aarhus University, and 1,104 people participated in the 84 workshops held in The Kitchen. More than DKK 60 million was awarded to cases associated with The Kitchen.

In 2022, Aarhus University received the Innovation and Entrepreneurship Award from the Danish Society for Education and Business (DSEB). The university received the award for its collaboration with the business community and the creation of the interdisciplinary entrepreneurship hub: The Kitchen. In awarding the prize, the DSEB emphasised that the combination of research-based knowledge and entrepreneurial ambition is often a recipe for good business.

The innovation ecosystem is based on collaboration with a broad range of stakeholders. A central component of this is 'The Link', a collaboration between Aarhus University, the Central Denmark Region, Aarhus Municipality, Grundfos, Incuba, the start-up company UNSILO, and the Færch Foundation. The Link has premises in The Kitchen, and the organisation's goal 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. The Aarhus Slush'D was held in 2022 under the auspices of The Link. Slush is one of the largest entrepreneurial events in the world, and Aarhus was one of five cities around the world chosen from among 100 applicants to host the event with over 700 participants.

Research-based public-sector consultancy

Aarhus University provides a significant amount of public sector consultancy. Consultancy services include research, con-

sultancy, emergency response and research dissemination under framework agreements with Danish ministries, primarily with the Ministry of Environment and the Ministry of Food, Agriculture and Fisheries Consultancy for the two ministries is a significant foundation for the green transition of agriculture; an area which attracts considerable political attention. Public sector consultancy is provided within the framework of a quality management system for research-based public sector consultancy certified according to the international ISO 9001 standard. The quality management system strengthens the quality of public sector consultancy and protects researchers from external pressure.

A strong research base is therefore a prerequisite for high-quality public sector consultancy. However, the research base has been under pressure since 2009 as a result of an annual two per cent reduction in the framework budget. 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 directions. In 2022, Aarhus University once again made a great effort to restore the research base and the Danish Ministry of Environment has earmarked an extra DKK 6.9 million in the Finance Act as compensation for the annual two per cent reduction. However, this is not a restoration of the research amount, and therefore negotiations will continue in 2023.

In 2022, in collaboration with NIRAS, the Department of Eco-science won a number of projects totalling DKK 92 million. The projects support the deployment of more offshore, green energy through strategic environmental assessments, environmental studies, a screening to determine the sensitivity of Danish marine ecosystems and the cumulative effects of the deployment plans on the marine environment. Aarhus University also provides research-based public sector consultancy for the Ministry of Justice, undertaken by the Department of Forensic Medicine.

Research communication

The book series *Reflections* from Aarhus University Press has been a great success. Since 2012, researchers from Aarhus University have shared their expert knowledge in a short and freestyle format. In 2022, the book series reached its 100th publication, aptly titled *Jysk*. At the same time, the first book in the series was published as a special edition. This was *Vort Sted* by the acclaimed Aarhusian writer Svend Åge Madsen. Last but not least, 15 books from the series have now been translated and published by the renowned John Hopkins University Press under the title *Reflections*.

Aarhus University has a strong tradition of public dissemination of natural science topics in close collaboration with local stakeholders. In 2022, researchers shared their research with the public via livestreams to 356 cultural centres, schools, and cinemas. The livestream venues were spread across Denmark, the Faroe Islands and Greenland.

In the autumn holiday of 2022, the Steno Museum and the natural science departments at Aarhus University opened the exhibition *MissionX*. Families were invited to investigate mystical phenomena, play with robots and carry out small experiments. A total of 4,575 guests visited the exhibition. It was also possible to visit a number of the departments, and the exhibition almost sold out in advance.

2.3 OUTLOOK FOR THE COMING YEAR

Aarhus University will continue its strong focus on finances and budgets in the coming years. The uncertain economic conditions that shaped 2022 are expected to continue in 2023. Based on this expectation, the university has prepared a tight budget for the coming years to ensure stability and certainty about the university's activities. Despite this, the ambition is to continue as a growing university. The university aims to attract even more external research funding and continue developing initiatives currently underway.

It is likely that the Danish government's intention to reform the education sector will have a great impact on 2023. The government intends to restructure up to half of all Master's degree programmes into one-year programmes or Master's degree programmes for working professionals. A particular goal of the reform is to improve the transition from education to the labour market and to create better cohesion between the different degree programme levels. The reform proposal could have a huge impact on the educational landscape in Denmark, and with the rest of the sector, Aarhus University has expressed its interest in engaging in discussions to influence the content of the reform.

Aarhus University's international ambitions will be supported by the international university network Circle U. and The Guild in 2023. The next four-year phase of Circle U. is expected to be launched in November 2023. During this phase, internationalisation opportunities for students and staff will be further developed by improving the framework and opportunities provided. Aarhus University is the coordinator of the alliance's initiatives to improve student mobility and the university will establish a joint incubator for entrepreneurship.

In 2023, FEAS and Aarhus University will finalise plans for the northern part of the University City. The relocation of The Kitchen and establishment of business facilities is expected to be completed in 2025. The business facilities will help forge closer ties with the business community and open up the university to the outside world.

FEAS and Aarhus University will also continue developing Katrinebjerg, including plans for new buildings on Åbogade. The new buildings will improve physical cohesion at Katrinebjerg and with the rest of campus.

In spring of 2023, the Agency for Culture and Palaces will present its decision on the listing of the university, and the consequences of this decision will be incorporated into campus development.

2.4 FINANCIAL REVIEW

FINANCIAL RESULTS FOR THE YEAR

Aarhus University ended 2022 with a deficit of DKK 36 million. This is an improvement of DKK 41 million compared to the budgeted deficit of DKK 77 million. The improved deficit is a result of revenues being DKK 96 million higher than budgeted, while costs were DKK 55 million over budget.

In 2022, financial items ended in a deficit of DKK 257 million, which is DKK 286 million worse than budgeted. The reason for the deficit is a significant decline in prices of securities in AU's portfolio, which is managed by external asset management firms.

Overall, the university ended 2022 with a deficit of DKK 292 million. A deficit of DKK 47 million was budgeted at the start of the year. Due to the deficit on the financial items, the annual result is therefore DKK 245 million lower than budgeted.

Table 1: Profit/loss for the year

DKK mill. Current prices	R21	B22	ØR3	R22	R22-B22	R22-B22 %	B23
Finance Act grants	4,246	4,250	4,234	4,234	-16	-0.4%	4,423
External funding	2,243	2,527	2,536	2,573	46	1.8%	2,741
Sales/other operating income	447	442	469	508	66	15.0%	454
Total revenues	6,936	7,220	7,239	7,316	96	1.3%	7,618
Salary	4,681	4,890	4,881	4,854	-36	0.7%	5,083
Rent	640	652	663	669	17	2.6%	698
Other operating costs	1,476	1,566	1,622	1,659	93	5.9%	1,679
Depreciation and amortisation	158	188	172	170	-18	-9.7%	188
Total costs	6,955	7,296	7,337	7,352	55	0.8%	7,649
Profit/loss before financial items	-19	-77	-98	-36	41		-31
Financial items	34	30	-245	-257	-286		40
Profit/loss	14	-47	-343	-292	-246		9

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 budget variances should be viewed in light of external circumstances, including the war in Ukraine, which have led to rising energy costs, inflation and general uncertainty on the financial markets. Many of these circumstances were taken into account in the third quarter, but as the war erupted at the beginning of 2022, it was obviously not possible to take this into account in the budget for the year.

At the prospect of an exceptionally large deficit, the senior management team decided at the end of August to introduce energy-saving initiatives, a hiring freeze and general restraint in consumption. The impact these initiatives on the 2022 accounts was uncertain, and in that light, it is positive that the deficit before financial items is DKK 62 million lower than estimated at the end of the third quarter.

Total revenues increased by DKK 380 million from the amount realised in 2021, which corresponds to an increase of just over five per cent. Table 1 shows that the increase is due to significant rises in external subsidies and sales/other operating income compared with both the amount realised in 2021 and the budgeted amount for 2022.

External funding was significantly higher than in 2021 due to increased activity on projects with external funding. The rise in activity levels is spread across AU's faculties, all of which have seen an increase compared with external funding realised in 2021.

Total Finance Act grants in 2022 were DKK 4,234 million and this amounts to a variance of DKK -16 million from the budgeted amount. This corresponds to 0.4 per cent of all Finance Act grants. The overall variance is due to a number of underlying variances in individual revenue categories. The largest nominal variance is the DKK -31 million decrease in activity-related educational income for full-time degree programmes. This is due to a decrease in student FTEs compared with budget. However, there was also an increase in Finance Act grants for a number of areas. Particularly noteworthy is the DKK 13 million hike in the basic research grant, which is primarily due to a new permanent grant for the veterinary medicine programme at AU Viborg. Furthermore, revenues from AU's public sector consultancy contracts increased by DKK 6.6 million compared with the budget. The increase was due to implementation of the research reserve funds, as well as increased research funding in the new framework agreements with the Danish Ministry of Environment on public sector consultancy from 2022-2025.

Sales/other operating income, including tuition fees for continuing and further education, and consultancy and forensic services were

significantly above the budgeted amount for 2022, due in part to general price increases following the high inflation rate in 2022. Additionally, the budgetary basis for a large number of projects with sales revenues was not fully known when the budget was prepared. Due to this, these projects were budgeted conservatively at the beginning of 2022.

The budget variance for total costs is primarily due to a DKK 93 million increase in other operating costs, corresponding to 5.9 per cent. A significant portion of this increase was due to rising energy prices as a result of the war in Ukraine. Part of the increase can also be attributed to increased travel and meals/refreshments expenses as a result of more travel activities after the Covid-19 pandemic.

A large part of the overall budget variance is because DKK 286 million less than the budgeted surplus of DKK 30 million was realised on financial items in 2022. The year's returns were therefore exceptionally low and were a result of dramatic events and negative developments in the financial markets, which have affected most investors. The market correlation between asset classes has been positive, which is why the traditional risk-reduced mixed portfolio has become inoperative.

BUDGET PROJECTIONS 2023-2026

After a major deficit in 2022, AU is planning to return a surplus for the entire budget period of 2023-2026. This means that equity is expected to stay above the target minimum set by the board of 7.5 per cent of revenues each year. In general, the 2023-26 budget is very tight and is being set at a time of considerable uncertainty about external conditions. One of the major uncertainties is the taximeter increase for full-time category 1. The increase is expected to be extended for the entire budget period. However, it may be discontinued as soon as in 2024. Furthermore, the budget also assumes that the annual two per cent cost reductions in public sector consultancy will cease.

Table 2: Budget for 2023-2026

DKK mill., 23 prices	FS2021	FS2022	B2023	B2024	B2025	B2026
Revenues	7,330	7,484	7,618	7,770	7,858	7,909
Costs	7,350	7,521	7,649	7,773	7,866	7,889
Financial items	36	-262	40	40	40	40
Profit/loss	15	-299	9	37	32	59

A DKK 291 million increase in revenues is expected, corresponding to 3.8 per cent over the budget period, primarily due to increased utilisation of external funding. External funding is therefore expected to increase from approx. DKK 2.7 billion to approx. DKK 3 billion over the budget period. However, as recent years have shown, the pace of the increase is uncertain and can be affected by external factors. The increase in external funding is consistent with Aarhus University's strategic efforts. Note that the utilisation of external funding in 2023 has been budgeted conservatively due

to general uncertainty about the pace of growth in the utilisation of funds, as well as the uncertainty regarding inflation rates at the time of budgeting.

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. The overhead percentage has declined in recent years due to relatively more private grants, and Aarhus University is working on including as much overhead as possible in the grants, including increased coverage of fixed or indirect costs.

Costs are expected to increase by DKK 240 million, corresponding to 3.1 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-related costs, with the exception of rent, are expected to decline during the budget period as energy prices are expected to fall back to more normal levels. Some of the energy-saving initiatives launched in the second half of 2022 will continue and will have an impact on the budget.

An investment return of DKK 40 million is included in each year. A return of DKK 40 million corresponds to approx. 1.9 per cent of AU's expected portfolio at the beginning of 2023. Returns showed considerable fluctuations in 2022, and developments in the coming years are associated with a great deal of uncertainty. The expectation of 1.9 per cent is a conservative estimate and is lower than the three per cent expected by AU's asset managers.

In the years up to 2022, Aarhus University built up equity that exceeded the equity target of 10 per cent of revenues. The deficit in 2022, however, reduced equity to 8.6 per cent. The planned results for the budget period are expected to increase equity but not by enough to reach the equity target by the end of the budget period.

2.4.1 SPECIAL SUBSIDIES

Subsidies for a linguistic boost

For the period 2022-2024, Aarhus University has received a grant from the Ministry of Higher Education and Science of DKK 7.5 million to increase the number of language-related supplementary competences offered within other academic areas. The grant is intended to help students acquire language skills as a supplement to their core competences. In 2022, the Faculty of Arts applied the grant on two courses in German and two courses in French with a total of 110 student places. More than 660 students from all five faculties applied to the courses. In the spring of 2023, two courses at two different levels will be offered in German, French and Spanish, as well as beginner courses in Russian, Chinese and Ukrainian. Almost 850 students have applied.

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 2022, the university received funding of DKK 1.5 million. The funding is a continuation of similar funding in 2019, 2020 and 2021.

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 evaluations are supported by a number of process materials collated on the evaluation website www.ledelsesevaluering.dk. 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 procurement of an IT system to support the evaluation. The IT system was launched in spring 2022. In 2022, researchers prepared the first national report to use data from the management evaluation. The report is expected to be published in May 2023. The researchers have also helped a number of public organisations use the tool. Finally, the researchers have prepared and started an evaluation of the tool. This evaluation will continue in 2023.

The full grant for 2022 has been used during the year.

2.5 PERFORMANCE REPORTING

In December 2021, Aarhus University entered into a strategic framework contract with the Ministry for Higher Education and Science. The framework contract is valid from 1 January 2022 to 31 December 2025. The framework contract consists of seven strategic goals listed below.

Strategic goal 1: Develop more research environments with high international impact by strengthening recruitment and attracting external funding

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards this goal. There is a clear positive trend in annual utilisation of external funding per senior member of academic staff, while there is a slighter but still positive trend in the gender balance among senior members of academic staff. There has been a decline in the recruitment of tenured academic staff, but the proportion of job advertisements for permanent academic positions with a minimum of three qualified applicants remains high.

Two strategic initiatives should also be highlighted:

Improved recruitment through increased gender equality and diversity. Work on this initiative is through implementation of the university's action plan for gender equality. The goal is to boost the number of research breakthroughs by increasing the recruitment base and exploiting the benefits of diversity and gender equality.

Attracting more sustainable external funding through better full-cost financing (defined as all actual costs associated with carrying out an externally funded project). The goal is to ensure that private grant givers in the future cover a larger proportion of the direct and derived indirect costs of research projects. In 2022, Aarhus University has worked actively to achieve this under the auspices of Universities Denmark.

Strategic goal 2: Contribute to solving societal challenges by establishing interdisciplinary research focus areas

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards this goal. As planned, Aarhus University established three interdisciplinary research initiatives in 2022, each addressing a major societal challenge:

START (Centre for Sustainable Agrifood Systems) will contribute to the sustainable transition of agriculture and food production. A mission-driven national academic platform has been established for research collaboration, infrastructure and funding across academic environments at the eight Danish universities. A START secretariat has also been established. The secretariat is broadly anchored and coordinated across the Danish universities and has its primary base at Aarhus University.

PIREAU (Platform for Inequality Research at Aarhus University) will generate new knowledge about inequality and present societal initiatives to combat inequality through interdisciplinary research at the highest international level. Despite the fact that inequality is multi-disciplinary, most research on the causes and consequences of inequality has so far been monodisciplinary.

SHAPE (Shaping Digital Citizenship) will promote democracy and active citizenship in a world that is increasingly characterised by data and algorithms. The goal is to generate new knowledge that contributes to public debate, to companies and to civil society in an interdisciplinary collaboration.

Each of the three centres has received a starting grant of DKK 10 million from Aarhus University for the period 2022-23.

Strategic goal 3: Increase our PhD graduates' contribution to growth and innovation in society by creating and applying knowledge outside the university sector

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal despite a small decline in the percentage of PhD graduates being employed by the private sector. The planned activities on career clarification for PhD students have been completed, and the participants are generally satisfied with the quality of these career-clarifying activities. They find that it helps resolve some of their concerns about the future, and they have information and tools to work actively with their careers. Since the initiative only started recently (in 2021), the effect cannot yet be related to developments in the indicator as the data stems from the PhD graduate classes between 2018-2020.

Strategic goal 4: Optimise learning and teaching environments by improving academic and social integration in order to improve retention and learning outcomes for new students

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards this goal. There are relatively minor changes in the indicators: a marginal increase in first-year drop-out rates, a slight decrease in time on task (number of hours students spend on their studies per week), as well as a small decrease in students' assessment of the academic and social environment, although this remains at a high level.

The average first-year drop-out rate has increased from 16.8 per cent to 18.3 per cent. The drop-out rate varies between the main academic areas and study programmes, but the trend across the university has been that students drop out earlier in their programme, and an increasing proportion of students who have accepted a student place never show up. The university will monitor developments and investigate how the constructive collaboration with upper-secondary schools and the ongoing pre-boarding activities can help reduce first-year drop-out rates.

There has been a slight decrease in the students' time on task from 37 hours to 36 hours per week. The university will monitor developments closely and launch more activities that could have a positive impact on study intensity.

Strategic goal 5: Intensify focus on digital competencies in the degree programmes in order to prepare students for the labour market of the future

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal. In 2022, planning of the university-wide project 'Digitally Competent Graduates' was finalised, and all faculties have commenced the digital development of their study programmes.

The first mapping of existing initiatives has been completed. A total of 17 study programmes were reviewed in 2022 with a view to implementing new digital elements into the programmes. Furthermore, 492 teachers from all faculties participated in digital competency development activities, and three extracurricular coding camps were held, where students with a particular interest in the digital field could develop their competencies with support from teachers, instructors, etc.

Strategic goal 6: Meet the labour market demand of the future, in particular by educating significant numbers of engineers

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards this goal. In summer 2022, there was a very satisfactory number of admissions to engineering degree programmes at Aarhus University. The number of student places offered increased by 19 per cent compared to 2019 (latest regular admissions before Covid.)

Efforts to further enhance education and research within engineering will continue. Nineteen new members of academic staff were appointed in 2022, and external funding has increased over the past five years from DKK 106 million to more than DKK 208 million. Aarhus University continues to exploit the synergies between the vocationally-oriented and research-based areas of the engineering departments, with a view to strengthening Aarhus University's overall academic position within the engineering disciplines. Besides this, Aarhus University implemented a digitalisation initiative which increased the number of digitalisation specialists. The initiative ended in 2022.

There have been positive developments in graduate unemployment rates at Aarhus University. The total graduate unemployment rate for all the university's degree programmes at the 4th to 7th quarter after graduation fell from 13.6 per cent for the class of 2019 to 9.3 per cent for the class of 2020. Even though this development is partly attributable to the high level of employment in the labour market, it also reflects an overall high demand for the university's graduates.

Strategic goal 7: Promote entrepreneurship and incubate more new companies that contribute to growth and sustainability through innovation

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal. There has been a significant increase in the number of students participating in the university's innovation hubs, and there has also been an increase in the number of researchers participating in programmes at The Kitchen.

In 2022, Aarhus University continued developing a strong entrepreneurial environment for researchers and students, particularly with regard to The Kitchen. As in previous years, The Kitchen prepared activities to support the entrepreneurship of researchers and students, including award programmes in which startups and spinouts could win grants to develop their businesses. Aarhus University has provided professional guidance to the more than 250 startups and spinouts that were active in The Kitchen during 2022.

In 2022, Aarhus University also further developed its relationships with key stakeholders within the innovation ecosystem, such as Innovation Fund Denmark, the Danish Foundation for Entrepreneurship, the Danish Growth Fund, DANBAN, Invest in Denmark, etc. The university is actively involved with "The Link" in collaboration with Central Denmark Region, Aarhus Municipality, Grundfos, the start-up company UNSILO, Incuba and Færch Fonden.

Strategic goal 8: Increase collaboration with business and industry, public-sector institutions and civil society in order to bring knowledge into play and create value.

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal. Aarhus University continued its work to open up the university even more, with more collaborations to benefit companies, local authorities, students and researchers. There was a marginal decrease in the number of research agreements and the number of students in project placements in 2022. However, this is still considered a high level, and progress is expected on the basis of the long-term activities that the university initiated or completed in 2022.

In 2022, targeted efforts continued to increase collaboration with the business community, public institutions and civil society. Aarhus University held a number of workshops in collaboration with large companies, and contributed to local development through strategic collaboration agreements with municipalities in central Jutland. Furthermore, Aarhus University has continued to develop its relationship with key players within business and industry, such as the Confederation of Danish Industry, the Danish Chamber of Commerce, business clusters, the business development centre of Central Denmark Region, Business Region Aarhus and Central Denmark Region. Close collaboration with important actors within the business community facilitates joint funding of research projects, more collaborative projects, co-ordination and the use of each other's resources, as well as joint contributions to growth and innovation in the region. The university has also been working on strengthening collaboration between companies and students, for example by mapping companies' incentives to collaborate with students.

Aarhus University is also working to improve the internal framework conditions for researchers to enter into collaborations with external partners. In this respect, the university has become an active participant in the committee on innovation policy at Universities Denmark and the related working groups.

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 1,000.

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 September, 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 commitments made, including revenues from cooperation agreements, are recognised as revenues as and when 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.

3.1.2 STANDARDISED CHART OF ACCOUNTS AND PURPOSE ALLOCATION

Aarhus University has implemented the standardised chart of accounts for educational institutions under the Ministry of Higher Education and Science, in accordance with the Danish Agency for Higher Education and Science's allocation guidelines with effect from 2021.

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.

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 the initial posting of costs not directly related to a single main purpose, AU has applied method three as found in chapter six of the accounting and distribution guidelines. This means that the costs are temporarily posted under main purpose eight. Main purpose eight is periodically emptied using allocation keys.

For the allocation of main purpose eight, AU has used different allocation keys per combination of location and cost pool. In accordance with the purpose-allocation model of the Danish Agency for Higher Education and Science, the cost pools are divided into VIP salaries, TAP salaries, PhD salaries and operating costs. The allocation keys for individual sites reflect the different, academic nature of the locations, and that the available data basis to support the keys is not the same everywhere. For example, standard time may be the basis of the allocation key for VIP salaries at a number of department-like places if standard time is used there. However, other places of a more technical/administrative nature use different allocation keys. AU has prepared a memo describing the principles for key formation.

3.1.3 ANNUAL REPORT TEMPLATE

The annual report 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.

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

Throughout the year, 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).

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

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.

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

Funds received for ongoing funding activities that cover costs not yet incurred, are recognised as prepaid tied-up funds. Received subsidies will be reduced on an ongoing basis, corresponding to the costs incurred for the grant activities.

Holiday pay liability

A specific method is used to calculate holiday pay liability. The calculation is based on information about the individual employee's holiday receivable and expenses per day of holiday due.

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 1,000			
Note	Income statement	FS 2022	FS 2021
3.6.1	Government subsidies	4,234,471	4,245,564
3.6.2	Other subsidies	2,574,654	2,244,840
3.6.3	Sales of goods and services	412,455	348,348
3.6.4	Other revenues	94,367	97,348
	Total operating income	7,315,946	6,936,100
	Staff costs	4,854,175	4,680,620
	Rent	669,365	640,077
	Depreciation, amortisation, write-downs and impairment losses	169,570	158,275
	Losses in connection with sales of land and property, plant and equipment and impairment on buildings for sale	59	321
	Other operating costs	1,658,649	1,476,080
3.6.5	Other operating costs, total	7,351,818	6,955,372
	Profit/loss before financial items	-35,872	-19,272
3.6.6	Financial income	198,097	119,437
3.6.6	Financial costs	454,629	85,757
	Profit/loss for the year	-292,404	14,408

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

3.3 BALANCE SHEET AS OF 31 DECEMBER

DKK 1,000			
Note	Assets	FS 2022	FS 2021
	Non-current assets		
	Intangible assets		
	Acquired concessions, patents, licences, software etc.	630	1,449
3.6.7	Total intangible assets	630	1,449
	Property, plant and equipment		
	Land and buildings	448,553	428,649
	Work in progress at own expense	111,851	169,326
	Installations	9,437	12,031
	Leasehold improvements	87,628	88,144
	Transport equipment, including ships	41,836	44,116
	Plant and machinery	576,399	525,956
	IT equipment	26,203	25,012
	Furniture and equipment	967	939
3.6.8	Total property, plant and equipment	1,302,874	1,294,173
	Investments		
3.6.9	Share certificates	2,657	2,740
3.6.11	Deposits	69,226	65,947
	Total investments	71,883	68,687
	Total non-current assets	1,375,387	1,364,309
	Current assets		
	Inventories	5,997	6,162
3.6.12	Trade receivables	264,514	134,621
3.6.13	Receivables from ongoing funding activities	1,305,849	1,139,284
3.6.14	Other receivables	55,180	63,521
3.6.15	Other prepayments	41,407	11,343
3.6.16	Securities	2,307,527	2,490,111
	Cash	343,360	123,946
	Total current assets	4,323,834	3,968,988
	Total assets	5,699,221	5,333,297
DKK 1,000			
Note	Equity and liabilities	FS 2022	FS 2021
	Equity	68,292	68,292
	Retained profit	125,757	418,161
	Other equity	437,403	437,403
	Total equity	631,452	923,856
3.6.17	Total provisions	38,162	34,153
3.6.18	Accrued donations	423,478	425,746
3.6.19	Debt to mortgage credit institutions	0	10,337
	Total long-term debt	423,478	436,083
	Short-term debt		
3.6.20	Short-term share of accrued donations	83,708	79,310
	Short-term share of long-term debt to mortgage credit institutions	10,341	2,135
	Holiday pay liabilities	296,849	305,390
	Prepaid tied-up funds from ongoing funding activities	3,347,555	2,574,806
	Current account with the Danish Ministry of Higher Education and Science	336,182	436,807
	Current account with the Ministry of Children and Education	3,749	1,950
3.6.22	Other deferred income	40,651	42,647
	Suppliers of goods and services	365,761	364,816
3.6.23	Other short-term debt	121,333	131,344
	Total short-term debt	4,606,129	3,939,205
	Total equity and liabilities	5,699,221	5,333,297

3.4 CASH FLOW STATEMENT

DKK 1,000	FS 2022	FS 2021
Profit/loss	-292,404	14,410
Adjustment of equity brought forward	0	-3
Depreciation, amortisation and impairment losses on non-current assets	169,570	158,275
Profit/loss from disposal of non-current assets	-605	175
Other non-cash operating items	-85,878	-78,943
Reversal of items with no cash effect:	83,087	79,504
Change in		
inventories	165	1,680
Receivables excl. ongoing funding activities	-151,617	-34,612
Ongoing funding activities	-166,565	-77,447
Provisions	4,009	984
Short-term debt excl. prepaid tied-up funds	-105,826	-191,683
Prepaid tied-up funds	-772,749	226,932
Changes in operating capital	-352,915	-74,146
Total cash flows from operating activities	143,598	19,768
Purchases of intangible assets	-	-
Purchases of intangible assets	-	-
Purchases of property, plant and equipment	-179,455	-179,674
Disposal of property, plant and equipment	-2,609	3,316
Change in financial investments	-3,196	-20,326
Total cash flows from investment activities	-180,042	-196,684
Change in donation obligation	83,610	98,190
Change in other long-term liabilities	-10,337	-2,132
Total cash flows from investment activities	73,273	96,058
Cash flows for the year	36,829	-80,858
Cash, including total securities, brought forward	2,614,058	2,694,916
Cash, including total securities, carried forward	2,650,887	2,614,058

3.5 STATEMENT OF CHANGES IN EQUITY

Equity (DKK 1,000)	FS 2022	FS 2021
Equity as at 1 January 2005	68,292	68,292
Total equity	68,292	68,292
Retained profit		
Balance brought forward	418,161	403,753
Changes for the year	-292,404	14,408
Adjustment of holiday pay liabilities	0	0
Balance carried forward	125,757	418,161
Other equity, merger corrections		
Balance brought forward	437,403	437,403
Changes for the year	0	0
Balance carried forward	437,403	437,403
Total equity as at 31 December	631,452	923,856

DKK 433,907 of the DKK 437,403 in merger corrections stem from equity from the merged institutes, which have been adjusted by DKK 3,496 in connection with AU accounting principles

3.6 NOTES ON THE FINANCIAL STATEMENTS

Note 3.6.1. Government subsidies

DKK 1,000	FS 2022	FS 2021
Education grants, full-time degree programmes	1,764,875	1,800,223
Education grants, part-time degree programmes/open education	9,619	9,744
Education grants from other ministries	18,394	21,795
Subsidies for other purposes	91,373	75,516
Subsidies for research and development	1,983,509	1,945,494
Subsidies for research-based public sector consultancy	365,400	365,308
Subsidies for the housing department	0	0
Special subsidies	1,301	27,485
Total	4,234,471	4,245,564

Note 3.6.2. Other subsidies

DKK 1,000	FS 2022	FS 2021
Subsidies for research from public Danish sources, etc.	958,917	833,939
Subsidies for research from private Danish sources, etc.	975,470	801,942
Subsidies for research from the EU	314,577	287,965
Subsidies for research from sources abroad etc.	111,459	111,385
Other grant-financed activities	126,790	129,024
Donations spread over several years	85,878	78,943
Payments from external commissions	1,563	1,642
Total	2,574,654	2,244,840

Note 3.6.3. Sales of goods and services

DKK 1,000	FS 2022	FS 2021
Course activities (income-generating activities)	51,248	20,197
Forensic services	54,880	51,807
Administration, host institution	0	0
Other sales of goods and services	306,327	276,344
Total	412,455	348,348

Note 3.6.4. Other revenues

DKK 1,000	FS 2022	FS 2021
Tuition fees, full-time degree programmes	13,345	11,892
Tuition fees, part-time degree programmes/open education	51,631	56,918
Letting of premises and equipment	8,597	7,863
Sales of buildings, land and property, plant and equipment	665	145
Housing department and residence halls	0	0
Other income	20,128	20,529
Total	94,367	97,348

Note 3.6.5 Figures by purpose

DKK 1,000	FS 2022	FS 2021
Education	1,652,854	1,653,008
Research and development	3,411,008	3,181,218
Dissemination and knowledge transfer	144,992	116,213
Public sector services, consultancy and other services	237,644	229,540
Housing department and residence halls*	685	-
General joint costs	624,872	611,110
Buildings and building operations	1,271,166	1,164,282
Total	7,343,220	6,955,372

* It has not been possible to separate the housing department and the residence halls until 2022

** The total cost base in 2022 includes rental income for rent, cf. the guidelines.

Note 3.6.6 Financial items

DKK 1,000	FS 2022	FS 2021
Interest income and other financial income	144	161
Capital gains on securities	197,953	119,275
Total financial income	198,097	119,437
Interest expenses and other financial expenses	6,730	8,959
Capital losses on securities	447,899	76,798
Total financial expenses	454,629	85,757
Profit/loss of financial items	-256,532	33,680

Note 3.6.7 Intangible assets

DKK 1,000	Completed development projects	Total
Cost as at 1 January 2022	12,624	12,624
Regulation brought forward	-1,342	-1,342
Additions	0	0
Disposals	0	0
Cost as at 31 December 2022	11,282	11,282
Amortisation as at 1 January 2022	11,175	11,175
Regulation brought forward	-1,342	-1,342
Amortisation for the year	819	819
Amortisation of assets sold	0	0
Amortisation as at 31 December 2022	10,652	10,652
Carrying amount	630	630
Amortisation period/years	3	

Note 3.6.8 Property, plant and equipment

DKK 1,000	Land and buildings	Installations	Leasehold improvements	Plant and machinery	Transport equipment	IT equipment	Furniture and equipment	Property, plant and equipment under construction	Total
Cost as at 1 January 2022	524,733	42,929	207,114	1,735,276	102,113	233,348	30,047	169,326	3,044,886
Additions	11,324	2,402	9,326	136,163	3,184	16,544	513	0	179,456
Transferred to/from work in progress	19,337	-115	6,067	28,190	142	3,651	203	-57,475	0
Disposals	0	0		-19,724	-1,677	-1,431	-644	0	-23,476
Cost as at 31 December 2022	555,394	45,216	222,507	1,879,905	103,762	252,112	30,119	111,851	3,200,866
Amortisation as at 1 January 2022	96,084	30,898	118,970	1,209,320	57,997	208,336	29,108	0	1,750,713
Amortisation for the year	10,757	4,881	15,909	112,072	5,506	18,938	688	0	168,751
Amortisation of assets sold	0	0	0	17,886	-1,577	-1,365	-644	0	-21,472
Amortisation as at 31 December 2022	106,841	35,779	134,879	1,303,506	61,926	225,909	29,152	0	1,897,992
Carrying amount	448,553	9,437	87,628	576,399	41,836	26,203	967	111,851	1,302,874
Amortisation period/years	10-50 years	10 years	10 years	5-20 years	5-30 years	3 years			

By agreement with the Danish Agency for Higher Education and Science, AU is preparing to dispose of two passages valued at DKK 47,788. The disposal is expected to be carried out in 2023.

Note 3.6.9 Share certificates

Name of cooperative	Carrying amount at the end of the year DKK 1,000
Arla Food	1,129
DLG	863
Kopenhagen Fur	559
Danish Crown	47
AKM Midtjylland, Borris	25
AKV Langholt Amba	18
OK andelskapital	16
Total	2,657

Note 3.6.10 Other equity investments

DKK 1,000	Investment and acquisition			
Aarhus University has ownership interests in the following companies:	2022	Accumulated	Total company share capital (nominal amount in DKK)	AU's ownership share in %
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

The legal basis for this is section 16(2) of the Act on Inventions at Public Research Institutions (*Lov om opfindelser ved offentlige forskningsinstitutioner*). 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.

Note 3.6.11 Deposits

DKK 1,000	FS 2022	FS 2021
Deposits on tenancies, recognised as financial non-current assets	68,495	65,698
Other deposits, listed as current assets	731	249
Total	69,226	65,947

Note 3.6.12 Trade receivables

DKK 1,000	FS 2022	FS 2021
Trade receivables etc.	267,681	137,082
Reserved for losses on trade receivables etc.	-3,167	-2,461
Total	264,514	134,621

Note 3.6.13 Receivables from ongoing funding activities

DKK 1,000	FS 2022	FS 2021
Receivables from ongoing funding activities	1,305,849	1,145,884
Provision for losses on ongoing funding activities	0	-6,600
Total	1,305,849	1,139,284

Note 3.6.14 Other receivables

DKK 1,000	FS 2022	FS 2021
Reimbursements from funds regarding salaries, maternity/paternity leave and flexi jobs etc.	11,256	10,193
Accrued income	35,163	49,494
Other receivables	8,761	3,834
Total	55,180	63,521

Note 3.6.15 Other prepayments and accrued income

DKK 1,000	FS 2022	FS 2021
Prepayments	41,407	11,343
Total	41,407	11,343

Note 3.6.16 Securities

DKK 1,000	FS 2022	FS 2021
Bonds	1,724,629	2,171,958
Other securities	582,898	318,153
Total securities	2,307,527	2,490,111

Note 3.6.17 Provisions

DKK 1,000	FS 2022	FS 2021
Reestablishment of tenancies	3,272	3,272
Salary – limited tenure	21,329	19,881
Other provisions	13,561	11,000
Total provisions	38,162	34,153

Note 3.6.18 Accrued donations

Distribution of accrued donations by asset types:

DKK 1,000	Acquired concessions, patents, licences etc.	Land and buildings	Installations	Leasehold improvements	Plant and machinery	Transport equipment	IT equipment	Donated non-current assets under construction	Total
Cost brought forward 1 January 2022	3,540	58,505	2,014	46,619	1,055,211	33,386	76,638	0	1,275,913
Transferred to/from work in progress	0	0	-320	0	-30,531	-181	-466	31,498	0
Additions during the year	0	0	320	149	83,628	0	4,699	0	88,796
Disposals during the year	0	0	0	0	-10,647	-130	-1,431	0	-12,208
Cost carried forward 31 December 2022	3,540	58,505	2,014	46,768	1,097,661	33,075	79,440	31,498	1,352,501
Amortisation brought forward	-3,540	-19,889	-108	-11,548	-661,007	-9,337	-65,428	0	-770,857
Amortisation for the year	0	-1,170	-213	-4,677	-71,724	-1,217	-6,877	0	-85,878
Disposals during the year	0	0	0	0	9,924	130	1,366	0	11,420
Accumulated amortisation carried forward	-3,540	-21,059	-321	-16,225	-722,807	-10,424	-70,939	0	-845,315
Carrying amount as at 31 December 2022	0	37,446	1,693	30,543	374,854	22,651	8,501	31,498	507,186
Accrued donations recognised as revenues in the following periods:									
Within one year									83,708
Between one and five years									231,149
After five years									192,329
Total accrued donations as at 31 December 2022									507,186

Note 3.6.19 Debt to mortgage credit institutions

Loan no.	Property	ISIN code	Currency	Interest rate (per cent)	Fixed/floating interest rate	Charges (per cent)	Non-repayment	Principal amount (DKK mill.)	Outstanding debt (DKK mill.)	Expiry
4	Birk Centerpark 15, 7400 Herning	DK0009520876	DKK	-0.0251	Floating	0.65	no	32.0	5.5	2023
5	Birk Centerpark 15, 7400 Herning	DK0009520876	DKK	-0.0235	Floating	0.65	no	10.0	4.4	2023
6	Birk Centerpark 15, 7400 Herning	DK0009521338	DKK	Floating	Floating	0.65	no	1.2	0.5	2023

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

DKK 1,000	FS 2022	FS 2021
Within one year	10,341	2,135
Between two and five years	0	7,250
After five years	0	3,087
Total long-term debt to mortgage credit institutions	10,341	12,472

Note 3.6.21 Bank loans

DKK 1,000	FS 2022	FS 2021
Bank loans	0	0
Overdraft utilised	0	59
Total bank loans	0	59
Overdraft facility, maximum	100,000	100,000

Note 3.6.22 Other prepayments and accrued income

DKK 1,000	FS 2022	FS 2021
Accrual of continuing and further education	23,080	23,244
Accrual of income-generating activities etc.	17,571	19,403
Total other prepayments	40,651	42,647

Note 3.6.23 Other short-term debt

DKK 1,000	FS 2022	FS 2021
VAT settlement to the Ministry and the Danish Tax Agency	0	5,303
Salary transfers, income tax, labour market contributions, Labour Market Supplementary Pension	80,570	85,308
Deponents	18,370	18,441
Accrued expenses	22,366	21,719
Other short-term debt	27	573
Total other short-term debt	121,333	131,344

Note 3.6.24 Contractual obligations

Aarhus University has rental commitments with periods of non-terminability up to 1 September 2037.

The rental commitments are as follows:

DKK 1,000	Rental commitments
Within one year	193,948
Between one and five years	314,753
After five years	362,530
Total rental commitments	871,231

Note 3.6.25 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 43,018. 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 established.

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. By 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.

As a result of Aarhus University receiving and administering significant amounts of funding for projects each year, there is a risk that the grant giver for academic or other reasons finds that the funding conditions have not been fully or partially fulfilled. If this is the case, there is a risk that the funding will have to be fully or partially repaid. The repayment obligation generally applies for a period of three years. However, the period is up to 10 years for EU grants in some special cases.

3.7 SPECIAL SPECIFICATIONS

3.7.1. Revenues and costs by company types

DKK 1,000	FS 2022	FS 2021	FS 2020	R 2019
General activities*				
Revenues	4,705,197	4,638,491	4,624,057	4,553,526
Costs	5,012,466	4,635,608	4,637,180	4,514,242
Profit/loss	-307,269	2,883	-13,123	39,284
Grant-financed research activities				
Revenues	2,453,759	2,121,938	1,884,450	1,922,414
Costs	2,453,292	2,121,938	1,884,450	1,922,728
Profit/loss	467	0	0	-314
Other grant-financed activities				
Revenues	128,441	130,300	115,459	135,909
Costs	128,441	130,279	115,459	135,909
Profit/loss	0	22	0	0
Income-generating activities				
Revenues	172,100	113,473	126,134	130,339
Costs	157,702	101,970	113,251	118,587
Profit/loss	14,398	11,503	12,883	11,752
<i>Accumulated profit/loss for income-generating activities (equity)**</i>	<i>168,568</i>	<i>154,170</i>	<i>142,666</i>	<i>129,784</i>
Forensic examinations				
Revenues	54,545	51,334	51,443	49,718
Costs	54,545	51,334	51,443	49,372
Profit/loss	0	0	0	346

* 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 1,000	FS 2022	FS 2021
Board		
Number of external board members	6	6
Remuneration paid to the chair	266	262
Total remuneration paid to other external members	444	429
Managers in general*		
Number of management FTEs	35	37
Total payroll costs for managers, incl. pension	37,900	37,871

* In 2022, the calculation method for the costs of managerial salaries has been specified and improved. For this reason, the realised amount in 2021 was adjusted according to the new standards, which is why the amount here does not match the AU Annual report 2021.

3.7.3. Student political activities*

DKK 1,000	FS 2022	FS 2021
Student sports activities and other student activities		
Student sports activities	845	830
Other student activities	3,400	2,974
Total student activities	4,245	3,804
Student political activities		
Student Council/Studenterlauget/Joint Student Council	1,580	1,722
Konservative Studenter (Conservative students) **	85	0
Free Forum	151	155
Total student political activities	1,816	1,877
Total	6,061	5,680

* In 2022, the calculation method for the costs of student activities has been specified and improved. For this reason, the realised amount in 2021 was adjusted according to the new standards, which is why the amount here does not match the AU Annual report 2021.

** At the end of 2021, a incurred cost of DKK 130 was added to AU's subsidy for Konservative Studenter (Conservative students). In agreement with Konservative Studenter, this subsidy was not paid out in 2022.

3.7.4. Free places 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 1,000	Use of scholarships DKK 1,000	
Rate 1	30	27	1,382	2,781	
Rate 2	4	4	105	201	
Rate 3	26	8	2,476	958	
Total	60	39	3,963	3,941	
	Transferred from the Danish Agency for Higher Education and Science DKK 1,000	Retained earnings from international fee-paying students DKK 1,000	Use in the financial year DKK 1,000	Profit for the year DKK 1,000	Accumulated results
2021	9,962	232	7,880	2,314	5,562
2022	10,008	204	7,759	2,454	8,016

3.7.5. Staff full-time equivalents

	FS 2022	FS 2021
Number of FTEs, incl. employees on special terms	8,417	8,290

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

The first group of students on 'International Food Quality and Health' have graduated, a Master's and PhD supervisor received the Nobel Prize in Chemistry, and the 10th anniversary of the first intake of SDC students was celebrated at the Chinese Embassy in Denmark. Even though 2022 has been affected by Covid-19 and uncertainty about the timing and scope of the reopening of China, the year nevertheless provided plenty of activity.

In July, the graduation of more than 100 Master's and PhD students was celebrated in China. This year's graduates were also celebrated on Danish soil when new and current students attended the annual introductory seminar and graduation in Middelfart. The SDC will continue to focus on strengthening the study environment and intercultural collaboration. Prior to the commencement of studies, future students will attend intro meetings in Copenhagen, Aarhus and Aalborg. During 2022, the SDC's pedagogical unit SMILE (Study Milieu and Intercultural Learning) was involved in several seminars that included topics such as intercultural collaboration and the development of professional networks in China. The SDC has also opened student hubs in both Aarhus and Copenhagen, where Master's and PhD students can access study facilities and meet with each other.

In 2022, the SDC secretariat began to roll out a recruitment plan to encourage closer collaboration with student counselling and international offices at Danish universities. The primary objective of the plan is to increase the visibility of the SDC's degree programmes at Danish universities, and ultimately to increase student intake.

In 2022, the Danish director of the SDC, Morten Laugesen, participated in the China Tech working group headed by the Danish Academy of Technical Sciences. In collaboration with the Danish-Chinese Business Forum and Sense China/Confederation of Danish Industry, the SDC helped organise a seminar series focused on technology collaboration between Denmark and China. The target group was small and medium-sized Danish companies that already work with or that intend to work with technology transfer between Denmark and China. The project was concluded with a report titled *Sino-Danish Technology Collaboration*, and the collaboration was fully in line with the SDC's wish to disseminate knowledge and expand its collaboration with the business community.

In collaboration with the Chinese Embassy in Denmark, the SDC celebrated the 10th anniversary of the first intake of Master's degree

students. More than 1,000 Danish, Chinese and international students have graduated from the SDC, and since 2011, the SDC has co-financed more than 260 PhD students from Danish universities.

In October, the SDC Neuroscience & Neuroimaging Symposium was held for the 10th time. It was a hybrid event with participants gathered at Aarhus University and in the SDC building on the Yanqihu campus. In November, a cross-disciplinary research symposium with more than 60 participants from all the SDC's research areas was held in Denmark. Researchers and teaching staff gathered to explore opportunities for interdisciplinary collaboration.

In 2022, Professor Morten Meldal from the University of Copenhagen received the Nobel Prize in Chemistry. Over the years, several of the SDC's Master's and PhD students have benefited from Morten Meldal's knowledge via his role as a supervisor in Nanoscience.

All Danish universities are represented on the Danish board of the SDC. In 2022, the board welcomed four new members and a new chair. Rector Henrik C. Wegener, from the University of Copenhagen, took up the position as chair and also replaced John Renner as the representative for the University of Copenhagen. He took over the position of chair after Dean Philip John Binning, Technical University of Denmark, who was replaced as the representative of the Technical University of Denmark by Director Jakob Fritz Hansen. Dean Peter Kragelund, from Roskilde University, took over from Peter Kjær, and Pro-rector Helle Waagepetersen, from the University of Southern Denmark, replaced Bjarne Graabech Sørensen.

THE SINO-DANISH CENTER FOR EDUCATION AND RESEARCH
 INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2022
 BALANCE SHEET AS AT 31 DECEMBER 2022

DKK 1,000			
Income statement		FS2022	FS2021
Ordinary operating income			
Grants for own operation from the Danish Finance Act		33,827	30,387
External funding		31,000	30,600
Grants from the Danish Industry Foundation		0	9,000
Total ordinary operating income		64,827	69,987
Subsidies transferred to Danish universities		43,431	54,860
Subsidies transferred to China		0	0
Total funds transferred		43,431	54,860
Ordinary operating costs			
Consumption costs, rent		417	295
Staff costs		8,084	7,975
Other ordinary operating costs		5,305	14,556
Total ordinary operating costs		57,237	77,686
Profit/loss for the year		7,590	-7,699
Balance sheet			
Assets			
Current account with AU		64,043	56,453
Total assets		64,043	56,453
Equity and liabilities			
Balance, end of 2021		56,453	64,152
Funds paid by partners 2022		64,827	69,987
Use of funds paid by partners 2022		-57,237	-77,686
Funds available for future activities, end of 2022		64,043	56,453
Total equity and liabilities		64,043	56,453

COLOPHON

Annual Report 2022

www.au.dk/arsr2022

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

AARHUS UNIVERSITY

Nordre Ringgade 1
8000 Aarhus C
Denmark

Tel.: (+45) 8915 0000
Email: au@au.dk
www.au.dk/arsr2022