



ANNUAL REPORT 2013

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1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

1.1. STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

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

The annual report has been presented in accordance with Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities.

It is hereby confirmed:

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

Aarhus, 30 April 2014



Brian Bech Nielsen
Rector



University Director



Søren E. Frandsen
Pro-Rector




BOARD



Deputy Chairman



Heidi Klokke Andersen



MARIANN FISCHER BOEL



Peter Bugge




Bertha P. Beck Mortensen



Andreas Birch Olsen



Margareta Wallin Peterson




1.2 INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Aarhus University for the period 1 January - 31 December 2013. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes 1-16. The financial statements have been prepared in accordance with the Danish Audit of State Accounts etc. Act, rules laid down in the Danish Ministry of Finance's Economic Administrative Guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities.

Management's responsibility for the financial statements

The management is responsible for preparing and presenting financial statements that give a true and fair view in accordance with the Danish Audit of State Accounts etc. Act, rules laid down in the Danish Ministry of Finance's Economic Administrative Guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities. Such responsibility comprises the preparation, implementation and maintenance of internal controls that are relevant in order to be able to prepare and present financial statements that give a true and fair view and are free from material misstatement, irrespective of whether such misstatement is caused by fraud or errors, as well as the choice and use of appropriate accounting policies and the making of accounting estimates that are deemed to be fair in the circumstances.

In addition, it is the responsibility of the management to ensure that the financial transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

The auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international auditing standards and additional requirements

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

An audit includes audit actions performed to obtain audit evidence of the amounts and disclosures stated in the financial statements. The audit actions chosen depend on the auditor's assessment, including the assessment of the risk of material misstatement in the financial statements, irrespective of whether such misstatement is caused by fraud or errors. In making the risk assessment, the auditor will consider internal controls that are relevant to the preparation and fair presentation of financial statements that are free of material misstatement. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the university's internal control. The audit also comprises an evaluation of whether the accounting policies applied by the management are appropriate and whether the accounting estimates made by the management are fair as well as an assessment of the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the financial statements of Aarhus University for the financial year 1 January - 31 December 2013 have in all materiality been presented in accordance with the Danish Audit of State Accounts etc. Act, rules laid down in the Danish Ministry of Finance's Economic Administrative Guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities. In addition, we believe that procedures and internal controls have been established to ensure that the transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

**Auditors' report on the management's report for 2012,
performance reporting and appendices**

We have read the management's report for 2013 and the section on performance reporting (pages 5-26) and appendices (pages 38-40). We have not performed any activities other than the audit of the financial statements. Against this background, we believe that the information provided in the management's report for 2013, the performance reporting and appendices is in accordance with the financial statements.

Aarhus, 30 April 2014PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

countant



State-Authorised Public Accountant

2. REPORT FOR 2013

2.1 MANAGEMENT

The university	Aarhus University, Nordre Ringgade 1, 8000 Aarhus C, Denmark
Registered in	City of Aarhus, CVR no.: 31119103
University Board 2013	Michael Christiansen, Chairman Peder Tuborgh, Deputy Chairman Mariann Fischer Boel Heidi Klokke Andersen, Student representative (from 1.2.2013) Benjamin Bilde Boelsmand, Student representative Peter Bugge, Employee representative (academic staff) Susanne Bødker, Employee representative (academic staff) Karen Marie Kjeldsen, Student representative (until 1.2.2013) Bertha P. Beck Mortensen, Employee representative (technical and administrative staff) Margareta Wallin Peterson Steen Riisgaard (from 1.2.2013) Lars Rohde (until 1.2.2013) Gitte Ørskou
Management 2013	Lauritz B. Holm-Nielsen, Rector (until 6.8.2013) Brian Bech Nielsen, Rector (from 6.8.2013) Søren E. Frandsen, Pro-Rector Jørgen Jørgensen, University Director Mette Thunø, Dean (Arts) Allan Flyvbjerg, Dean (Health) Svend Hylleberg, Dean (Business and Social Sciences) Brian Bech Nielsen, Dean (Science and Technology) (until 6.8.2013) Niels Christian Nielsen, Dean (Science and Technology) (from 6.8.2013)
Auditors	Rigsrevisionen St. Kongensgade 45, 1264 Copenhagen K, Denmark
Institutional auditors	PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1, 8000 Aarhus C, Denmark

2.2 STRATEGIC OVERVIEW

AARHUS UNIVERSITY'S STRATEGY 2013-2020

MISSION

Aarhus University is an academically diverse and strongly research-oriented institution that creates and shares knowledge.

VISION

Aarhus University strives to be a leading globally-oriented university with a strong engagement in the development of society.

VALUES

Aarhus University is a signatory to the European universities' Magna Charta. Research freedom, independence, study, curiosity and critical interaction with the surrounding world are thus essential values for the university.

STRATEGIC GOALS 2013-2020

Research

- Increase the number of research areas in the international elite
- Focus on societal challenges and strengthen cooperation
- Attract more external funding

Education

- Develop the quality of degree programmes in accordance with the highest international standards
- Produce graduates with strong competences
- Accommodate diversity among students

Talent development

- Offer talent development at the highest international level
- Recruit, develop and retain researchers with outstanding talents
- Offer talent development activities and programmes starting at Bachelor's level

Knowledge exchange

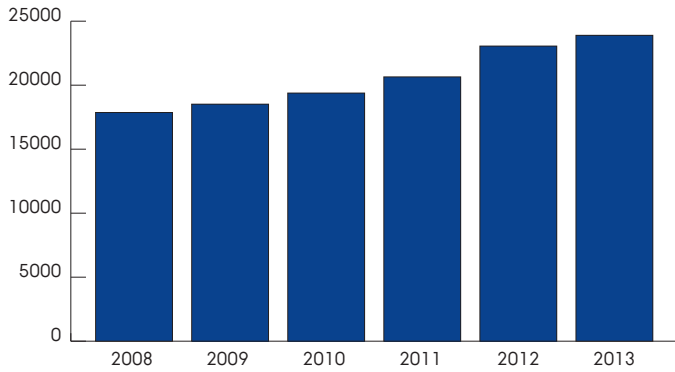
- Intensify collaboration with the business community and the public sector
- Consolidate and develop the university's role of independent scientific consultant to the public sector
- Improved selection of continuing and further education programmes
- Strengthen contributions to the development of civil society

PREREQUISITES

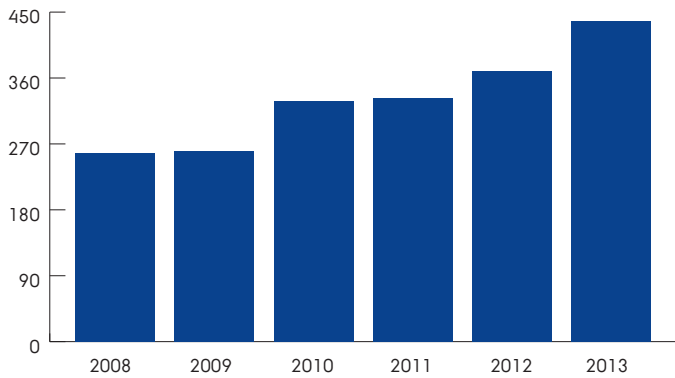
- Good working conditions
- A good environment for study and work
- An accessible, visionary management
- The opportunity for further education
- A coherent, efficient and professional administration
- Optimal financial and legal framework conditions

2.3 KEY FIGURES *

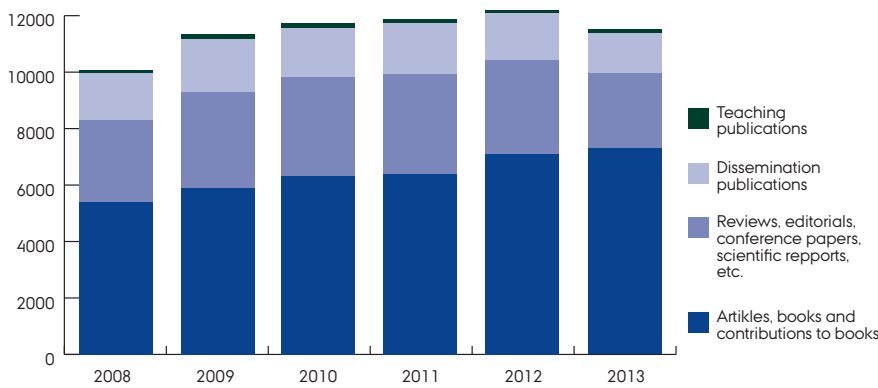
* Key figures include School of Engineering from 2012



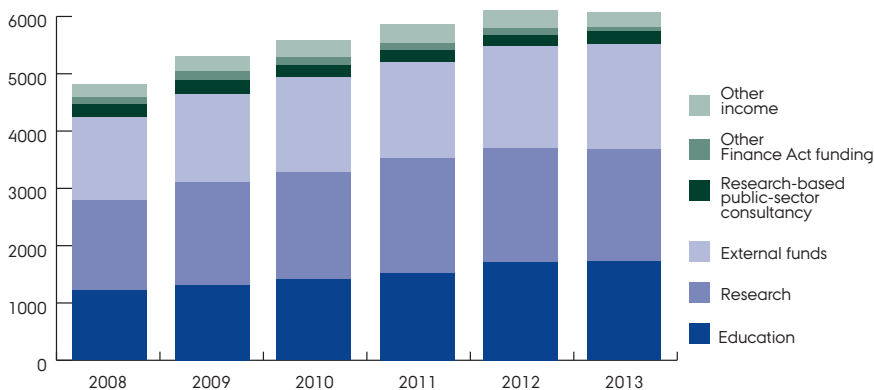
**Student FTEs,
years of full-time study**



PhD degrees awarded



Publications



**Total income, by purpose 2008-2013 DKK '000
in prices for the year**

2.4 REPORT FOR 2013

INTRODUCTION AND SUMMARY

In 2013, Aarhus University adopted the strategy for 2013-2020. With this strategy, Aarhus University confirms and intensifies its commitment to the present course and affirms its strong engagement with society. Aarhus University must intensify its dialogue and interaction with society, and with the strategy pledges to address global and societal challenges, for example through the university's focus on basic research combined with interdisciplinary research and on its productive collaboration with the business community and public government agencies and institutions. Aarhus University is a research-intensive institution of higher education which will ensure high-quality education for all students while at the same time focusing even more on cultivating the most talented and motivated students who are prepared to make a special effort. This will strengthen the university's international competitiveness and increase its contribution to society. The strategy for 2013-2020 remains centred around the university's four core activities while also focusing on three strategic priorities.

In 2013, a process involving the university's combined management resulted in a list of strategy elements to be prioritised in 2014. A targeted effort to attract further external research funding was given high priority, just as attracting and retaining talents at all levels, institutional accreditation and the development of the digital learning environment are all key priorities for the educational area at Aarhus University in the coming year. Finally, the development and establishment of new platforms for business collaboration as well as a consolidation and the extension of the public-sector consultancy are also prioritised. The high-priority goals are laid down in action plans which the senior management team will follow up on.

These priorities are an extension of and build on the solid results which, despite economic stagnation, have been achieved in 2013 and document a well-run university. In relation to research, there is every reason to highlight the continued development of groundbreaking basic research and interdisciplinary research, both under the auspices of the university's interdisciplinary centres and through AU IDEAS, which in 2013 supported no less than 32 pilot centres and project developments. A special interdisciplinary effort is the Arctic research, which has seen the establishment of a new research station at Station North. The interdisciplinary research has also had a natural, knock-on effect within the field of education, where the focus in 2013 was on testing models for integrating interdisciplinarity in the degree programmes.

The strategy defines the graduates as the university's most important direct contribution to society. As a result of the attention which politicians have been giving to the area of education and their desire for reform, this area demanded a lot of attention at Aarhus University in 2013. The university adopted, for example, a new student-centred quality assurance policy. In the years to come, the policy will provide a common framework for the quality assurance of the university's degree programmes. It is thus also a key element in the coming institutional accreditation. The university's focus on quality is closely linked with the ongoing work to ensure the relevance of its degree programmes, and thereby coherence between the students' competencies and the needs of the labour market.

Talent development is a central aspect of a university's continued development. 2013 saw significant contributions in this respect for Aarhus University. In the initial phase, from summer 2013 it was possible for the most talented and motivated undergraduate students to participate in special talent development activities. Experience gained here will be used to further develop and roll out the talent development programmes.

The tenure-track model, which was adopted in 2012 for the purpose of creating clearer and thus more attractive career paths in the various employment categories for academic staff, was implemented in 2013. Finally, in opening the Aarhus Institute of Advanced Studies (AIAS) in 2013, the university has created the framework for attracting particularly talented researchers from all over the world within all academic disciplines.

Aarhus University is the Danish university with the most comprehensive research-based public-sector consultancy. In 2013, the university's two national centres have, as a special initiative, contributed to the work of the Danish government's Commission on Nature and Agriculture, which has also involved collaboration between the centres. In order to extend the research-based public-sector consultancy to other relevant areas, in 2013 a preliminary study was carried out with a view to establishing a new health consultancy centre. The centre is expected to be established in 2014.

Likewise, the university's close cooperation with the Central Denmark Region on health was further expanded in 2013. Three new university clinics have been appointed, and the region and the university have together launched a review of research and development activities, which will help to further coordinate research activities and the development of the various areas of medical expertise.

Aarhus University will continue to focus on developing and sharing its research in cooperation with external public and private partners. In 2013, work continued on establishing the Danish National Centre for Particle Therapy in collaboration with the Central Denmark Region, in respect of which more than DKK 500 million of financing has so far been obtained. Another example is the DKK 60 million grant from TrygFonden for establishing the TrygFonden's Centre for Child Research.

As a central precondition, the university has started to draw up a master plan for the future physical development of Aarhus University. The plan is counting on the university being able to take over land and buildings currently occupied by Aarhus University Hospital when the hospital moves its activities on Nørrebrogade to Skejby. This will contribute to the further expansion of the university's unique campus and will ensure the necessary physical framework for the university's continued development.

The fundamental condition for the further development of Aarhus University is the presence of committed and satisfied staff who experience the university as an inspiring place to work. This goes for all employees, both academic and administrative staff. In 2013, and in the face of considerable challenges, the AU Administration made significant and highly appreciated efforts to support the further development of the university's core activities and thereby the university's contribution to society.

The academic results in 2013 are described in more detail in the following.

In 2013, the University Board employed Brian Bech Nielsen as its new rector. At the same time, we wished the outgoing rector of eight years, Lauritz B. Holm-Nielsen, goodbye with a farewell reception at which numerous guests, the Chairman of the University Board and university staff representatives all thanked him for the significant and visionary contributions he has made to the university over the years.

Refining the course

Since the mergers in 2007, 2008 and 2012 and through the academic development process, Aarhus University has achieved impressive results and created new academic contexts. The developments have also identified, for example following a workplace assessment (WPA) conducted at the end of 2012 and published in early 2013, a number of problems which have either not been addressed or which have arisen as a result of the academic development process. The overall strategic course for the university is set. On this basis the University Board decided in November to make a number of adjustments, which primarily seek to ensure greater coherence between the administration and the academic environments and between the senior management and the rest of the university. The decisions include initiating an internal problem analysis which, by involving relevant staff, students and liaison committees and through the broad involvement of management, must provide a basis for deciding on any necessary changes. The intention

is that the senior management team can present a proposal to the University Board by summer 2014. The board also decided to implement an external international evaluation in 2016 which will focus on the university's services to society, a change in the number of core activity committees from four to two with accompanying changes to the portfolio of activities, and changing the position of pro-rector for knowledge dissemination into the position of pro-rector for education.

AU's financial situation

A month before the board's adoption of the final budget for 2014, the senior management team informed staff that the university will have to find significant savings in the coming years. The university ended 2012 and 2013 with a deficit, and with the prospect of falling revenues in future – external revenues and Finance Act grants – and given that revenues in 2012 and 2013 were below budget, it is now necessary to reverse the development. The budget for 2014 and the coming years therefore includes savings which, as from and including 2016, will amount to a permanent reduction in the university's budget of DKK 225 million. Of the savings, approx. DKK 100 million will safeguard against future fluctuations, and provide the financial freedom to enable new activities to be launched based on development funding at departments, institutes and main areas as a significant contribution to the university's efforts to help solve the challenges facing society.

The implementation of the necessary financial measures has been carefully considered by the university's liaison committees, but in spite of various measures to prevent redundancies – primarily voluntary redundancy packages – it will not be possible to make the adjustments without dismissing employees. These decisions have given rise to uncertainty and concern among the university staff.

Facilities planning and operations

Based on the building plan for the period 2010-2028 for Aarhus University, a master plan is being drawn up for Aarhus University's future physical development. In Aarhus, the plan will see the university taking over land and buildings when Aarhus University Hospital moves its activities from Nørrebrogade in central Aarhus to Skejby in a few years. In taking over the land and buildings, the already unique campus can be expanded and provide opportunities for future development and for the planned bringing-together of activities currently taking place at locations outside Aarhus. In 2013, a process plan was prepared for the master plan and discussions initiated with the Central Denmark Region, the Ministry of Science, Innovation and Higher Education and the Danish Building and Property Agency on the possibilities for acquiring the facilities. The targeted efforts to take over the hospital site and buildings have meant that the plans for new buildings on the Lille Barnow plot have been put on hold. In Emdrup, the plan is to pave the way for moving activities from Aarhus University's facility in Roskilde to Emdrup through a significant expansion of the campus buildings.

With the cutting of a 50-nanometre-thick protein string – one thousand times thinner than a strand of human hair – viewed through an AFM microscope and displayed on a big screen, Aarhus University's new iNANO building on Gustav Wiedes Vej in Aarhus was inaugurated at the beginning of the year. The building, which covers approx. 9,000 square metres, houses the interdisciplinary iNANO centre and has a wide range of classrooms, laboratories and other facilities of the highest international standard.

University development contract

Aarhus University's development contract with the Ministry of Higher Education and Science is an ambitious and challenging contract for the university. In 2013, the university was in the middle of the contract period, and the performance reporting shows that the university is making good progress. Four of the targets have been achieved, while another six of the ambitious targets have almost been achieved. Only for one target, the financial scope of partnership agreements with society, is progress unsatisfactory. Within the strategic course which has been set, the university has launched initiatives which are designed to maintain progress and ensure a more positive development for parts of the development contract's targets.

RESEARCH

Framework conditions for research

To further strengthen collaboration between universities and the business community, in 2013 a unanimous Danish parliament decided to establish the Danish National Innovation Foundation, which is a merger of the Danish Council for Strategic Research, the Danish National Advanced Technology Foundation and the Danish Council for Technology and Innovation into a single foundation. The foundation is expected to have an annual budget of approx. DKK 1.5 billion. It will support the need for new solutions in Danish companies as well as new innovation partnerships based on global social challenges and will be launched from 2014. It is expected that the foundation will, among other things, help Danish enterprises and knowledge institutions attract funding from the EU's research programme Horizon 2020, thereby helping to support Aarhus University's strategic objective of obtaining more external funding.

Breeding ground for new ideas

Researchers at Aarhus University have for many years carried out basic research of the highest quality. This has, among other things, resulted in a string of new discoveries, centres, funding and awards over the years, including the Nobel Prize for Jens Christian Skou in 1997.

In spring 2013, a new centre, with roots stretching back to Jens Christian Skou's research, was inaugurated at Aarhus University. The centre is called DANDRITE, or the Danish Institute of Translational Neuroscience. The researchers will explore how basic patterns occur in the communication between the various parts of the brain and

what happens to this communication when we fall ill. In addition, the researchers will examine how to develop drugs and treatments that can benefit patients. DANDRITE is part of the European EMBL molecular medicine partnership and is an interdisciplinary centre in collaboration between Health and Science and Technology; it involves five research groups from, for example, molecular biology and biomedicine. The centre is headed by Professor Poul Nissen from the Department of Molecular Biology and Genetics. The Lundbeck Foundation has pledged DKK 60 million over five years to the centre, with the option of an additional DKK 60 million over another five-year period.

To ensure good conditions for the next generation of researchers at Aarhus University, in 2013 the Aarhus University Research Foundation issued a second call under the AU IDEAS programme. AU IDEAS supports non-targeted research defined by the applicants, as well as financing innovative and in some cases daring research projects which are also applicant-defined. In 2013, funding was allocated for 32 different projects falling into two categories: pilot centres and project developments. The pilot centres receive large grants for projects lasting 3-5 years with a budget of DKK 4-5 million. The aim is that these pilot centres will develop into vibrant centres based on external financing from e.g. the Danish National Research Foundation or the Danish National Advanced Technology Foundation. The smaller development projects, on the other hand, last 1-2 years with budgets of about DKK 0.5 million, and are usually more risky and audacious.

The funding from AU IDEAS was given to researchers from all four main academic areas. For example, support was given to the IN-TRAlaw project, which encompasses a range of cross-disciplinary research projects led by researchers from the Department of Law. The projects focus on developments in legislation that are the direct result of globalisation, internationalisation, Europeanisation and other international and transnational activities. Another example of a pilot centre is the Center for Biocultural History, which will explore the interaction between biological and cultural processes, for example by involving researchers from archaeology, anthropology, bioinformatics, ecology, genetics, history of science, human evolution studies and literary studies. Other recipients of pilot centre funding will conduct research into the Scandinavian welfare model, the connection between biology and culture, Parkinson's disease and quantitative studies of the Earth's surface. In 2013, three basic research centres had their funding extended right up until 2019. The funding was extended after an interim evaluation involving the assessment of the centres' activities by a number of international expert panels. The centres were the Centre on Autobiographical Memory Research (CON AMORE) headed by Professor Dorthe Berntsen, the Centre for Quantum Geometry of Moduli Spaces (QGM) headed by Professor Jørgen Ellegaard Andersen and the Centre for Materials Crystallography (CMC) headed by Professor Bo Brummerstedt Iversen.

New research platforms – research station in the north Greenland and NMR equipment in Aarhus

The Arctic is popular with researchers at the moment, and also with researchers at Aarhus University. Among other things, researchers from all four main academic areas are involved in the interdisciplinary Arctic Research Centre, which was established in 2012. Their research looks, for example, at the consequences of global warming and the effects of intensified exploitation of raw materials for nature and people in the Arctic. At the beginning of 2013, the Villum Foundation granted DKK 70 million for the establishment of a new research station at Station Nord in the northernmost Greenland. The station will come to comprise three new buildings at Station Nord: a mobile research station consisting of large tents which will be moved around between various locations in northern Greenland and on the ice in the Arctic Ocean, equipment for atmospheric measurements consisting of a number of unmanned aircraft as well as advanced land-based measuring equipment. Construction of the building at Station Nord started in August 2013 and is expected to be completed in autumn 2014. In 2013, Aarhus University also invested in a modern tandem accelerator, which means that the researchers can expand their work with, for example, climate research and carbon dating. The new modern equipment can be used within areas such as geology, archaeology, the climate, the environment, biology and forensic medicine.

At the end of the year, one of the world's most powerful magnets was installed in the iNANO building at the university. This is an NMR spectrometer, which will be used for conducting research into, among other things, materials technology and proteins. Researchers will use it to study the structure and dynamics of various objects. The NMR spectrometer has been financed through a grant from the Danish Agency for Science, Technology and Innovation's infrastructure funds.

Research partnership with society

Aarhus University has high ambitions for its research. At the same time, the university is sharing and developing its knowledge with the surrounding society, among other things in cooperation with public government agencies and institutions and private companies.

In 2013, work continued on the establishment of the Danish National Centre for Particle Therapy in collaboration with the Central Denmark Region. In the Danish Finance Act, DKK 275 million was allocated to the centre, while the Moller Foundation donated DKK 250 million towards the procurement of the centre's equipment. The new centre for particle therapy will be situated at Aarhus University Hospital in Skejby and is expected to be ready at the end of 2017. The centre will eventually treat 1,200 patients a year.

Within food and nutrition, Aarhus University has a wide range of strong research competencies across all four main academic areas. In 2013, Aarhus University together with Arla Foods, Central Denmark Region, the Danish Agriculture and Food Council and the

City of Aarhus therefore decided to set up the Danish Food Cluster, which is based in Skejby at the Agro Food Park. The purpose of the Danish Food Cluster is to strengthen innovation, growth and employment in the food sector and to improve the region's national and international marketing in the field of food. The members of the cluster comprise almost 100 businesses and knowledge and research institutions.

In 2013, it was decided to establish a new interdisciplinary Research and Knowledge Centre of the Evangelical Lutheran Church in Denmark in cooperation with the Danish Ministry of Ecclesiastical Affairs and Aarhus theological college. The centre will investigate how cultural, religious and value-based popular movements in Danish society might lead to changes for the Danish National Evangelical Lutheran Church. The centre will involve researchers from theology, study of religion, anthropology, history and psychology.

With a grant of DKK 60 million, TrygFonden has provided the foundation for the TrygFonden's Centre for Child Research, which opened in 2013 at the Department of Economics and Business. The centre will work with effect measurements of social interventions. For example, one of the forthcoming research projects is expected to shed light on how language support at nursery level can reduce the risk of children being placed in special-needs classes. These are just a few examples showing that research at Aarhus University is being developed and shared in a collaboration with external public and private partners.

Excellent researchers recognised

In 2013, a large number of the university's researchers were recognised for their outstanding research. Professor Søren Kragh Moestrup from the Department of Biomedicine was awarded the Novo Nordisk Prize for his studies of cells' transport receptors and their significance for disease development. Professor Niels Peter Revsbech from the Department of Bioscience was awarded the Grundfos Prize for his research into the relationship between microorganisms which, among other things, has led to a groundbreaking new understanding of the oxygen and nitrogen cycles in the world's oceans. In 2013, Professor Jørgen Christensen-Dalsgaard from the Department of Physics and Astronomy received the Carlsberg Foundation's Research Prize for his long-standing research within stellar physics. Finally, Professor Steen Hannestad, Department of Physics and Astronomy, and Associate Professor Ove Christiansen, Department of Chemistry, both received the Elite Researcher Prize, and Professor Torben Heick Jensen, Department of Molecular Biology and Genetics, received an ERC Advanced Grant. In 2013, Professor Flemming Besenbacher from iNANO joined the Chinese Academy of Sciences (CAS) which, among other things, acts as an advisor to the Chinese government and comprises 750 Chinese and 72 foreign scientists, including several Nobel laureates.

EDUCATION

Framework conditions for education

In the past year, the universities' framework conditions and the university sector in general have attracted considerable political attention. This has primarily been demonstrated through the adoption of the study progress reform, the purpose of which is to ensure that students complete their degrees faster and more successfully, but also through political discussions of whether the universities are admitting the right number of students, whether the degree programmes have sufficient business relevance and whether the quality of the programmes is satisfactory. Aarhus University welcomes the discussions and the political intentions behind the study progress reform, but has also informed the Ministry of Higher Education and Science and the Danish Agency for Higher Education that the implementation of the reform entails considerable administrative challenges, both in relation to ensuring the correct implementation of the reform within a short timespan and in relation to ensuring the necessary guidance about the consequences of the reform for individual students.

In 2013, Aarhus University worked to prepare the implementation of the study progress reform at the university under the assumption that the high quality of the degree programmes is not compromised. As part of these efforts, in 2013 Aarhus University actively worked to postpone the reform for existing students, in which it was successful.

In 2013, Aarhus University started preparations for the institutional accreditation which follows from the new Accreditation Act for institutions of higher education which was adopted by the Danish Parliament in summer 2013. With the new act, it is no longer the individual degree programmes but Aarhus University as a whole which must be accredited in order to be able to set up new degree programmes and courses in future.

This very clearly places the responsibility for quality assurance and development of the degree programmes with the institution and its management. To achieve accreditation, the university must show that it has an efficient quality assurance system and a strong focus on quality.

Applications, intake and graduates

In 2013, Aarhus University received 25,368 applications, of whom 9,410 were applying to study at Aarhus University as their first priority. This resulted in a total intake of 7,505 undergraduate students.

Of particular note in 2013 was the number of applicants to the main academic area Science and Technology – at both Bachelor and Master's degree level – as well as the number applying to the university's Master's degree programmes in general, with an overall increase in the intake of Master's degree students of 26% relative to the previous year. Science and Technology saw the

biggest increase in the number of admissions to Master's degree programmes, with biology, computer science, chemistry and molecular biology seeing particularly strong growth. Some of the relatively large increase in the number of admissions to Master's degree programmes can be explained by similar increases in admissions to Bachelor's degree programmes 3-4 years ago. Moreover, in 2013 three new Master's degree programmes were offered: two at Arts (Anthropology of Education and Globalisation, and Education Science) and one at Health (Public Health Science). At the same time, 2013 saw a growing level of interest in the Master's degree programmes at Aarhus University from international Bachelor's degree graduates as well as bachelors from other Danish universities.

In 2013, 548 PhD students were admitted, representing an increase of 12% relative to the previous year.

In 2013, Aarhus University educated 4,455 Bachelor's degree graduates, 3,969 Master's degree graduates, and 438 PhDs, representing increases of 21%, 6% and 18% relative to 2012.

Good study environment

Aarhus University aims to maintain a high level of well-being through the development of an attractive study environment. The study environment binds together the learning and campus environments, and social and academic integration is crucial to ensuring that students complete their degree programmes. In 2013, the university continued a number of study environment projects and launched a number of new projects with a view to strengthening levels of active enrolment through an improved study environment as well as developing and increasing the use of digital platforms. In 2013, the university, among other things, established and developed a number of mentor schemes which give students an opportunity to discuss issues with other students across year groups. Furthermore, a number of study groups are being established for new students, which helps students get off to a good start with their studies. Moreover, funding has been provided for the development of activating, video-based teaching materials and e-books for the integration of case-based teaching sessions.

Graduates' relevance to society

Focus is consistently on ensuring relevance in the degree programmes to guarantee a very good match between the students' competencies and the needs of the labour market. Aarhus University has a number of bodies (employer panels, advisory boards etc.) which strengthen the level of interaction between the university and society. In 2013, many activities at Aarhus University focused on the graduates and their relevance for society; for example, AU Herning established an external council with the aim of strengthening collaboration with the business community and public institutions in the area.

As a new initiative, in 2013 Aarhus University started working more closely with the City of Aarhus, a partnership which means that Jobcenter Aarhus now offers career guidance to Arts students. The career guidance takes place at the university in collaboration with the newly established career centre at Arts. At the present time, Aarhus University has career centres for undergraduate and Master's degree students enrolled in the main academic areas Arts and BSS. The career centres support the increased focus of the Danish government on the relevance of education, in that the career centres will help students enter the labour market, and the labour market parties will to a greater extent be able to make contact with future graduates and with the degree programmes offered by the main academic areas through various activities.

Educational IT

As part of developing the forms of instruction, meeting the students' wishes and recognising their digital competencies, Aarhus University is consistently prioritising the development of the digital learning environment. At the end of 2012, it was decided to invest in Blackboard as the future technological platform which will support teaching, learning and research at Aarhus University. In 2013, continued focus has been on technologically supporting the objective of developing the digital learning environment, in which the implementation of Blackboard as a new Learning Management System (LMS) has been a central element.

The pilot project at BSS was fully implemented in 2013 and is now operational, while pilot projects are needed at the three other main academic areas with subsequent implementation in two stages. At all the main academic areas, project implementation is closely linked to the learning centres. The university is closely monitoring developments in this area, which is expected to play a key role in future.

In 2013, Aarhus University took a significant step towards introducing a common system for digital exams. Based on the extensive know-how about the shift to the digital submission and assessment of written exams which Aarhus University has acquired through its pilot projects, the university conducted a joint tender together with four other universities. The tender resulted in the selection of one supplier, which will develop a joint platform for digital exams for all suitable tests.

High-quality programmes

In summer 2013, Aarhus University adopted a new quality policy, which in the years to come will form a common framework for the quality assurance of the university's many degree programmes at Bachelor, Master, diploma and MBA level. The university has taken the natural step of putting the student at the centre of its quality policy. The policy thus takes a typical course of study as its starting point, which begins before the student has even applied for admission, and in principle never ends because many students maintain links with the university far into their careers via the university's many further and continuing education courses.

The foundation for the institutional accreditation of Aarhus University has already been laid in the shape of the quality work which the main academic areas have carried out in connection with the staggered evaluations and accreditations of degree programmes since 2008. Aarhus University therefore has a solid basis of experience on which to build when preparing for institutional accreditation. However, the new Accreditation Act also introduces new requirements, the majority of which the university has already actively considered in 2013 in close collaboration with the main academic areas and several of the university's administrative divisions. With 2014 just around the corner, Aarhus University thus took a number of important steps towards the future institutional accreditation.

Interdisciplinarity in degree programmes

Together with a strong academic identity, Aarhus University wants its graduates to have a broad and in-depth qualification profile which enables them to help solve the multi-faceted challenges facing society, now and in the future. Thus, in 2013 the university focused on testing models for integrating interdisciplinarity in the degree programmes. In planning AU Summer University 2014, the summer semester will thus have an "incubator function", with a number of the planned summer schools acting as pilot projects in developing new interdisciplinary subject elements or degree programmes.

As an example of interdisciplinarity in the programmes offered, in 2013 Aarhus University offered a new further and continuing education course as "Health Inventor" (BioMedical Design), where innovation is given pride of place. The programme brings together qualified medical doctors, engineers, physicists and midwives who together identify actual needs in the health sector. Afterwards, they develop the ideas into products with international market potential.

TALENT DEVELOPMENT

The cultivation of research talents who are attractive internationally and who create value in the broadest sense for society in general and the specific professions they choose is something Aarhus University views as its special responsibility. The university will refine and strengthen its talent development efforts in an international perspective, not just within research, but also in relation to students with exceptional abilities who can help meet the future needs of business and industry and fill managerial positions in the public and private sectors. The results of the most recent employment survey for PhDs which was published in 2013 show that the university's PhD students are popular in the labour market with employment rates of 98% for PhDs who qualified five years ago and 92% for PhDs who completed their studies one year ago. In 2012, Aarhus University's career centre was enlarged to also cater for PhD students, and from 2013 is offering the university's 1,875 PhD students career guidance, help in clarifying competences and mentor schemes in relation to a career in business or industry.

Talent development activities and programmes starting at undergraduate level

From summer 2013, the most talented and motivated students were given the opportunity to participate in a pilot project at Science and Technology involving extra academic activities as part of special talent development programmes based on strong research environments. Talent development must be offered from undergraduate level, focusing on the full range of students' talents. The purpose of talent development programmes is to give students the chance to fully develop their potential and educate graduates with particularly clear-cut research/innovation and entrepreneurial profiles. In addition, it is a good idea to strengthen contact with the business community by closely associating talent development programmes with prospective employers and by identifying career paths which do not necessarily involve research. Different types of talent must be developed in these programmes in order to increase the value of graduates' contribution to society. The programmes focus on research, innovation and entrepreneurship on the physics and nanoscience degree programmes. Both tracks are organised as add-on courses, where the students follow the specially planned course as a supplement to their ordinary studies. Early experience with the programmes is positive, and in the long term it is expected to extend the programmes, initially to the majority of the Science and Technology degree programmes.

In 2013, Health offered a special talent development programme – the "Dream Team" – for future surgeons, a talent initiative where three clinical areas (gynaecology, urology and surgical gastroenterology as well as experimental clinical research) offer special courses concurrently with teaching during the third semester of the MSc programme in Medicine, with the subsequent opportunity for regular surgical training for the remainder of the degree programme.

Clear career paths

The university is working to clarify career paths in the various employment categories for academic staff. In 2013, Science and Technology adopted a set of common criteria for the permanent employment of professors, associate professors, senior researchers and senior advisers. The criteria are based on research as the shared academic foundation for academic staff, and also ensure that credits are given for consultancy and teaching activities. The criteria will be used by assessment committees, appointment committees, department heads, deans and others who are involved in assessing applicants' and employees' qualifications, and clear career paths must be combined with clear career guidance.

In 2012, Aarhus University developed a "tenure-track" model for recruiting academic staff in situations where researcher mobility is high and where there is intense competition for or between strong candidates. In 2013, the university's main academic areas have worked with the model with a view to adapting it to the specific opportunities and challenges which each main area faces. Both Business and Social Sciences and Science and Technology have

developed a model as an attractive career offer to promising researchers from all over the world, where highly qualified graduates are employed at assistant professor/senior researcher level for a six-year period with the prospect of being upgraded to associate professor/senior researcher level. By creating greater certainty in the employment process and increasing coherence in academic careers, the model will help to attract and retain highly qualified and promising talents from all over the world, promote academic development and independence for researchers early on in their careers and create transparency in academic careers.

Likewise, in 2013 Health adopted a policy for the recruitment of research talents and research talent development at Health. The policy provides a framework for the future recruitment and development of research talents at all levels in coherent research talent programmes and career paths. The policy describes Health's model for new tenure-track career paths.

PhD survey: "Quality in PhD programmes"

In 2013, Aarhus University conducted a PhD survey among all its PhD students on "Quality in PhD programmes" with a view to strengthening and further developing the university's PhD programmes. The survey focuses on topics such as entering the PhD programme, meeting the graduate school, supervision and the research environment. The survey shows, among other things, that Aarhus University has considerable resources at its disposal in the form of the PhD students, who love their subject, and who assume ownership and responsibility for their projects and who, in their subsequent careers, want to work with research. The vast majority of PhD students have presented their research at international conferences, and many have had their research findings accepted by peer-reviewed journals, despite a long review procedure. Many PhD students experience the PhD programme as overwhelmingly positive, probably because of their close contact to a supervisor and a research environment. The survey also shows that many PhD students feel exhausted and that they often feel uncertain and lonely. The university is currently in the process of discussing the results with a view to strengthening and further developing the programme.

Talent prizes

In 2013, several of the university's PhD students received prestigious awards in recognition of their efforts and talent. For example, in 2013 five PhD students were presented with an Elite Researcher travel grant totalling DKK 300,000 each by the Danish Minister for Higher Education and Science. The students were 30-year-old Jonas Ross Kjærgård, who is doing a PhD in literary studies, 28-year-old Lasse Lausten, who is doing a PhD in political science, 26-year-old Marie Krogsgaard, who is doing a PhD in nanoscience, 26-year-old Sashka Dimova, who is doing a PhD in economics and 30-year-old Tue Wenzel Kragstrup, who is doing a PhD in medicine. The PhD students have decided to use their prizes to forge international networks and build on knowledge with institutions such as Stanford University, MIT and Harvard University.

Aarhus Institute of Advanced Studies

Aarhus Institute of Advanced Studies (AIAS) is a newly established institute at Aarhus University which will promote independent research, research collaboration and networking at the highest level by attracting particularly talented researchers from all over the world within all academic disciplines. At AIAS, fellowships are offered to both junior and senior researchers for a specific period of six months to three years. A fellowship gives international researchers the opportunity to immerse themselves in their own research at AIAS while at the same time working with fellows from all over the world and local AU researchers, enabling them to develop their academic affiliations and AU's international network and reputation.

AIAS opened in 2013, and the first sixteen researchers have been recruited for the programme in the course of the year. In addition to their research, the AIAS fellows will participate in a number of joint academic activities at the institute such as Fellows' Seminars, which are held approx. 8-10 times per semester. The institute also provides a framework for research activities and international conferences based on the research conducted at AIAS and by researchers from other main academic areas at Aarhus University in the form of conferences, workshops, doctoral defences etc.

KNOWLEDGE EXCHANGE

Aarhus University's knowledge exchange with society is consistently based on strong and interdisciplinary research and takes the form of various activities such as cooperation with businesses, collaboration with local authorities and regions, technology transfer, further and continuing education, consultancy services for government agencies and knowledge dissemination to the general public. The university thereby adds value to society, for example by helping to address challenges faced by society and contributing to the development of civil society.

Research-based public-sector consultancy

In 2013, Aarhus University's two national centres for the environment and energy and for food and agriculture – the Danish Centre for Environment and Energy (DCE) and the Danish Centre for Food and Agriculture (DCA) Agriculture – continued to deliver significant research-based public-sector consultancy to primarily the Danish Ministry of the Environment and the Ministry of Food, Agriculture and Fisheries of Denmark. In spring 2013, the government's independent Commission on Nature and Agriculture published – after twelve months of work – its final report setting out a number of recommendations for addressing structural, financial and environmental challenges in agriculture. DCA and DCE have made a significant contribution to the commission's work, also by working together. The contributions to the commission have been supplied in the form of research-based accounts, memoranda and reports and through participation in the commission's working groups, such as the nitrogen working group.

During 2013, the Ministry of Science, Innovation and Higher Education introduced a so-called thematic supervision of the research-based public-sector consultancy, its ambition being to evaluate the mergers of the governmental research institutions and universities in 2007. In 2013, Aarhus University provided various types of input for the ministry, and the ministry's report is expected in spring 2014.

In 2013, a preliminary study was carried out with a view to establishing a new centre for research-based consultancy within health. The Danish Centre for Healthcare (DCH) is expected to be realised in 2014.

Business collaboration

Aarhus University has a long tradition for collaboration with businesses and organisations of varying scope and intensity. At the spring management seminar, it was decided to make business collaboration one of the strategy's high-priority focus areas. Consequently, during the year the university's Knowledge Exchange Committee worked in different ways to establish the foundation for a proper business strategy for Aarhus University through, for example, meetings with external stakeholders, holding internal knowledge exchange events for the university's researchers and analyses of various framework conditions for knowledge exchange. With more extensive and better coordinated business collaboration, Aarhus University will meet its responsibilities to society and, at the same time, receive valuable contributions to its research and educational activities and value creation in general.

AU Herning's collaboration with businesses and government agencies and institutions is an example of successful business partnerships. Through annual agreements with the surrounding local authorities, a "business ambassador" who continually cultivates and looks after agreements with enterprises, extensive collaboration between students and businesses and, most recently in 2013, the appointment of an external council.

In 2013, the strong business partnership between the company SkyTEM Surveys and Aarhus University received DKK 15 million from the Danish National Advanced Technology Foundation for the development of advanced technology for mapping aquifers. The technology is a spin-off from the academic environment at Aarhus University, and the airborne geophysical system SkyTEM scans the ground by means of an electromagnetic field produced by a large ring with an area of approx. 300 square metres suspended from a helicopter. Using the technology, it is possible to see where groundwater is located, information which researchers can then use to ensure the sustainable exploitation of groundwater resources. In the course of the year, an international research collaboration was also established between Denmark, India and France on the SkyTEM technology, the purpose being to ensure sustainable groundwater supplies in India.

In autumn 2013, Novo Nordisk A/S and Aarhus University signed a comprehensive cooperation agreement. Through various projects,

the agreement offers improved possibilities for strengthening research into diabetes complications and patient treatment. The combination of Novo Nordisk's experience with diabetes treatments and Aarhus University's expertise within late complications paves the way for a greater understanding of the disease's long-term complications and thereby better possibilities for treating related kidney failure, blindness and amputations. The agreement has already resulted in the employment of several industrial PhDs and postdocs. The collaboration is in line with the Danish government's Plan for growth in health and care solutions and the recommendations contained therein on public-private partnerships.

Technology transfer

Aarhus University's Technology Transfer Office (TTO) is responsible for concluding research partnership agreements between the university and the business community and other external parties and for handling patentable inventions produced by employees at Aarhus University or at hospitals in the Central Denmark Region. The number of enquiries being made to the TTO has been growing sharply in recent years, and the TTO has entered into a large number of cooperation agreements.

In 2013, Aarhus University's TTO signed agreements on the commercialisation of thirteen technologies, and two spin-outs were established. The number of reports about new inventions (54) and the number of patent applications submitted in 2013 (14) is somewhat lower than in previous years. However, the fluctuations must be seen in the context of a significant increase from 2011 to 2012. The two spin-outs – CamAgon and Combat Stroke – both stem from the university's research activities within biomedicine and focus on helping patients with heart problems and who have suffered strokes.

Health collaboration with Central Denmark Region

In 2013, Aarhus University and the Central Denmark Region were involved in implementing the cooperation agreements on health which were adopted in 2012. This included working on the consolidation of the joint management structure, among other things through the formulation of a common vision and strategy for the cooperation. Moreover, in 2013 the regional hospitals established three university clinics, bringing the total number of clinics to four. The three new clinics are within neurorehabilitation (Regional Hospital Central Jutland), kidney diseases and hypertension (Regional Hospital West Jutland) and innovative patient processes (Regional Hospital Central Jutland). Being named as a university clinic is Aarhus University's official recognition of the scope and quality of the research being conducted within an area of medical expertise or defined field of study at the regional hospitals. Finally, the region and the university have together launched a review of research and development activities, which will help to coordinate research activities and the development of the various fields of medical expertise between the hospitals in the Central Denmark Region.

Dialogue with society

In 2013, Aarhus University also organised or participated in important events which involved the application of the university's knowledge in interaction with society. A case in point is the holding of the MatchPoints seminars which, with themes such as citizenship, social capital, recognition and the new world order, attracted two internationally known social scientists and names within their respective fields, Robert Putnam and Fareed Zakaria. Through collaboration with the Danish University Extension, some of the MatchPoints events extended far beyond the university walls.

Supported by Business and Social Sciences and departments at the main academic area, students at Aarhus University organised two high-profile events – Aarhus Case Competition and Aarhus Symposium. Both events forged links between talented students and business leaders.

The AU Smart Cities network was established in 2013 with the participation of researchers from all four main academic areas. Smart City refers to the possibilities which new technology and digitisation offers for the future development of towns and cities. AU Smart Cities is working with the City of Aarhus on a number of specific urban development projects under the auspices of Smart Aarhus, and Aarhus University, in collaboration with the Ministry of Housing, Urban and Rural Affairs, has established a national network on smart urban development. AU Smart Cities is also involved in European and other international partnerships and research projects.

In 2013, Aarhus University also held the very popular science lectures in collaboration with the Danish University Extension in Aarhus. Every semester, four talks are held in the Lakeside Lecture Theatres which are transmitted to several lecture theatres and repeated over three weekday evenings. The lectures are held by highly qualified science researchers from Aarhus University or invited guests and cover topics which fall within a narrow field of research yet which are of broad public interest. In 2013, 24,415 people attended the lectures. Another example of successful knowledge dissemination is Aarhus University Press's continued publication of concise yet incisive books in the "Tænkepauser" (Pause for Thought) series. With titles such as *Love, Life Story, People, Hostility and The Ant*, the books succinctly communicate knowledge about topical research topics and are acknowledged by both readers and the critics. The books are also published as e-books and audio books.

As yet another example of excellent research combined with creative knowledge dissemination, it should be mentioned that a class of nanoscience students from Aarhus University won both the Grand Prize and the prize for best presentation at Harvard University's biomolecular design competition. At the competition, they presented their new nanomedicine James Bond-style, where cancer was the villain and the medicine was 007's ultimate weapon, developed by the boffins in Q's laboratory.

WORK OF UNIVERSITY BOARD

In March, the board decided on a new strategy for Aarhus University for the 2013-2020 period. The strategy will be evaluated once a year in connection with the board meeting in November. Also in March, the board decided to appoint Dean Brian Bech Nielsen as the university's new rector for a period of six years, starting on 6 August 2013.

The chairs of the academic councils participated in the April board meeting together with the deans, where they each described the work of the academic councils, their working methods and tasks. At the same meeting, the board adopted the accounts and signed the annual report and the auditor's report for 2012.

In April, the board decided on a new model for an annual evaluation of the board's work and carried out the first assessment according to the new model.

In September, the board held a strategy seminar at the Sandbjerg Estate, where the board and the entire senior management team discussed the implementation of the strategy and the university's strategic priorities for 2013-2014. The board also decided on a number of initiatives as a follow-up to the academic development process. The initiatives will ensure better coherence between the administration and the academic environments and between the senior management and the rest of the university.

In 2013, the board visited two main academic areas, Arts and Health. The visits will continue in 2014, where similar visits are planned to the main academic areas Business and Social Sciences and Science and Technology.

The board regularly considered the university's finances, including reports on the work being carried out by the university to improve its operating economy and meet the challenges associated with attracting external funding as well as its activity-based education income. In December, the board approved the budget for 2014 with the necessary savings with a view to ensuring that the university has a balanced budget. At the same time, the board considered the status of the continuation of the agreements between the university and the Ministry of Food, Agriculture and Fisheries of Denmark and the Danish Ministry of the Environment on research-based public-sector consultancy and authorised the chairman to sign the general agreements.

Financial results for the year

The financial statements for Aarhus University have been presented in accordance with the Ministry of Finance's guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities. In 2013, the university posted turnover of DKK 6,146 million. The university realised a loss of DKK 141 million, while ordinary operating activities saw a loss of DKK 150 million. The balance sheet total as at 31 December 2013 was DKK 3,063 million.

The results should be seen in light of the university's decision to budget with a loss in 2012 and 2013 to support the objectives of the Academic Development Process and the university's strategy. A loss of DKK 81 million was therefore budgeted in 2013. The budget deviation was just under 1% of the total turnover, and the loss corresponded to 2.3% of turnover.

The university budget was based on growth of just under 3.7% in income relative to the financial statements for 2012 and expected savings of DKK 50 million, which were not fully realised. Operating costs were reduced, while wages and salaries increased up until and including Q3. In 2013, wages and salaries amounted to 64% of total costs relative to 63% in 2012. The prospect of a low-growth scenario has necessitated a reversal of this trend, and autumn and winter 2013/14 were thus devoted to introducing cutbacks, especially of staff costs – divided almost equally between dismissals and voluntary redundancy packages. The long-term positive effect of these and other cost-cutting measures is deemed to exceed the loss realised in 2013 by a comfortable margin.

In the view of the University Board and the Rector's Office, the results realised are not satisfactory, and a decision has been made to focus strongly on ensuring the necessary financial restructuring in the form of a permanent reduction in the university's expenses, while at the same time sharpening its focus on attracting external grants.

The university's income stems from Finance Act appropriations for education and research as well as contractual agreements on the delivery of research-based public-sector consultancy services to the Ministry of Food, Agriculture and Fisheries of Denmark and the Danish Ministry of the Environment. To this is added income in the form of grant-financed research, other external grants and disposals. The university spends the funding in a way that reflects the university's vision, strategy, development objectives and prioritised activities. In addition, the financial resources must be used efficiently and responsibly with due consideration being given to both current tasks and long-term development and innovation.

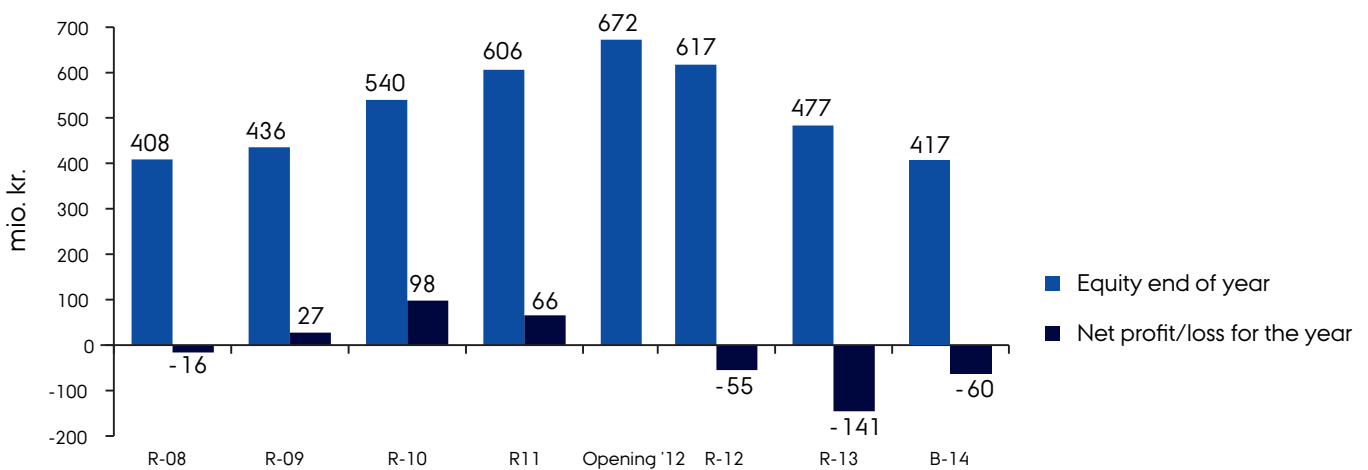
Status for administrative cutbacks

In 2012, the university was ordered to implement administrative cutbacks totalling DKK 30 million, and in 2013 savings of DKK 60 million had to be found. Realising these targets has proved difficult in an organisation which has been busy implementing major and ambitious new initiatives in the form of the academic development process and the requisite administrative and system-related restructuring, aimed at tailoring the AU Administration to serving an integrated and coherent university. The plan was therefore always to introduce the administrative cutbacks in phases. However, it has now been decided that, as part of the necessary adjustment to the low-growth scenario, the shared services must reduce spending by DKK 25 million in each of the

years 2014-16, and so far by 2% per year from then on. In 2014, the shared services must realise additional savings of approx. DKK 32 million due to the imbalance in the shared services' finances in the 2013 base year. This calls for extremely tough prioritisation of the administrative services and the level of ambition in future. In 2015, spending constraints will exceed the DKK 60 million reduction in funding, but in adjusting to a lower level of spending, the university will not distinguish between general management and administration or, for example, programme management and administration. In 2013, general management and administration accounted for 6.4% of total costs.

Development in AU's results and equity

Equity end of year, excl. Treasury bond. Engineering College of Aarhus included from 2011



2.5. PERFORMANCE REPORTING

In 2012, Aarhus University entered into a development contract with the Ministry of Science, Innovation and Higher Education. The development contract covers the 2012-2014 period and comprises seven goals, A to F, of which the first four are decided by the Danish Minister for Science, Innovation and Higher Education and the last three by Aarhus University.

A. Programme quality

Graduates from Aarhus University constitute a significant product from the university to society at large. Aarhus University is therefore responsible for ensuring high quality in its degree programmes.

B. Better cohesion in the educational system

Aarhus University wishes to focus on smooth transitions between programmes, vertically and horizontally, thereby creating a more flexible, interconnected educational system.

C. Faster completion times

Effectively organised programmes are needed if students are to complete their studies faster. Aarhus University is also responsible for offering students the option of fast-tracking their studies.

D. Increased innovation capacity – knowledge exchange with society

With its considerable academic breadth and research and education, Aarhus University is able and obliged to open its doors to the outside world and exchange knowledge, ideas and expertise with society at large.

E. Research quality

Research is the principal cornerstone of Aarhus University, and is the foundation for the university's other core activities.

F. Talent development

Aarhus University's ability to find and develop the most promising research talents helps to ensure the Danish knowledge society a sizeable pool of talent.

G. Global solutions

Aarhus University wants to help contribute to solving the major challenges facing society, challenges which span the traditional scientific disciplines.

For each goal there are one or two indicators, equating to a total of thirteen. It is a clear and concise development contract, which is also ambitious in terms of both the choice of goals and the determination of specific targets.

Summary – status for target achievement (indicators)

Number of indicators	13
<i>of which</i>	
To be measured in 2014	2
Target achieved	4
Target partially achieved	6
Target not achieved	1

Out of the current eleven indicators for 2013, targets were achieved for four of the indicators, and for an additional six indicators, the results achieved almost meet the targets defined at the conclusion of the contract. Only one target, the financial scope of partnership agreements with society, shows an unsatisfactory level. The overall results show that Aarhus University is generally well managed.

The tables below detail the actual development in activities as well as the initiatives which have been introduced with a view to ensuring a positive development for all targets set out in the development contract. The initiatives described are all in line with the strategic focus areas described in the Aarhus University Strategy 2013-2020, adopted in March 2013. The results achieved thus do not call for any changes to the strategic course.

General outline of performance targets in development contract 2012-2014

A. Programme quality

1. Student satisfaction with their studies

	2011	2012	2013	2014
Targets	-	-	-	88%
Results	86%	-	-	

Comment: No targets have been determined for 2013 in the development contract.

In 2013, Aarhus University continued a number of study environment projects as well as launching a number of new projects. By improving the study environment, the intention is to increase levels of active participation among students as well as developing and increasing the use of educational IT.

In 2013, the university among other things established and developed a number of mentor schemes which give students an opportunity to discuss issues with other students across year groups. Furthermore, a number of study groups were established for new students, helping them to get off to a good start with their studies. Moreover, funding has been provided for the development of activating, video-based teaching materials and e-books for the integration of case-based teaching sessions.

2. Transition to the labour market assessed through analyses of the job situation 4-19 months after having completed Master's degree

	2011	2012	2013	2014
Targets		National average + 1 percentage point	National average + 2 percentage points	National average + 2 percentage points
Results	86% = Avg. + 1 percen- tage point	85%= Avg. + 1 percen- tage point	84% = Avg. + 1 percen- tage point	

Comment: The employment rate for new graduates from Aarhus University declined relative to 2012, which is the case for the entire sector. Aarhus University exceeds the average employment rate for new graduates, but the target for 2013 has not been attained. The 1 percentage point backlog, corresponding to 33 graduates who were not in employment in 2011, is, among other things, attributable to the financial pressures experienced by a number of large companies which traditionally take on many Aarhus University graduates.

Aarhus University monitors the job situation for graduates closely, among other things through the preparation of annual employment surveys, which are used in the continuous development of the degree programmes. Student guidance and opportunities for prospective employers to get in touch with future graduates are organised by the career centres at BSS and AR as well as through a wide variety of targeted initiatives in the academic environments.

B. Better cohesion in the educational system

3. Number of upper secondary school students taught by students and researchers from Aarhus University through "The Rolling University" scheme

	2011	2012	2013	2014
Targets		13,000	14,000	16,000
Results	12,000	13,125	14,847	

Comment: The target for 2013 was achieved.

4. Number of Master's degree students enrolled on the basis of a Bachelor's degree or a professional Bachelor's degree from other Danish educational institutions

	2011	2012	2013	2014
Targets	-	-	1,248	1,495
Results	-	1,124	1,226	

Comment: Out of Aarhus University's total intake of 5,780 Master's degree students, 1,226 were admitted on the basis of a Bachelor's degree or a professional Bachelor's degree from other Danish institutions. This represents a fair increase from 2012, and at Aarhus University this group accounts for 21% of all Master's degree students admitted against 20% for the sector as a whole. The target for 2013 was, however, not quite achieved.

Aarhus University has a particularly high proportion of Master's degree students enrolled on the basis of a professional Bachelor's degree from other Danish educational institutions. Of the whole group for the sector, 42% are admitted to Aarhus University, which thus contributes considerably to creating the desired coherence in the educational system.

C. Faster completion times

5. Number of ECTS credits earned by students at AU Summer University enrolled on full-time study programmes at a Danish university

	2011	2012	2013	2014
Targets		6,000 ECTS	6,300 ECTS	6,800 ECTS
Results	5,543 ECTS	5,257 ECTS	6,725 ECTS	

Comment: The target for 2013 was achieved.

6. Completion times for Bachelor's and Master's degree programmes

Bachelor's degree programmes	2011	2012	2013	2014
Targets		3.2 years	3.1 years	3.1 years
Results	3.2 years	3.2 years	3.1 years	

Comment: The target for 2013 was achieved.

Master's degree programme	2011	2012	2013	2014
Targets		2.9 years	2.9 years	2.8 years
Results	3.0 years	2.9 years	2.8 years	

Comment: The target for 2013 was achieved.

D. Increased innovation capacity – knowledge exchange with society

7. Financial scope of partnership agreements with society

	2011	2012	2013	2014
Targets		DKK 1,100 million	DKK 1,200 million	DKK 1,300 million
Results	DKK 1,060 million		DKK 787 million	

Comment: In 2013, the scope of Aarhus University's new, annual partnership agreements with society totalled DKK 787 million. The target was thus not achieved.

Prior to the integration of the financial management systems of the merged institutions, there was some degree of uncertainty about the actual level of the base figure for 2011, which was consequently based on the assumption that spending and funding income from selected sources of funding were equal. Following the integration of the systems, it has been shown that the assumptions concerning the level of funding income were wrong. The DKK 1,060 million estimate for 2011 thus exceeded the actual funding income.

After the integration of the financial management systems of the merged institutions, it has also been shown that the data quality as regards years and amounts of funding for this indicator is not sufficiently high to ensure a fair calculation of the funding income from selected sources in 2012.

As the indicator is based on the financial scope of new partnership agreements, there is therefore a risk of considerable fluctuations between the years. Moreover, as a result of the economic slowdown in society, it has become more difficult to find financial partners in industry, which has generally diminished the scope of new partnership agreements.

In 2013, Aarhus University started work on a new business strategy. It will, among other things, set the strategic course for the development of the area.

8. Financial scope of further and continuing education

	2011	2012	2013	2014
Targets		DKK 95 million	DKK 103 million	DKK 112 million
Results	DKK 89.5 million	DKK 95 million	DKK 90 million	

Comment: In 2013, Aarhus University saw a decline in turnover from further and continuing education of DKK 5 million to DKK 90 million. Thus, the target of DKK 103 million was not achieved.

Developments in activity levels and demand have varied for the individual types of courses and for the main academic areas, but the general trend is downward. Thus, a reduction is seen both in activity levels and in turnover per full-time equivalent from 2012 to 2013.

Given the university's tight budget, it is unlikely that it will be possible to start up new activities in the area in 2014, and the target for 2014 is thus not expected to be achieved. In spring 2014, the senior management team will consider the situation based on an analysis which is being carried out of the further and continuing education activities of the individual main academic areas.

E. Research quality

9. Impact of Aarhus University's research in the international research community

	2011	2012	2013	2014
Targets		1.35	1.40	1.45
Results	1.45			
Targets *)				1.36
Results	1.36	1.34	1.34	

*) Measuring method and targets updated, see comment in Annual Report 2012.

Comment: The figures are based on citation measurements over four years. This means that the figures for 2013 are based on citations from 2007-2011 of previously published publications.

The result for 2013 is 1.34 corresponding to the result from 2012. In connection with the updating of the calculation methods in 2012, no target was defined for 2013. It must be regarded as satisfactory that the relatively high level is maintained.

10. External funding from foreign sources

	2011	2012	2013	2014
Targets		DKK 220 million	DKK 240 million	DKK 260 million
Results	DKK 200 million	DKK 203 million	DKK 206 million	

Comment: Aarhus University saw a slight increase in the spending of external funding from foreign sources from the 2011 base year to 2013, but the target was not achieved.

Consequently, in 2013 considerable efforts were devoted to increasing the number and quality of the applications submitted to the EU's Framework Programme 8, Horizon 2020. Via six expert groups, potential fields of study and applicants were identified. The expert groups also held information meetings about the possibilities for applying for funding, and proposal writing workshops will be held for interested applicants. In addition, Horizon 2020 applications have been high on the management's agenda, while the university's research funding unit has stepped up the support provided for preparing EU applications.

F. Talent development

11. PhDs' transition to the labour market assessed through analyses of the job situation 4-19 months after being awarded PhD degree

	2011	2012	2013	2014
Targets		National average + 1 percentage point	National average + 2 percentage points	National average + 2 percentage points
Results	93% = Avg. + 1 percentage point	93% = Avg. + 1 percentage point	92% = Avg.	

Comment. The employment rate for PhD graduates from Aarhus University declined relative to 2012, which is the case for the entire sector, and stood at 92%, corresponding to the national average. Thus, the employment rate does not live up to the target figure for 2013 which was 2 percentage points above the national average.

However, the transfer rate for PhDs at Aarhus University is still high, and considerably higher than for Master's degree graduates. In close collaboration with the university's career centre, Aarhus University is continuing the work aimed at preparing its PhD students for a broader market outside the academic world.

G. Global solutions

12. Total annual – internally and externally financed – investments in Aarhus University's interdisciplinary centres

	2011	2012	2013	2014
Targets		DKK 200 million	DKK 240 million	DKK 275 million
Results	DKK 172 million	DKK 186 million	DKK 213 million	

Comment. There has been an annual increase in investments, measured in terms of annual spending, in the interdisciplinary centres – from 2012 to 2013 of DKK 27 million. However, despite this 15% increase, the target for 2013 was not achieved.

The management and the university's research support unit have launched an initiative aimed at strengthening the securing of external funding by the interdisciplinary centres through the further development and support of the centres' funding strategies and activities.

3. FINANCIAL STATEMENTS

3.1 ACCOUNTING POLICIES

Basis of accounting

The annual report for Aarhus University has been presented in accordance with the Ministry of Finance's guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities.

The accounting policies have been applied consistently with last year.

The annual report is presented in DKK '000.

Recognition and measurement in general

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

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

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

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

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

Financial assets and liabilities are measured at amortised cost.

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

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

Foreign currency translation

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

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

Income taxes and deferred tax

The university is not subject to taxation.

Income

The university is covered by the Danish University Act and thus receives government subsidies. The government subsidies are disbursed monthly in twelve rates on the basis of the forecast number of student full-time equivalents and are recognised in

the period in which they are received. Every year in October, the actual number of student full-time equivalents is calculated, and the on-account payments are adjusted. Government subsidies for public-sector consultancy are recognised in the period in which they are received. External funding received and commitments made, including income from partnership agreements, are recognised as income as and when costs are incurred. Tuition fees from open education are recognised as income in the period to which they relate. Other sales and cash sales are recognised as income at the time of invoicing.

Net financials

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

Intangible assets

Finished development projects

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

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

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

Acquired concessions, patents, licences etc.

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

Property, plant and equipment

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

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

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

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 as cost in the year of acquisition.

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

No recognition of assets has been made based on bundling.

Non-current assets received as donations

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

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

Collections and works of art

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

Inventories

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

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

Consumables are not recognised in the balance sheet, as the total value is not material, and almost the same level of stocks is maintained from year to year.

Receivables

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

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

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

Receivables from ongoing funding activities

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

Prepayments

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

Securities

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

Provisions

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

Long-term debt

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

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

Holiday pay payable

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

Accrued donations

As mentioned under property, plant and equipment, the value of property, plant and equipment procured through grant-financed activities is recognised. The offsetting entry to property, plant and equipment is an accrual of the value of the donation, which is recognised as income according to a straight-line principle over the period of depreciation of the related property, plant and equipment, the effect being that the net income statement is not affected by the expensed depreciation.

Prepaid tied-up funds from ongoing funding activities

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

Other deferred income

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

3.2 INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK 1.000			
Note	Income statement	FS 2013	FS 2012
	Ordinary operating income		
	Grants for own operation over the Danish Finance Act	3,951,683	3,921,247
	External funds	1,701,326	1,645,359
	Sale of goods and services	492,761	475,954
	Total ordinary operating income	6,145,770	6,042,560
	Ordinary operating costs		
	Consumption costs		
	Rent	657,890	634,910
	Other consumption costs	109,597	84,475
	Total consumption costs	767,487	719,385
	Staff costs	4,031,905	3,872,398
	Other ordinary operating costs	1,362,063	1,439,956
	Depreciation, amortisation and impairment losses	133,892	131,955
	Total ordinary operating costs	6,295,347	6,163,694
	Profit/loss from ordinary operating activities	-149,577	-121,134
	Net financials		
	Financial income	11,709	69,478
	Financial expenses	3,308	3,142
	Net profit/loss for the year	-141,176	-54,798

3.3 BALANCE SHEET AS AT 31 DECEMBER 2013

DKK 1.000			
Note	Assets	FS 2013	FS 2012
	Non-current assets		
	Intangible assets		
	Finished development projects	0	0
	Acquired concessions, patents, licences etc.	2,707	1,878
3.6.2	Total intangible assets	2,707	1,878
	Property, plant and equipment		
	Land and buildings	254,921	267,937
	Plant and machinery	426,332	424,928
	Transport equipment	10,304	10,008
	Equipment and IT equipment	46,973	40,846
	Property, plant and equipment under construction	496,464	319,666
3.6.3	Total property, plant and equipment	1,234,994	1,063,385
	Total investments	0	0
	Total non-current assets	1,237,701	1,065,263
	Current assets		
	Inventories	4,738	5,712
	Trade receivables	242,063	139,204
	Receivables from ongoing funding activities	282,629	341,284
	Other receivables	150,951	200,408
	Prepayments	22,784	18,770
	Securities	695,311	1,073,373
	Cash	426,867	442,972
	Total current assets	1,825,343	2,221,723
	Total assets	3,063,044	3,286,986

DKK 1.000			
Note	Liabilities and equity	FS 2013	FS 2012
	Total equity	477,265	617,259
3.6.4	Total provisions	24,358	27,559
3.6.5	Mortgage debt	56,052	70,120
3.6.6	Accrued donations	359,928	291,229
	Total long-term debt	415,980	361,349
	Short-term debt		
	Building loan	0	20,242
	Trade payables	322,993	418,088
	Holiday pay payable	551,103	523,556
	Other payables	132,010	143,176
	Prepaid tied-up funds from ongoing funding activities	727,382	805,926
3.6.7 While	Other deferred income	411,953	369,831
	Total short-term debt	2,145,441	2,280,819
	Total liabilities and equity	3,063,044	3,286,986

3.4 STATEMENT OF CHANGES IN EQUITY

DKK 1.000	Total equity
Equity according to 2012 annual reports	617,259
Retained earnings	-141,176
Adjustment of liability, interest rate swap	1,182
Total equity as at 31 December 2013	477,265

3.5 CASH FLOW STATEMENT

DKK 1.000	FS 2013	FS 2012
Net profit/loss for the year	-141,176	-54,798
Adjustment of liability, interest rate swap	1,182	-665
Reversal of items with no cash effect:		
Depreciation, amortisation and impairment losses on non-current assets	133,869	131,405
Donations recognised as income during the year	-51,628	-48,062
Changes in provisions	-3,201	-14,450
Change in receivables etc.	40,246	98,090
Changes in short-term debt	-173,412	-77,034
Cash flow from operating activities	-194,120	34,486
Purchase of intangible assets	-1,550	-238
Purchase of property, plant and equipment	-304,929	-232,120
Disposal of non-current assets	172	667
Cash flow from investing activities	-306,307	-231,691
Addition of donation obligation	120,328	58,569
Repayment of long-term debt	-14,068	-2,451
Cash flow from financing activities	106,260	56,118
Change in cash	-394,167	-141,087
Total securities and cash as at 1 January	1,516,345	1,657,432
Total securities and cash as at 31 December	1,122,178	1,516,345

3.6 NOTES TO THE FINANCIAL STATEMENTS

Note 3.6.1 Staff

	2010	2011	2012	2013
Full-time equivalents	7,187	7,687	7,992	8,217

Full-time equivalents as from and including 2011 include the former Engineering College of Aarhus

Note 3.6.2 Intangible assets

DKK 1.000	Finished development projects	Acquired concessions, patents, licences etc.	Total
Cost as at 1.1.2013	5,434	11,078	16,512
Reclassification	221	0	221
Addition	0	1,550	1,550
Disposal	0	-150	-150
Cost as at 31.12.2013	5,655	12,478	18,133
Amortisation as at 1.1.2013	5,434	9,200	14,634
Reclassification	221	0	221
Amortisation for the year		721	721
Amortisation on disposed assets	0	-150	-150
Amortisation as at 31.12.2013	5,655	9,771	15,426
Carrying amount	0	2,707	2,707
Amortisation period/years	20	3	

Out of the total carrying amount of DKK 2.707 million, DKK 0.038 million was financed by donations, see note 3.6.6.

Note 3.6.3 Property, plant and equipment

DKK 1.000	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Property, plant and equipment under construction	Total
Cost as at 1.1.2013	367,331	1,214,695	49,877	218,978	319,666	2,170,547
Reclassification	0	-7,925	0	36,064	0	28,139
Addition	1,082	79,721	3,615	24,466	196,045	304,929
Transferred to work in progress	0	15,872	0	3,375	-19,247	0
Disposal	-450	-5,300	-775	-21,718	0	-28,243
Cost as at 31.12.2013	367,963	1,297,063	52,717	261,165	496,464	2,475,372
Depreciation as at 1.1.2013	99,394	789,767	39,869	178,132	0	1,107,162
Reclassification	18	0	0	28,121		28,139
Depreciation for the year	14,081	86,264	3,257	29,546	0	133,148
Depreciation on disposed assets	-450	-5,300	-714	-21,607	0	-28,071
Depreciation as at 31.12.2013	113,043	870,731	42,412	214,192	0	1,240,378
Carrying amount	254,920	426,332	10,305	46,973	496,464	1,234,994
Depreciation period/years	10-50	5-20	5-30	3		

Out of the total carrying amount of DKK 1,234,994 million, DKK 359,890 million was financed by donations, see note 3.6.7.

The university's ownership of the assigned property which originally belonged to HIH is expected to be officially assigned to the Danish Building and Property Agency (BYGST) in 2014. The book value of the property as at 31 December 2013 was DKK 62,701 million.

Public assessment of land and buildings, re the most recent assessment, as at 1 October 2012

Building value	294,425
Land value	42,873
Total public assessment	337,298
Property for which no separate public assessment has been made. Carrying amount	4,100

Note 3.6.4 Provisions

DKK 1.000	FS 2013	FS 2012
Re-establishment commitments re leasehold improvements	4,693	5,855
Limited tenures, mutually agreed departures etc.	15,333	15,490
Restructuring costs	0	0
Project provisions	3,132	4,814
Other provisions	1,200	1,400
Total provisions	24,358	27,559

Note 3.6.5 Mortgage debt

DKK 1.000	FS 2013
Long-term debt is repaid over the following periods	
Within one year	3,100
Between one and five years	8,454
After five years	44,498
Total mortgage debt	56,052

Loan in HIH property of DKK 28.896 million is expected to be paid off through the transfer of property to the Danish Building and Property Agency in 2014.

Note 3.6.6 Accrued donations

Distribution of accrued donations on asset types:

DKK 1.000	Acquired concessions, patents, licences etc.	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Non-current asset under construction	Total
Accrued donations as at 1.1.2013	76	49,501	228,138	5,044	8,470	0	291,229
Reclassification	0	0	-62,049	-4,900	0	66,949	0
Transfer	0	0	12,040	0	0	-12,040	0
Donations received	0	0	66,382	305	4,898	48,743	120,328
Donations recognised as income	-38	-1,527	-43,549	-83	-6,432	0	-51,629
Accrued donations as at 31.12.2013	38	47,974	200,962	366	6,936	103,652	359,928

Accrued donations are recognised as income in the following periods:

Within one year	34,949
Between one and five years	110,901

Note 3.6.7 Other prepayments

DKK 1.000	FS 2013	FS 2012
Prepayment of grants 2014 from the Danish Ministry of Science, Innovation and Higher Education	314,216	271,907
Other prepayments	97,737	97,924
Total other prepayments	411,953	369,831

Note 3.6.8 Use of funds for free places and scholarships in the period 1 September 2012 - 31 August 2013. DKK '000

<i>Use of free places</i>	Number of students enrolled on fully or partially free places	Free places stated in number of active full-time equivalents (student FTEs)
Rate 1	46	32.0
Rate 2	24	2.2
Rate 3	20	10.8

DKK '000

<i>Funds for payment of scholarships</i>		
Number of scholarship recipients		90
Total amount paid in scholarships		3,018

Note 3.6.9 Study activity in the period 1 September 2012 - 31 August 2013 for Erasmus Mundus students from third countries.

<i>Use of free places</i>	Number of students enrolled on fully or partially free places	Free places stated in number of active full-time equivalents (student FTEs)
Rate 1	0	0
Rate 2	9	0.80
Rate 3	0	0

DKK 1.000

<i>Funds for payment of scholarships</i>		
Number of scholarship recipients		0
Total amount paid in scholarships		0

In the reporting period, no students were included in the number of fundable student FTEs while at the same time receiving EU scholarships. The university did not receive any EU scholarships in 2010 and 2011, and the students who were admitted in 2009 and received EU scholarships have not been included in the number of fundable student FTEs at Aarhus University in the reporting period.

Note 3.6.10 The university's total costs for student political activities and other student activities

DKK 1.000	FS 2012	FS 2013
Student sports activities and other student activities		
Student sports activities	923.7	934.7
Other student activities	59.5	47.9
Total student activities	983.2	982.6
Student political activities		
Student Council/Studenterlauget/ Joint Student Council	2,066.7	1,849.0
Konservative Studenter	40.1	40.6
Frit Forum	150.0	150.0
Liberale Studenter	0.0	0.0
Total student political activities	2,256.8	2,039.6
Total	3,240.0	3,022.2

Note 3.6.11 Information on foundations, organisations etc. with which the university has special cooperation of a non-commercial nature

Aarhus University engages in non-commercial cooperation with the Aarhus University Research Foundation and Incuba Science Park, Østjysk Innovation A/S, Agro Business Park, Agro Food Park, the Danish University Extension, Studentarhus Aarhus, Centre for Business Research, the Danish Society for Nature Conservation, the Danish Consumer Council, the Danish Animal Welfare Society and the Danish Hunters' Association. The university cooperates with and subsidises the independent institution Sandbjerg Gods, Studentehusfonden af 1991, the Orion Planetarium in Jels and the Danish institutes in Athens and Damascus.

Note 3.6.12 Contractual obligations

Aarhus University has rental commitments with periods of non-terminability up to 1 January 2036.

The commitments are distributed as follows:

DKK 1.000	Rental commitments
Within one year	446,471
Between one and five years	785,355
After five years	925,068
Total rental commitments	2,156,894

The Engineering College of Aarhus has entered into a forward rate agreement (swap contract) for part of the long-term mortgage debt. The market value of this of DKK 3.914 million is recognised as debt in the balance sheet and taken to equity.

Note 3.6.13 Contingent assets

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

Note 3.6.14 Contingent liabilities

Some employees have civil servant status, which means that Aarhus University is obliged to provide redundancy payment for up to 36 months if they are dismissed. The total maximum commitment is DKK 126.685 million. The pension liability for civil servants has been covered by ongoing payment of pension contributions to pension funds.

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

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

If the university chooses to close down the Institute of Business and Technology in Herning or to discontinue the programmes offered at the centre, the Ministry of Higher Education and Science is entitled to an amount corresponding to the net transfer price at the time of the institution's amalgamation with the university on 1 January 2006 of DKK 52.499 million, adjusted according to special guidelines, including the difference in the market value of the buildings and the carrying amount. Partial discontinuation of the programmes would mean that the Ministry of Higher Education and Science will have a proportionate 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.

Cases concerning work-related injuries are pending of which the outcome is still not known.

Note 3.6.15 Charges

Mortgage debt is secured by way of mortgages on the university's properties with a carrying amount as at 31 December 2013 of DKK 56.052 million. The Engineering College of Aarhus has assigned the purchase sum in connection with the sale of the property Dalgas Avenue 2. The guarantee expires on 30 September 2015.

Note 3.6.16 Equity investments**DKK 1.000**

Aarhus University has ownership shares in the following companies:

Company	Investment and acquisition		Total company share capital (nominal amount in DKK)	AU's ownership share in %
	2013	Accumulated		
CABRA A/S		184	500	36.75
SIMHERD A/S		245	500	49.00
TEGNOLOGY ApS		53	267	12.9
PLEURATECH ApS		5	125	4.00
CarouCELL ApS		58	125	46.55
Combat Stroke ApS	2	2	80	2.35

Equity investments are recognised in the financial statements at DKK 0. The university had no income or expenses in 2013 relating to the above companies following their formation.

4. APPENDICES

4.1 OVERVIEW OF ACTIVITY TYPES (DIVISIONAL FINANCIAL STATEMENTS)

Income, DKK 1.000		All divisional financial state- ments	DFS 1: General activities	DFS 2: Commer- cial activi- ties	DFS 3: Forensic medicine	DFS 4: Grant- financed research	DFS 5: Other grant- financed activities	DFS 6: Education research
Finance Act grants	Basic research	2,013,595	2,013,014					582
	Part-time degree programmes	29,693	29,693					
	Efficiency increases	-60,624	-60,624					
	Free places and scholarships	9,486	9,486					
	Completion bonus	150,634	150,634					
	Full-time degree programmes	1,469,379	1,469,379					
	Revenues exchange students	10,398	10,398					
	Capital purposes	28,539	28,539					
	Public-sector consultancy	192,637	192,637					
	Other purposes	107,946	107,946					
Finance Act grants		3,951,683	3,951,101					582
External funding		1,701,326	-50			1,587,139	114,237	
Disposals and other operating income		492,761	331,795	103,525	43,326	8,249	5,866	
Total income		6,145,770	4,282,846	103,525	43,326	1,595,387	120,103	582
Costs								
Wages and salaries	Academic staff	-1,678,980	-1,192,829	-19,999	-2,421	-459,884	-3,848	
	PhD	-489,876	-319,319	-1,265		-168,420	-872	
	Part-time academic staff	-225,601	-211,178	-1,097		-9,715	-3,460	-151
	Technical and administrative staff	-1,598,476	-1,380,753	-23,923	-21,023	-156,716	-16,061	
	Part-time technical and administrative staff	-76,277	-64,961	-1,104	-192	-9,202	-817	-1
	Other wages and salaries	37,306	45,692	-820	-51	2,381	-9,866	-30
Total wages and salaries		4,031,905	-3,123,349	-48,207	-23,687	-801,557	-34,924	-182
Total rent		-657,890	-648,681	-592	-5,186	-1,799	-1,632	
Other operating costs								
	Other operating costs *	-3,421,215	-2,524,738	-45,709	-9,917	-756,080	-84,370	-400
	Cost-reduction accounts	1,949,555	1,926,212	2,376		20,025	941	
	- of which overhead income	344,439	344,321			118		
Other total operating income		-1,471,660	-598,525	-43,333	-9,917	-736,055	-83,429	-400
Total depreciation and amortisation		-133,892	-73,895	-722	-4,536	-54,738		
Total costs		-6,295,347	-4,444,449	-92,855	-43,326	-1,594,149	-119,985	-582
Profit before net financials		-149,577	-161,603	10,670		1,238	118	
Financial income		11,709	11,741			-32		
Financial expenses		-3,309	-3,235			-72	-1	
Net profit/loss for the year		-141,176	-153,097	10,670		1,134	117	

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

4.2 FINANCIAL AND OPERATING DATA

Nos.	Financial and operating data	2012	2013
	Income, DKKm		
1	Education	1,714.4	1,749.6
2	Research	1,981.2	2,013.6
3	External funds	1,782.2	1,862.3
4	Research-based public-sector consultancy	200.6	192.6
5	Basic grants	113.6	75.9
6	Other income	321.5	262.4
	Costs in DKKm by purpose		
7	Research *	3,086.4	3,140.2
8	Education *	1,895.1	2,028.9
9	Dissemination and knowledge exchange *	314.3	314.8
10	Research-based public-sector consultancy *	365.5	379.5
11	General management, administration and service	464.2	401.3
	Staff (full-time equivalents)		
12	Academic staff	3,843.9	3,956.9
13	Part-time academic staff	528.9	496.2
14	Technical and administrative staff	3,619.0	3,763.6
	Balance sheet		
15	Equity, DKKm	617.3	477.3
16	Balance sheet, DKKm	3,287	3,063.0
17	Buildings, total (gross area in sq. m.)	675,864	679,479

4.2 FINANCIAL AND OPERATING DATA (CONTINUED)

Nos.	Financial and operating data	2012	2013
	Activity and production information		
	Students		
18	Number of admissions on Bachelor's degree programmes	7,256	7,488
19	Number of admissions on Master's degree programmes	4,598	5,780
20	Number of students enrolled as at 1 October	37,624	38,169
21	Student FTEs	23,055	23,895
	Graduates		
22	Number of Bachelor's degree graduates	3,608	4,455
23	Number of Master's degree graduates	3,737	4,002
	Open and part-time programmes		
24	Number of active full-time equivalents	1,468	1,438
25	Graduates on Master degree and diploma degree programmes	747	877
	Internationalisation		
26	Number of outgoing students (exchange students)	1,404	1,192
27	Number of incoming students (exchange students)	1,154	1,109
28	Number of foreign exchange students on full programmes in Denmark	3,301	3,279
	PhD programmes		
29	Number of PhD students enrolled	1,900	1,875
30	PhD student intake (new PhD students)	491	548
31	Approved PhD dissertations	370	438
	Research and dissemination results		
32	Number of publications (bibliometric indicator)	5,077	5,418
33	Reported patents	37	15
34	Reported inventions	61	56
35	Number of projects with the business community	2,470	2,221
36	Number of external projects	4,950	4,737
37	Income from cooperation with the business community, DKKm	468.4	477.1

*) Costs before allocation of costs to general management, administration and service.

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

The Sino-Danish Center for Education and Research (SDC) is the result of strategic cooperation between the eight Danish universities and the University of the Chinese Academy of Sciences (UCAS).

In 2013, the Sino-Danish Centre for Education and Research (SDC) further developed its research and education activities within the centre's five overarching fields of research: Life Sciences, Nano Science, Social Sciences, Sustainable Energy, and Water and Environment.

The Danish SDC secretariat, which is based at Aarhus University, coordinates the Danish universities' contributions to the collaboration.

In 2013, the Danish SDC secretariat provided financial support for approx. 200 Danish researchers and teachers to stay in China.

In September 2013, an additional three Master's degree programmes (Nanoscience and Technology; Chemical and Biochemical Engineering; and Omics) were added to the four existing Master's degree programmes in Beijing (Water and Environment; Neuroscience and Neuroimaging; Innovation Management; and Public Management and Social Development) bringing the total number of Master's degree programmes in the catalogue to seven. In 2013, 48 Danish and 98 Chinese students were enrolled on the seven Master's degree programmes.

In 2013, another important task for the Danish SDC secretariat was the recruitment of Danish students for the degree programmes in close cooperation with the Danish universities. An interinstitutional recruitment and marketing group has been appointed to coordinate the efforts and ensure the implementation of a large number of events that have brought researchers and teaching staff, representatives from the business community, current SDC students and secretariat staff members round to the Danish universities to talk about the SDC programmes. This has also been done through the universities' own electronic platforms as well as other media such as websites and Facebook, where prospective students can find information about SDC and see interviews with current SDC students and teaching staff. Find more information on SDC on www.sinodanishcenter.com and facebook.com/gribkinadk.

The SDC secretariat provides co-financing for just under 70 PhD programmes, divided between the five general fields of research. To be eligible for co-financing from the Danish SDC secretariat, students must spend at least six months at a Chinese partner institution, which ensures a permanent presence of Danish PhD students in China. Many of the PhD students are assigned to CAS departments in Beijing, but there are also PhD students in other Chinese cities, such as Shanghai and Nanjing.

An important milestone for the SDC partnership was reached in 2013 when more than four years of negotiations led to an agreement between the Danish Ministry of Higher Education and Science, the Danish Ministry of Climate and UCAS on the building of the Danish Industry Foundation's House, which will, among other things, house SDC's educational activities on UCAS's new Yanqihu Campus north of Beijing. The agreement was signed in December 2013, and construction is expected to be launched in spring 2014. Danish Industry Foundation has donated DKK 100 million to the construction of the building, which has been designed by the firm of architects Lundgaard & Tranberg Arkitekter A/S.

SINO-DANISH CENTER FOR EDUCATION AND RESEARCH
INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2013
BALANCE SHEET AS AT 31 DECEMBER 2013

DKK '000			
Note	Income statement	FS 2013	FS 2012
	Ordinary operating income		
	Grants for own operation over the Danish Finance Act	27,889	21,986
	External funds	28,500	27,200
	Total ordinary operating income	56,389	49,186
	Subsidies transferred to Danish universities	36,677	30,540
	Subsidies transferred to China	0	0
	Total funds transferred	36,677	30,540
	Ordinary operating costs		
	Consumption costs		
	Rent	147	148
	Other consumption costs	31	9
	Total consumption costs	179	156
	Staff costs	4,363	4,895
	Other ordinary operating costs	2,768	2,162
	Depreciation, amortisation and impairment losses	0	0
	Total ordinary operating costs	43,987	37,754
	Profit before net financials	12,402	11,432
	Net financials		
	Financial income	0	0
	Financial expenses	0	0
	Profit before extraordinary items	12,402	11,432
	Extraordinary items		
	Extraordinary income	0	0
	Extraordinary expenses	0	0
	Net profit/loss for the year	12,402	11,432

Balance sheet			
Assets			
	Balance, AU	56,335	43,934
	Total assets	56,335	43,934
Liabilities and equity			
	Balance, end of 2012	43,934	32,502
	Funds paid by partners 2013	56,389	49,186
	Use of funds paid by partners 2013	-43,987	-37,754
	Deferred income	-1	0
	Funds available for future activities, end of 2013	56,335	43,934
	Total liabilities and equity	56,335	43,934

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

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