

ANNUAL REPORT 2020



AARHUS UNIVERSITET



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1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

1.1 STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

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

The annual report has been presented in accordance with the Ministry of Finance's guidelines and Ministerial Order no. 1021 of 24 June 2020 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 grants, legislation and other provisions, as well as agreements made and general practice; and
3. that procedures have been set up to ensure financially efficient administration of the funds and the operations of the institutions covered by the annual report.

Aarhus, 14 April 2021

Brian Bech Nielsen
Rector

Arnold Boon
University Director

Berit Eika
Pro-rector

BOARD

Connie Hedegaard
Chair

Carsten Bjerg

Peter Balling

Anne Skorkjær Binderkrantz

Caroline Søbørg Ahlefeldt

Jørgen Carlsen

Jens Peter Christensen

Mikkel Grøne

Uffe Pilegaard Larsen

Hanna-Louise Schou Nielsen

Astrid Söderbergh Widding

1.2 INDEPENDENT AUDITORS' REPORT

To the Board of Aarhus University

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Aarhus University for the financial year 1 January - 31 December 2020. The financial statements comprise the accounting policies, income statement, balance sheet, cash flow statement and notes 1-18. The financial statements have been prepared in accordance with Ministerial Order no. 116 of 19 February 2018 on State Accounting, the Ministry of Finance's Economic Administrative Guidelines, and Ministerial Order no. 1021 of 24 June 2020 on the Funding and Auditing etc. of Universities (hereinafter referred to as the 'government accounting rules').

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

Basis of opinion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, whereby the audit is performed on the basis of Ministerial Order no. 1021 of 24 June 2020 on the Funding and Auditing etc. of Universities. Our responsibility according to these standards and requirements is described in more detail in the auditor's report, in the section 'The auditor's responsibility for the audit of the financial statements'. We are independent of the university in accordance with IESBA's international ethics standards for accountants and the additional requirements applicable in Denmark, just as we have fulfilled our other ethical obligations under these rules and requirements. In our opinion, the audit evidence obtained is sufficient and provides a suitable basis for our opinion.

Management's responsibility for the financial statements

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

In connection with the preparation of the financial statements, the management is responsible for assessing the university's ability to continue as a going concern; for providing information on matters

relating to its continued operations, where relevant; and for preparing financial statements based on a going concern principle, unless the management either intends to liquidate the university or to cease operations, or has no realistic alternative but to do so.

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

Our goal is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, see Ministerial Order no. 1021 of 24 June 2020 on the Funding and Auditing etc. of Universities, will always identify material misstatements, when they exist. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, see Ministerial Order no. 1021 of 24 June 2020 on the Funding and Auditing etc. of Universities, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risk of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university's internal controls.
- Evaluate the appropriateness of the accounting policies applied by the management and the reasonableness of the accounting estimates and related disclosures made by the management.

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

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

Auditor's statement on the management's report and performance reporting

Management is responsible for the management's report and performance reporting.

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

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

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

Aarhus, 14 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no.: 33 77 12 31

Claus Lindholm Jacobsen
State-Authorised Public Accountant
mne23338

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

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

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

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

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

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

Jens Weiersøe Jakobsen
State-Authorised Public Accountant
mne30152

2. REPORT

2.1.1 MANAGEMENT

The university	Aarhus University, Nordre Ringgade 1, DK-8000 Aarhus C
Registered in	City of Aarhus, CVR no.: 31119103
Board 2020	Connie Hedegaard, chair Steen Riisgaard, substitute Caroline Søeborg Ahlefeldt Peter Balling, employee representative (academic staff) Anne Skorkjær Binderkrantz, employee representative (academic staff) Jørgen Carlsen Jens Peter Christensen Uffe Pilegård Larsen, employee representative (technical and administrative staff) Hanna-Louise Schou Nielsen, student representative Ditte Marie Thomsen, student representative Astrid Söderbergh Widding
Management 2020	Brian Bech Nielsen, rector Berit Eika, pro-rector Arnold Boon, university director Lone Ryg Olsen, director of enterprise and innovation Johnny Laursen, dean (Arts) Thomas Pallesen, dean (Business and Social Sciences) Lars Bo Nielsen, dean (Health) Lars Henrik Andersen, acting dean (NAT) (until 31.03.2020) Kristian Pedersen, dean (NAT) (from 01.04.2020) Eskild Holm Nielsen, dean (TECH)
Auditors	Danish National Audit Office Landgreven 4 DK-1301 Copenhagen K
Institutional auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

2.1.2 STRATEGIC OVERVIEW

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

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

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

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

AARHUS UNIVERSITY'S VISION

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

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

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

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

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

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

What drives Aarhus University's international collaboration is the vision of connecting Denmark to the global society through the university's activities. With their strong tradition for international collaboration, the universities have a special responsibility to take the lead at a time in which international collaboration is facing political challenges, and in which the need to work together to find solutions to global societal challenges is greater than ever. Thus the university wants to promote global exchange of knowledge and talent.

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

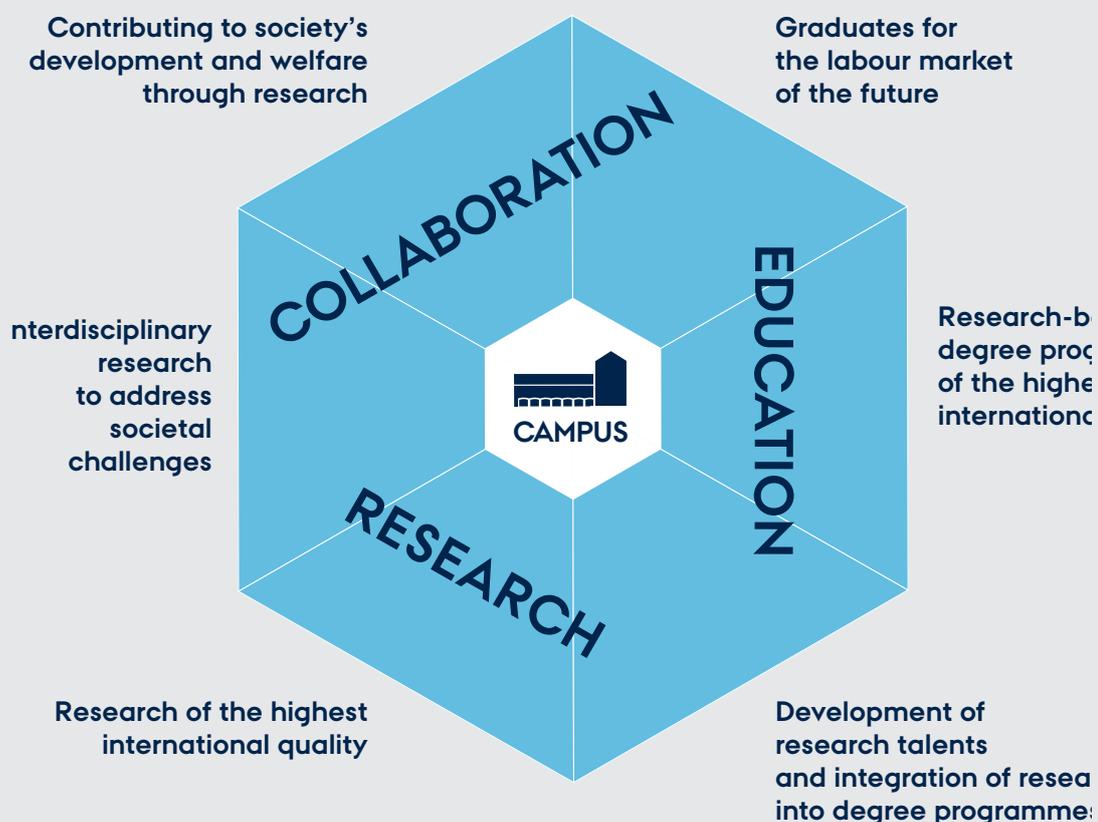
The outset of the vision is that Aarhus University is a genuine international campus university with vibrant campuses where students, staff and external partners meet in close collaboration. The university's main campus in Aarhus is already recognised internationally for its distinctive architecture and urban location. In the coming years, the university will develop and rethink both its main and satellite campuses, developing them into even more vibrant, engaging and innovative study, research and work en-

vironments of the highest international calibre that are operated and developed sustainably. The university's vision for its own sustainable operation and development is described in its climate strategy, which supports the overall vision for 2025.

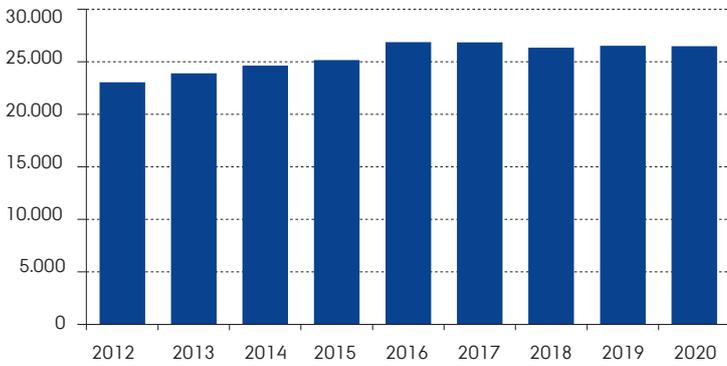
The vision for Strategy 2025 is a manifestation of Aarhus University as a research-intensive university that aspires to the highest international quality and excels in creating value through knowledge, new insights and collaboration. The vision also emphasises the university's international commitment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

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

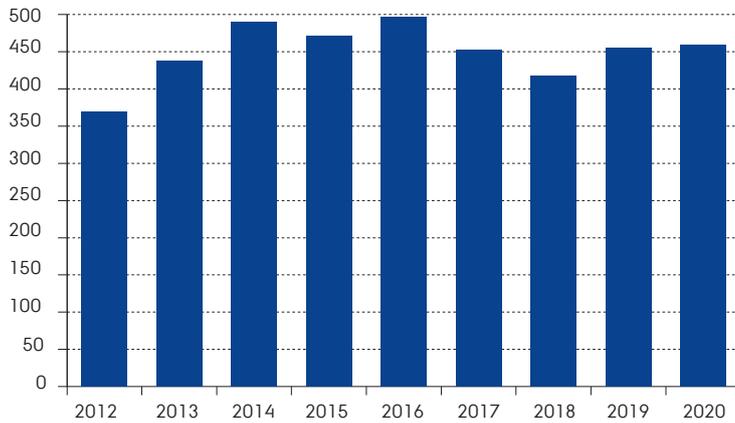
Figure. Aarhus University's mission



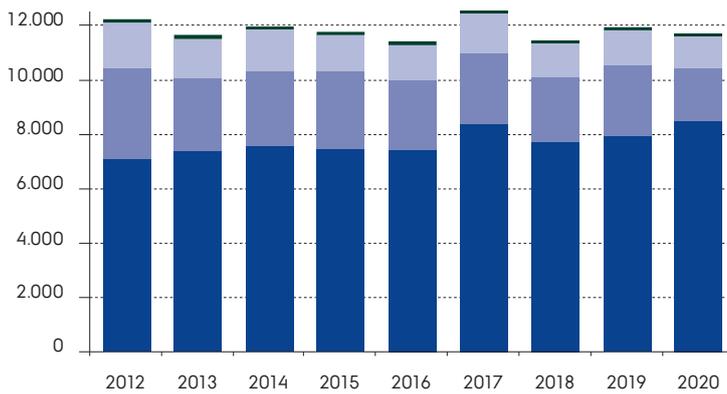
2.1.3 KEY FIGURES



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

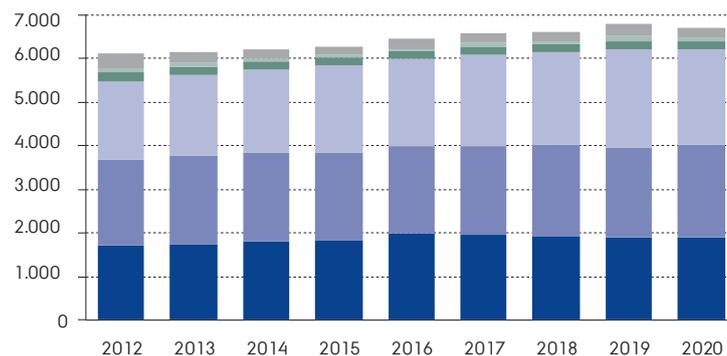


PhD degrees awarded



Publications

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



**AU's total income, by purpose, DKK mill.
in prices for the year**

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

2.2 MANAGEMENT'S REPORT

In line with the rest of Danish society, the coronavirus pandemic had a major impact on Aarhus University in 2020, with significant consequences for activities at the university and not least for individual employees and students. The lockdown in the spring meant that teaching staff and IT employees rapidly and skilfully had to convert physical teaching into online teaching and convert physical exams to digital formats. There were also huge challenges for students who, with laudable energy, completed their classes and exams in the spring under the new conditions and with a very different student social life. The senior management team acknowledges the considerable efforts made by both staff and students throughout the year in handling corona. Viewed with the backdrop of the pandemic, overall 2020 has been a satisfactory year for Aarhus University, based solely on key figures and strategic objectives for overall operations, but the senior management team is concerned with the signs of poor well-being among students and staff resulting from the full and partial lockdowns in the autumn and winter.

The conditions and opportunities for research activities were also radically altered, but it is still too early to assess the long-term consequences for the university's overall research efforts. From the outset, a number of Aarhus University's researchers have contributed basic research about the COVID-19 virus and helped inform the public about the pandemic and put its consequences into perspective. This applies to questions about the virus and its treatment, infection trends, socio-economic consequences, how daily behaviour is affected by restrictions, etc. Researchers from the university have also been part of expert committees that have advised the government closely on difficult decisions during the year and participated in subsequent investigation of decision-making processes in the initial phase of the pandemic. The extensive and rapid consultancy from health science, natural science and social science researchers to the public and to policy-makers stresses the value of the university's readiness to provide knowledge based on comprehensive basic research.

Aarhus University's Strategy 2025 was adopted by the board of Aarhus University in December 2019. 2020 was therefore the first year of the new strategy, and there were efforts to implement the first action plan in the strategy. The action plan describes the activities the university will continue or initiate in a specific year in order to implement Strategy 2025. Implementation of Strategy 2025 will be monitored regularly by the senior management team, who will assess whether work on the strategic initiatives and activities has been progressing as planned despite the challenges caused by the coronavirus pandemic. At the annual management seminar in the spring, the full management team

will be involved in developing next year's action plan. The management will discuss input for the action plans in order to validate, inspire and prioritise the proposed initiatives and activities. An outline for a single consolidated action plan for the university will be presented at the summer board seminar. With its strategic annual planning cycle, Aarhus University wants to establish the framework for a dynamic strategy in which the organisation constantly learns more and adapts the goals and sub-goals in the strategy for any changes in society's needs and framework conditions.

In April 2020, the AU Board approved Aarhus University's first climate strategy. Climate Strategy 2020-2025 has four focus areas to reduce the university's carbon emissions from buildings, transport and procurement, and for better waste separation as an environmental measure. The target is that, by 2025, Aarhus University's carbon emissions will be reduced by 35 per cent compared with 2018, and that the university will be carbon-neutral by 2040. The strategy is ambitious and it will help to ensure that the university significantly reduces its climate footprint and promotes sustainable development in its operations. Further to the climate strategy, in 2020 an action plan was drawn up containing 44 activities within the four focus areas. Work to develop the activities has involved a large number of staff and students at the university, and collaboration has continued with the development of action plans for 2021. Aarhus University's climate accounts for 2019 were presented at this year's final board meeting, and the follow-up for 2020 was presented at the first board meeting in 2021. The follow-up showed that, at the end of the year, the majority of the activities had either been successfully completed or were well on the way. The climate accounts were prepared for the second time and showed a decrease in university carbon emissions, although this is mainly due to external factors because of a change in the energy mix in the district heating and electricity AU uses (more biomass).

As an important element in Aarhus University's strategic ambitions for internationalisation, the university has been involved in developing the Circle U. university alliance since 2018. The alliance was approved by the European Commission in summer 2020 and the project started in early November 2020. Circle U. entails that, together with six European partner universities (the University of Oslo, the University of Louvain, Kings College London, Université de Paris, the Humboldt Universität zu Berlin and the University of Belgrade) Aarhus University is part of a European university education partnership with collaboration on research and innovation. So far, Circle U. has received funding for a three-year period, and work is under way within three knowl-

edge hubs under the themes Climate, Global Health and Democracy. Together with other European university alliances, the alliance will help forge a more integrated university Europe, in which stronger cross-border collaboration contributes to solving global challenges. One way to do this is through significantly more student mobility and improved knowledge exchange on educational methods.

The division of the Faculty of Science and Technology into two new faculties, the Faculty of Natural Sciences and the Faculty of Technical Sciences, came into force at the start of 2020. This means that Aarhus University now has five faculties of more equal size. The Faculty of Natural Sciences encompasses the classical natural science fields of biology, physics and astronomy, chemistry, geology, mathematics, computer science, molecular biology and nanoscience. The Faculty of Technical Sciences contains engineering science, the environment, animal science, agro and food as well as research-based public sector consultancy by the university. The two faculties will continue Aarhus University's significant initiatives on digitalisation and engineering science, and during the year the Faculty of Technical Sciences made preparations to reorganise engineering into four new departments based on the disciplines within this technical area. This will create a clearer profile for the engineering area and a better framework for collaboration between the Bachelor of Engineering and the MSc in engineering disciplines. The new organisation, and the range of new study programmes, will strengthen the basis for the ambitious engineering initiative towards 2025, with more students and development through targeted recruitment of teaching staff and researchers.

Aarhus University as an international campus university is a central element in Strategy 2025, and in 2020 the university continued to develop a consolidated and integrated main campus in Aarhus. In collaboration with Aarhus University, during the year Forskningsfondens Ejendomsselskab A/S continued development of the University City in the former municipal hospital area, and the first significant relocation of the university's activities – the Department of Molecular Biology and Genetics – will be in early 2022. During 2020, planning commenced for the next major move to the area in 2025 by the Department of Economics and Business Economics and the Department of Management, with a tendering procedure for almost 40,000 m² in a turnkey contractor competition. In February 2020, The Kitchen, which houses the university's initiative on joint academic innovation activities, moved into temporary premises in the University City. The Kitchen was opened with representatives from business and industry, the municipality and the region, which demonstrates that The Kitchen extends beyond the university and encourages collaboration with the entire region, see also page 16. Development of the Katrinebjerg area also continued in collaboration with Forskningsfondens Ejendomsselskab A/S. The area already contains significant parts of the university's IT and engineering activities, and the planned development of these activities will take place in this area.

Three new members joined the senior management team in 2020. On 1 January 2020, Eskild Holm Nielsen was appointed as the dean of Technical Sciences and he came from a position as the head of innovation at Aalborg University Hospital. Lone Ryg Olsen was appointed as a director of enterprise and innovation on 1 February 2020. She came from a position as the CEO of the Danish Food Cluster. On 1 April 2020, Kristian Pedersen was appointed as the dean for Natural Sciences, coming from a position as the director of DTU Space.

FINANCIAL RESULTS AND PERFORMANCE REPORTING

Aarhus University broke even in 2020, with equal revenues and costs. After a budgeted loss of DKK 49 million, the result realised was DKK 0. Total revenues were DKK 6,660 million against expected total revenues of DKK 6,833 million, corresponding to a negative variance of DKK 172 million. Total costs were DKK 6,696 million, which is DKK 206 million less than budgeted costs of DKK 6,902 million. Net financial income was DKK 35 million, which is DKK 16 million higher than budget.

The negative budget variance reflects a year affected by repeated coronavirus closures and shows a reduction in the level of activity compared with both the level expected in budget planning and the level in 2019.

In the 2021-2024 budget, Aarhus University expects stable annual growth in revenues, with the underlying assumption that the Covid-19 restrictions will be lifted during the first part of 2021.

The financial result for 2020 therefore gives no reason to adjust the strategic direction or the 2021-2024 budget.

2020 is the third year of Aarhus University's strategic framework contract with the Minister for Higher Education and Science. The framework contract is described in detail in section 2.4 of the annual report. Aarhus University's overall assessment is that it is firmly on track to realising the goals agreed in the strategic framework contract.

RESEARCH AND TALENT DEVELOPMENT

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

The recruitment of talents – from tenure track assistant professors to professors – is crucial to maintaining and expanding the position of our research stronghold. The university has strengthened the quality of the recruitment process in recent years through standards for the recruitment of tenured academic staff. The

standards have helped to increase the number of qualified applicants to permanent academic positions. This means that our academic environments can recruit the best researchers, selected from a strong field.

Talent and career development, gender equality

Since 2017, Aarhus University has been focusing on talent and career development in our Junior Researcher Development Programme. The programme aims to create clearer career paths for young researchers without permanent tenure at the university. After a positive evaluation of the programme activities, a working group, including early career researchers, has developed the programme so that it can be implemented across the faculties.

In 2020, the Aarhus University Board adopted an action plan for gender equality 2020-2022. The action plan aims to improve the gender balance among university staff – especially the academic staff and the management, where the imbalance in some places is particularly pronounced. The action plan has been drawn up by the university's interdisciplinary Committee for Diversity and Equality, in which rector and pro-rector share the chairmanship. The action plan clearly identifies the activities to be carried out and who is responsible for implementation.

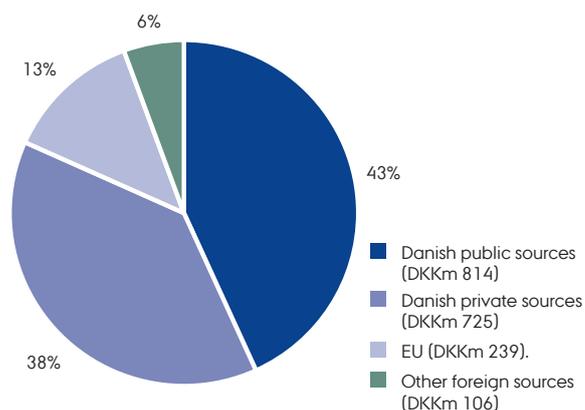
Responsible conduct of research and data protection

In recent years, Aarhus University has intensified its efforts to ensure responsible conduct of research and freedom of research in our academic environments, as research integrity is a fundamental and crucial part of research production. In 2020, our work focused in particular on drawing up ground rules for responsible conduct of research and freedom of research in collaboration with external parties. Furthermore, an online course on responsible conduct of research and freedom of research at Aarhus University has been developed, and this is compulsory for all academic staff. At the end of 2020, 86% of the target group had completed the course. In 2020, Aarhus University's basic rules were included in the basis for preparation of a national code of conduct for research-based collaboration and consultancy.

In 2020, Aarhus University further prioritised work on data protection within the research area. Many research projects at the university process personal data. In 2020, Aarhus University drew up a compliance plan designed to ensure that all participants in research projects, whether they be testing new medical devices or conducting qualitative evaluations of new language-teaching initiatives in daycare centres, can be confident that the university will treat their personal data lawfully and securely. The university's focus on data protection in research has already proven its worth, as in autumn 2020 the Danish Data Protection Agency decided to inspect how Aarhus University processes personal data for research purposes. In the years to come, the university will continue its work on how the faculties can support their researchers in data-protection issues, so that individual researchers can more easily meet their responsibilities for lawful processing of personal data.

Use of external research funds and attracting new grants in 2020

Changes in how the university uses and attracts new external research funding over the past five years are shown in section 2.3 Financial review. Below, the use in 2020 is illustrated by source.



III. Aarhus University's use of external funding in 2020

In 2020, Aarhus University's **use** of external research funding fell by more than 2 per cent in real terms compared with 2019. Although there has been increased use from Danish private sources and from the EU, this has not outweighed the decline in the use of public-sector Danish funding. A significant reason for the decline in the latter is probably that somewhat lower than normal public-sector Danish funding was attracted in 2018. As use of funding granted is often with a "delay" of one-two years, the decline in use has not become apparent until 2020.

Competition between Danish and international universities on **new grants** of external research funding is constantly intensifying. In spite of this, in 2020 Aarhus University attracted over 7 per cent more grants, thereby continuing the trend in recent years. The increase in grants was primarily from public-sector Danish sources, but also from the EU and other foreign sources. On the other hand, private Danish funding fell. In 2020, researchers from Aarhus University also received a number of new funding commitments from the EU framework programme for research, Horizon 2020, including one of the prestigious Synergy Grants from the European Research Council (ERC). All in all, since its launch in 2014, Aarhus University has attracted funding for 425 projects of approximately DKK 1.60 billion from the Horizon 2020 programme.

New major grants

Aarhus University participated in approximately 40 corona-related projects launched in 2020, and all five faculties have contributed to this work. The research extends from understanding the pandemic and its spread, to developing treatment options and understanding the societal consequences for individuals as well as the consequences for the democratic development of society in a broad sense. Grants have been obtained from the EU, In-

dependent Research Fund Denmark, Innovation Fund Denmark, and several private foundations including the Carlsberg Foundation and the Lundbeck Foundation.

In 2020, Aarhus University also received several **grants from the** European Research Council. Professor Benjamin Sovacool from the Department of Business Development and Technology received an ERC Synergy Grant of DKK 70 million for a research project to investigate alternative solutions to global warming. The project will illustrate new technologies in the climate struggle, and the aim is to enable the world's politicians and policy-makers to use fledgling alternative technologies effectively in their attempts to stop global warming.

Professor Lasse Lindekilde from the Department of Political Science received an ERC Consolidator Grant of approx. DKK 15 million to research into how witnesses to online political hatred and aggression react, and whether a better debate culture can be promoted through pro-social reactions. Associate Professor Bjørn Panyella Pedersen from the Department of Molecular Biology and Genetics also received an ERC Consolidator Grant of approx. DKK 15 million for research into plant growth.

In addition, four researchers from Aarhus University received ERC Starting Grants, each of more than DKK 11 million, for research on various topics. Associate Professor of Anthropology Christian Suhr from the School of Culture and Society will, with love as a framework, describe similarities and differences between the experience of the divine for Buddhists, Christians and Muslims. Associate Professor of Theology Elisa Katariina Uusimäki from the School of Culture and Society will take her outset in Jewish scripture to examine how the ancient Israelites perceived 'human mobility'. Using computational neuroscience, Associate Professor Francesca Fardo from the Department of Clinical Medicine will explore the difference between pain experienced and physical injury. Associate Professor Micah Allen from the Department of Clinical Medicine and Aarhus Institute of Advanced Studies will examine how the active substances in cannabis, also known as cannabinoids, affect the body and the brain.

Aarhus University has also received other grants from framework programmes under Horizon 2020. With a grant of approx. DKK 15 million, Associate Professor Mette Nyegaard from the Department of Biomedicine and Associate Professor Dorte Rytter from the Department of Public Health are co-ordinating and heading a research project to reduce the number of delayed diagnostics for patients with the uterine disease endometriosis. The project will include genetic and epidemiological studies combined with a patient-targeted app to monitor and analyse the data collected 24/7. Researchers from the Department of Engineering have received DKK 33 million from the framework programme Future and Emerging Technologies to develop new artificial intelligence (AI) hardware and build a completely new kind of computer system that mimics the way in which the human brain is built up and that can increase performance significantly compared with modern supercomputers.

With regard to public-sector Danish research funding, Aarhus University received DKK 70 million from Independent Research Fund Denmark as thematic research funding for the green transition. The thematic research funding is part of the Danish Parliament's appropriation of the research reserve funds and it is to be used to help talented researchers and to secure new, original ideas and research breakthroughs within climate, nature, the environment, etc. The amount is divided into 17 grants, with nine going to Technical Sciences, seven to Natural Sciences and one to Aarhus BSS.

The Danish National Research Foundation granted DKK 46 million for an extension of the Center for Music in the Brain headed by professor and jazz musician Peter Vuust from the Department of Clinical Medicine. The basic research centre was established at Aarhus University and the Royal Academy of Music to examine what happens in the brain when people listen to, sing and play music together. The internationally recognised research centre has existed since 2015.

Aarhus University has received significant **funding from private, Danish sources** and two researchers, Professor Trine Bilde and Professor Signe Normand, both from the Department of Biology have received a total of DKK 119.1 million to establish two research centres to find research-based solutions to how biodiversity can be future-proofed in a changeable climate with ever-increasing resource needs. The grants are part of the Novo Nordisk Foundation Challenge Programme. One centre will focus on insects and effects on their genetic diversity and the other centre will develop tools to predict how and in which areas nature restoration in relation to agricultural production will have the greatest impact on biodiversity in the future.

At the end of 2020, the Lundbeck Foundation granted DKK 75 million to the brain research centre DANDRITE, enabling research at the centre to continue up to 2028. The centre has existed since 2013 and is headed by Professor Poul Nissen from the Department of Molecular Biology and Genetics. The grant makes it possible to recruit five new DANDRITE group leaders with individual research programmes in the field of neuroscience.

With a grant of DKK 38 million, the Novo Nordisk Foundation also contributed to a project in which, using parish records, the Aarhus BSS Centre for Integrated Register-based Research (CIRRAU), the Danish National Archives, the University of Copenhagen and the coordinating body for register-based research (KOR) will establish a new multi-generational register. With Professor Carsten Bøcker Pedersen from the Department of Economics and Business Economics in charge, CIRRAU will be responsible for the new multi-generational register.

For the first time, the Novo Nordisk Foundation has awarded grants within the research programme NERD, which is aimed at ambitious and "crazy" research ideas within scientific and technical research. Associate Professor Alexander Zelikin from the

Department of Chemistry and iNano has received one of these grants of DKK 13.5 million for research into the development of artificial chemical receptors.

Several types of grants **aim at developing young talents**, and a number of young researchers from Aarhus University received these grants in 2020. Seven researchers from Aarhus University were appointed as Sapere Aude research directors by Independent Research Fund Denmark and received a total of DKK 43 million split into three grants for Natural Sciences, three for Arts, and one for Aarhus BSS. One of the grant recipients from the Faculty of Arts, Associate Professor Katja Brøgger from the Danish School of Education was one of five researchers to receive an Inge Lehmann grant in addition to her Sapere Aude grant. Moreover, three research talents from Natural Sciences received a total of DKK 29 million from the Villum Foundation under the Villum Young Investigator programme, and a researcher from Health received a Novo Young Investigator grant. Finally, eight young researchers received the Carlsberg Young Researcher Fellowship; four from Arts, three from Natural Sciences and one from Health.

AWARDS

In 2020, several researchers from Aarhus University received prizes and awards for their research. Some examples are mentioned below.

Professor Anders Møller from the Department of Computer Science received one of the five EliteForsk prizes awarded by the Ministry of Higher Education and Science each year to researchers under the age of 45 for research of international excellence. Anders Møller received the prize for his work in theoretical computer science with focus on programming languages and program analysis, especially with application in Java-script programs and methods, to make it possible to analyse and find errors in programs before they are used in web applications, for example.

Professor Preben Bo Mortensen from the Department of Economics and Business Economics, scientific director of iPSYCH and centre director at the National Centre for Register-based Research received the Novo Nordisk Prize together with Professor of Clinical Medicine Merete Nordentoft from the University of Copenhagen for their joint clinical and epidemiological research contributions to Danish medicine. Preben Bo Mortensen utilises register-based research in his work to uncover mental disorders in the population, improve the treatment of people with mental disorders and prevent suicide.

Professor Karl Anker Jørgensen from the Department of Chemistry received the Maria Skłodowska-Curie medal with the explanatory memorandum "exceptional scientific achievements of international significance" within the research field of asymmetric catalysis. The medal was awarded at the annual meeting of the Polish Chemical Society and has previously been awarded to internationally groundbreaking chemists.

Professor Bo Barker Jørgensen from the Department of Biology is the twelfth Dane to be invited to join the very prestigious National Academy of Sciences in its 157-year-long history. The academy invites researchers with significant results, and Bo Barker Jørgensen has been honoured for his research into the ecology of marine microorganisms, which has had a major impact on our understanding of the substance cycles of the oceans.

Professor Søren Dinesen Østergaard from the Department of Clinical Medicine and Aarhus University Hospital received two prizes for his work on developing new tools to measure the severity of mental illness and the effect of treatment. These were the Lundbeck Foundation's Young Investigator Prize and the Jorck Foundation Research Prize 2020.

EDUCATION

Portfolio of degree programmes

In Strategy 2025, Aarhus University has set a goal to enhance development of the degree programme portfolio, in which *profile adaptation and training* more engineers and *IT specialists* are the two key initiative areas. As part of this, in 2020 a new Bachelor's degree programme in technical science (Mechanical Engineering), a new Master's degree programme in IT, communication and organisation, and a new MSc in Economics and Business Administration line in commercial and retail management were established.

A new executive Master's degree programme in informatics teaching was also set up. The programme will strengthen the university's collaboration with upper-secondary schools and meet the demand for further education for informatics teachers at upper secondary schools. It is offered in collaboration with the University of Copenhagen, the University of Southern Denmark, the IT University, Roskilde University and Aalborg University and the first intake started in 2020. Finally, in 2020 Aarhus University also set up a Master's degree programme in natural sciences and mathematics teaching in collaboration with the University of Copenhagen.

Recruitment and commencement of studies

A total of 7,492 new students were offered places on Bachelor's degree programmes in 2020, which is a good 500 more (5 per cent) than last year. This is satisfactory in a time of declining numbers of school leavers per year group.

Bachelor's and Master's degree students

- 33,381 students enrolled
- 27,039 applicants
- Bachelor's degree programmes: 7,187 admissions, 4,653 graduates
- Master's degree programmes: 5,771 admissions, 4,987 graduates

The number of students enrolled on the engineering programmes and digital programmes rose significantly in 2020, among other things because 539 additional student places in

natural sciences, technical and economics programmes were offered at Aarhus University as a result of corona. The 539 extra places were part of the 4,500 additional student places nationally requested by the government in study programmes with good job prospects. This is because of expectations that corona would mean that more young people than usual would apply for higher education programmes. In the same context, Aarhus University decided to reduce the grade requirement in quota 1 at the faculties of Natural Sciences, Technical Sciences and Business and Social Sciences from 7 to 6.

This year's intake is still characterised by high grade averages. However, the level is not as high as in 2019, and this is primarily due to the discontinuation of the grade bonus by a factor of 1.08. The decrease in the qualifying average grade is 0.5, and this year it is therefore 8.9 compared to 9.4 in the previous year. A similar decline can be seen at other universities. The intake to Master's degree programmes fell by 3 per cent compared with last year. The explanation for this is presumably primarily the extended legal right of admission, which came into force in 2019.

Coronavirus

The study-start programme was affected by coronavirus and was therefore different in many ways from what new students at the university usually meet. In practice, both the academic and social activities in connection with the study-start programme were conducted through a combination of physical and online attendance. As a supplement to the physical commencement of studies, in collaboration with the Student Council, Aarhus University developed *Study@AU*. This is a virtual study-start module, through which new students are introduced to student life immediately after having confirmed their student places. *Study@AU* consists of four modules lasting approx. 30 minutes and it includes text, information graphics and short videos. The themes are *the university as an organisation and educational institution; the structure of the degree programmes and academic regulations; digital platforms; and social and academic communities*. In the run-up to the commencement of studies in 2021, *Study@AU* will be further developed with modules aimed at international students and students on Master's degree programmes.

The coronavirus also meant that a very large amount of teaching and exams in the spring were reorganised at short notice. Despite the partial return to campus in the autumn semester, both teaching and exams have demanded considerable flexibility, creativity and sustained efforts on the part of students and teaching staff. The reorganisation tested otherwise robust and long-term planning. Student access to campus was reduced, social activities were closed down and teaching was organised in new ways. At the same time, on a daily basis, students had to maintain the structure of their student life themselves and find new ways of staying in contact with teaching staff and fellow students. Fortunately, the completion time was unchanged, and the number of exams passed increased a little, with a slightly higher grade level in 2020.

Further to the spring lockdown, Aarhus University conducted a major survey of teaching staff and students. The aim was to extract experience and knowledge about the reorganisation in order to obtain learning for future use. The study confirms that in-person teaching has qualities that cannot immediately be replaced online. For example, it shows that meeting on campus has a strong value, that a sense of community and cohesion is lost when teaching is not physically at the university, and that the virtual format does not provide the same opportunities to conduct practice-based teaching. Emergency teaching stressed the value of being a campus university. Not least because many students find it harder to find motivation in the digital classroom, to maintain a good study-leisure balance and to maintain social contact with their fellow students, with consequential problems of loneliness. The coronavirus made a significant impression on the study environment.

In 2020, Aarhus University therefore made extraordinary efforts to maintain student well-being at a high level, even though student life is different and less social than normal. Similarly, there is also considerable focus on ensuring that the good study and club/association activities are restored when the campus can again accommodate academic and social events for students. This focus will continue in 2021, and during the year, the senior management team will take stock of the effects of the initiatives.

Structure and process

Since it came into force in 2014, the study progress reform has led to a significant increase in ECTS credits across all Aarhus University degree programmes. Study progression on Bachelor's degree programmes has risen from 27.0 to 29.4 ECTS on average per semester, while Master's degree programmes have increased from 20.2 to 26.4 ECTS.

Since 2018, time on task has been part of the strategic framework contract following a request from the Ministry of Higher Education and Science. It is measured in Degree Programme Zoom as students' own indication of the time spent on their study programme. The average for 2020 has been calculated at 37 hours per week and ranges from 34 hours per week (Arts) to 41 hours per week (Natural Sciences). In order to maintain a high time on task, there is constant focus on embedding student activities in all degree programmes, both in teaching and in the time between scheduled lessons.

Among other things, student-activating activities are supported by investment in, and prioritisation of, a minimum number of lessons on all Bachelor's and Master's degree programmes of 12 and 8 lessons per week, respectively, as well as through the EDU IT initiative. The latter is mainly being implemented by redesigning course programmes, because curriculum development at programme level is the engine of the initiative. The faculties are in charge of the redesign task, with technological support from the university's EDU IT Hub. The number of courses that have been redesigned is calculated annually and in 2020 there were 197.

As previously, the EDU IT initiative also includes a distribution of seed money for educational projects. In 2020, the pool was increased to DKK 2.5 million, and this was supplemented with funds from the faculties. A total of 22 projects received funding in 2020. At the Faculty of Arts, some of the money went to work on formative feedback, while Health is working on case-based teaching, peer feedback and a better coupling between theory and practice. At Natural Sciences and Technical Sciences, all major Bachelor courses – approx. 90 per semester – have been through a redesign process.

Furthermore, our ambition is to enhance students' learning outcomes by strengthening their digital competences beyond mere technical understanding. This will be achieved through the third track of the university's digitalisation initiative, which aims to ensure relevant digital competencies on all university degree programmes. All the faculties have launched initiatives. At the Faculty of Arts and Aarhus BSS, for example, in 2020 there were efforts to improve student awareness of digital issues and competences and how they work with these. This includes the students' readiness to meet a digitised labour market, and use of digital topics and working methods by teaching staff.

The work at the Faculty of Arts and Aarhus BSS complements the two projects for which Aarhus University and a number of partner institutions have attracted a total of almost DKK 13 million to conduct competency development programmes for teaching staff. The approach is that the academic environments assess how to incorporate the digital dimension into the different degree programmes, after which workshops for students on the relevant technologies are held.

AU's four teaching development centres and the EDU IT Hub were merged into a single centre for the development of university teaching on 1 October 2020. The new unit has been named the Centre for Educational Development. The centre will be a central player in the forward-looking quality assurance work on university teaching by strengthening educational and didactic support and by sparring with teaching staff. The centre will therefore support competency development for teaching staff, assist and support academic environments in their work on curricular development, and provide guidance and support at different levels of management. The Centre for Educational Development will also play a central role in the replacement of the university's learning management system in 2021. The preparatory work was initiated in 2020.

Collaboration with upper secondary schools

Aarhus University has a close and broad partnership with upper secondary schools and has a large portfolio of upper-secondary-school activities. These include live streaming of lectures, the rolling university (Det Rullende Universitet) and counselling activities for upper-secondary-school students in the form of SubUniversity, study trials and U-days. Live streaming to upper secondary schools has demonstrated its full potential during co-

rona. In 2020, 12 lectures were held with a total of 36,000 registered pupils from all over Denmark on topical subjects such as the SDGs, the Danish Reunion, citizenship, doping and Covid-19. The most well-attended event was held in connection with the presidential election in the US in November, where 15,000 pupils from 119 upper secondary schools followed Professor Derek Beach's lecture live.

Students' transition to working life

Educating graduates for the labour market of the future is one of the core tasks in Strategy 2025. The key is to balance and tone the university's graduate competency profile according to the needs of the private and public sectors, as well as a wide range of activities to support students' affiliation to the labour market.

Part of the latter is Master's thesis collaboration, project placements and case competitions. The number of Master's thesis collaborations and project placements has grown since 2018, when figures were first recorded. The number of Master's thesis collaborations has increased from 472 in 2018 to 882 in 2020, while the number of project placements has increased from 1,627 in 2018 to 1,882 in 2020.

As in previous years, in 2020 Aarhus University also offered a series of case competitions, which have been conducted at both faculty and university levels. Among the latter was a successful AU Challenge. In 2020, the Faculty of Arts held two case competitions with 15 companies and 150 students, while Aarhus BSS held three case competitions involving more than 185 students and 16 companies. In addition, 62 students from Aarhus BSS took part in a number of Nordic and international case competitions.

COLLABORATION AND KNOWLEDGE EXCHANGE

Collaboration and knowledge exchange with society are important elements in Strategy 2025. With its research contributions to the development of society and welfare, Aarhus University aims primarily to stimulate innovation and entrepreneurship through more knowledge-based spinouts and startups, and more entrepreneurial experience. Secondly, we aim to establish more value-generating collaborations with the business community and public institutions, and the third aim is to establish a stronger foundation with initiatives and incentives to promote external collaboration and entrepreneurship, more professional infrastructure and greater visibility for the university's many collaborations. Collaboration is already up and running in many different ways, and in 2020 Aarhus University continued its work to open up the university even more, with more collaborations to benefit companies, local authorities, students and researchers. For example, this has resulted in 70 reported inventions from AU employees and 486 research agreements concluded with companies in 2020. This is despite a year in which the corona pandemic has meant that a large number of conferences, meetings and trips have been cancelled or converted to online format.

Together with current and new partners, models for collaboration have been further developed in 2020. Aarhus University has entered into knowledge partnerships with companies, renewed our agreement with the Central Denmark Region, contributed to municipal development and strengthened our network with the Confederation of Danish Industry, the Danish Chamber of Commerce, SME Denmark, etc. Our collaborations have helped forge a better framework for entrepreneurship and business cooperation, making it easier to apply the university's research and get more graduates into a job.

Examples of external collaboration

Aarhus University's contribution to regional development is reflected in our continued collaboration with municipalities. One example of this is an industrial and academic project with Ringkøbing-Skjern Municipality as part of a collaboration agreement. Backed by an investment of DKK 15.8 million, local companies, Ringkøbing-Skjern Municipality, the Ringkøbing-Skjern Business Council and the municipality's knowledge committee have teamed up with Aarhus University to build a new research and demonstration laboratory, the AU Digital Transformation Lab, which will be located at Innovest in Skjern. The new facility will ensure that local companies in Ringkøbing-Skjern Municipality are at the forefront of the fourth industrial and digital wave, Industry 4.0, through tests and demonstration of new technologies in the laboratory by and for companies.

Another example is a new agreement with Viborg Municipality to expand collaboration between public and private law offices in Viborg and the Department of Law at Aarhus University. This will give students more opportunities to meet potential workplaces through study trips and career events. The agreement with Viborg Municipality also sets specific objectives for a stronger Foulum, which houses large parts of the university's food and agricultural research. These include a shared vision and development plan for the Foulum area, joint measures to attract investment and companies as well as collaboration on the bioeconomy, sustainable land management, the green transition, low-lying soil and river valleys.

Collaboration with Herning Municipality has also been extended in 2020. Aarhus University has a number of study programmes located in Herning and has set up several new programmes there over the past couple of years. Together with Herning Municipality, we regularly assess which degree programmes will be relevant for the local business community, and there is close collaboration on recruitment for these programmes. Local companies from all over central and western Jutland meet students during their studies through collaboration on competitions and project placements. In continuation of the new engineering programmes, working with Herning Municipality and other local players, in 2020 we established an engineering lab in which students, teaching staff and companies can work closely together to apply technology in new ways.

In 2020, Aarhus University has opened the inter-faculty entrepreneurship facility: The Kitchen. The Kitchen has hosted a wide range of events for students, including the Entrepreneurship Festival, Women Startup, etc. Similarly, researchers have participated in Science for Society events and been part of Open Entrepreneurship; a collaborative programme with several other universities aiming at screening, developing and accelerating potential research cases. Around 100 startups and 25 active spinout cases kept The Kitchen busy in 2020. This is despite long periods of lockdown in The Kitchen because of corona. Despite corona, The Kitchen has also entered into a number of agreements with external partners, including Accelerace and Innovation Fund Denmark.

In collaboration with the Central Denmark Region, the City of Aarhus, Grundfos, the start-up company UNSILO, Incuba and Færchfonden, Aarhus University has completed a two-year Regional Entrepreneurship Acceleration Programme at the Massachusetts Institute of Technology (MIT). At the end of the programme in 2020, the parties decided to establish an organisation based in The Kitchen that in future will strengthen innovation, entrepreneurship and growth in the region within the central Jutland strongholds of food, cleantech and health.

The spinout company NMD Pharma was founded in 2015, and over the years it has attracted more than DKK 300 million to develop new drugs to treat neuromuscular diseases. In 2020, the company moved into the INCUBA research park at Aarhus University Hospital. The company will help strengthen the health cluster in Skejby, which, in addition to a number of biotech companies, is also home to the Department of Clinical Medicine. Like Draupnir Bio, Stipe Therapeutics and others, NMD Pharma originated in the Department of Biomedicine, which, within just a few years, has generated a number of promising spinouts that have attracted investments totalling almost DKK 1 bn.

In 2020, Aarhus University established the pilot project ODIN (Open Discovery Innovation Network), which has received funding of DKK 54.5 million from the Novo Nordisk Foundation and provides the framework for open interdisciplinary projects with researchers from Natural Sciences, Technical Sciences and Health, as well as medical and biotech companies. This spring's matchmaking events and idea generation resulted in 39 ideas, 19 of which were for specific project applications. After both internal and external reviews, at the end of the year, five research projects were selected to proceed.

In 2020, Aarhus University also made its collaboration with larger companies more visible. In 2020, 50 companies were contacted with a view to entering into knowledge partnerships. The purpose of contacting companies is to establish more joint activities between them and Aarhus University, including within research, education and entrepreneurship, and to create a clear entry point for companies and demonstrate a clear ambition on the

part of Aarhus University for increased collaboration. Twenty-two of the companies contacted have responded positively, and 13 are interested in further co-operation. Among other things, this has led to three workshops between companies and researchers, and a number of companies have also invested in entrepreneurs.

Research-based public-sector consultancy

Aarhus University has significant public sector consultancy services covering research, consultancy, emergency response and research dissemination under framework agreements with Danish ministries, primarily with the Ministry of Environment and the Ministry of Food. The framework agreements are supplemented by additional contracts with the ministries, and, finally, the framework agreement funding is substantially geared by external funding attracted by the research environments. Public sector consultancy is thus an important asset for Aarhus University, with research being part of services and forming the basis of research-based public sector consultancy. A strong research base is, therefore, a prerequisite for high-quality public sector consultancy in areas with a great deal of popular interest, which thus also attract a great deal of political attention.

However, it is important to stress that the cumulative effect of the annual reduction of 2% of the budget since 2009, combined with the fact that the ministry's demand for advice during the same period has increased, places considerable pressure on the financial basis for public sector consultancy.

After a lot of preparatory work, Aarhus University introduced a quality management system in 2019 in order to ensure the quality of public sector consultancy. After a comprehensive audit in 2020, the quality management system was certified by the accredited certification company FORCE. The certification was based on the international ISO 9001 standard, and the system documents and ensures consultancy activity of high and uniform quality to benefit both the university and the client.

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

Other forms of external cooperation

Despite corona, in 2020, Aarhus University also had significant outreach activities, although the pandemic did restrict some activities. Aarhus University Press continued publishing the book series *Tænkepauser* (Reflections). These are inexpensive, small, brief and insightful books written by researchers from Aarhus

University. Each book contains 60 pages and provides a brief and clear understanding of current research topics, and they have been well-received by reviewers and readers alike. At the end of 2020, the publishing house had published 84 books, the most recent with the title *Emojies*. The publisher also continued publishing the book series *100 danmarkshistorier* in which researchers will write about the history of Denmark in 100 books of 100 pages, published over eight years. So far 39 books have been published, the latest with the title *Stavnsbåndet* (serfdom). Selected titles from both book series are being adapted for stage and debated in collaboration with Nørrebro Teater in order to reach an even greater audience.

Aarhus University also continued its public lectures on natural sciences. Each semester, six to eight lectures are offered in the Lakeside Lecture Theatres in Aarhus for an audience of usually around 800 people for each evening event. The lectures are live-streamed to 225 upper secondary schools, cinemas, libraries, university extension institutions, community and cultural centres etc. in Denmark, Greenland, the Faroe Islands and Southern Schleswig with a total of around 10,000 participants. However, in 2020 the lectures were affected by the coronavirus pandemic in the spring and autumn, which led to fewer talks and fewer seats for the audience. The lectures present the latest research and discoveries from the world of natural sciences. The lecture series is organised by Natural Sciences and offered in collaboration with hosts in a large number of cities and the Carlsberg Foundation.

A successful external collaboration has resulted in Aarhus University's first satellite orbiting at almost 400 kilometres and capturing images of the Earth. It is called *Delphini-1* and was built by students from Aarhus University in collaboration with GomSpace A/S in Aalborg and with university employees from the Department of Physics and Astronomy, the Department of Engineering and the Department of Geoscience. The students' commitment has been crucial in realising the mission. The students participated in the introductory exercises, in which the satellite was documented, they built the cube, helped to transport it to Kennedy Space Centre for launch, and took turns to sit in the control room and communicate with *Delphini-1*.

2.3 FINANCIAL REVIEW

Aarhus University broke even in 2020, with equal revenues and costs. After a budgeted loss of DKK 49 million, the result realised was DKK 0. Total revenues were DKK 6,660 million against expected total revenues of DKK 6,833 million, corresponding to a negative variance of DKK 172 million. Total costs were DKK 6,696 million, which is DKK 206 million less than budgeted costs of DKK 6,902 million. Net financial income was DKK 35 million, which is DKK 16 million higher than budget.

The negative budget variance reflects a year affected by repeated coronavirus closures and shows a reduction in the level of activity compared with both the level expected in budget planning and the level in 2019.

In the years up to 2021, Aarhus University has built up equity that now exceeds the equity target of 10 per cent of revenues. After accounting for the result for 2020, equity amounted to 13.7 per cent of revenues. The objective for the next few years is to use this latitude of excess equity to implement new strategic initiatives and to continue ongoing initiatives in, among other things, digitalisation programmes and engineering. An aggregate deficit has been budgeted for the period 2021 – 2024 of DKK 136 million. The planned deficit is expected to reduce equity to approach the 10 per cent target in 2024. The latest board decisions regarding the financial challenges at TECH are likely to make the deficit slightly greater.

In the 2021-2024 budget, Aarhus University expects stable annual growth in revenues, with the underlying assumption that the Covid-19 restrictions will be lifted during the first part of 2021.

The financial result for 2020 therefore gives no reason to adjust the strategic direction or the 2021-2024 budget.

FINANCIAL RESULTS FOR THE YEAR

University revenues in 2020 were DKK 6,660 million, corresponding to a real decrease of 2 per cent compared to 2019.

Total Finance Act grants were DKK 4,237 million, corresponding to an increase of DKK 5 million or 0.1 per cent in real terms. Overall, education grants rose by DKK 20 million from 2019 to 2020 (1 per cent). Total student FTE production fell by 46 FTEs from 2019 to 2020 (0.2 per cent), although the funding reform means that educational revenues no longer depend entirely on student FTE production but also on basic subsidies, performance subsidies and quality subsidies. In 2020, approx. DKK 30 million was received following an extraordinary coronavirus initiative in the Finance Act.

Table 1. Income Statement 2019 and 2020, DKK mill., 2020 prices

DKK mill., 2020 prices	FS19	B20	FS20	FS20-FS19	FS20-FS19, %
Finance Act grants	4,233	4,196	4,237	5	0%
External funding	2,069	2,172	1,984	-85	-4%
Sales/other operating income	493	465	439	-53	-11%
Total revenues	6,794	6,833	6,660	-134	-2%
Salaries	-4,454	-4,548	-4,533	-79	2%
Construction costs	-959	867	-910	48	-5%
Other operating costs	-1,236	-1,323	-1,101	135	-11%
Depreciation and amortisation	-147	-164	-152	-4	3%
Total costs	-6,797	-6,902	-6,696	100	-1%
Financial items	54	20	35	-18	-34%
Profit/loss	52	-49		-52	-100%

There was a slight real increase in basic research funding of DKK 11 million compared to 2019 (0.6 per cent), partly due to a special coronavirus grant of approx. DKK 4 million to extend PhD courses, and partly due to technical accounting adjustments from year to year. These adjustments will even out in the coming grant year.

The contract for research-based public sector consultancy is reduced by 2 per cent every year, and was down to DKK 373 million in 2020. This means that there has been a real decrease in the contract value since 2016 of over 10 per cent.

Table 2. Development in contract for public sector consultancy 2015 – 2020, DKK million, 2020 prices

DKK mill., 2020 prices	2016	2017	2018	2019	2020
Government contracts	415	401	391	381	373

Use of external funding fell by DKK 85 million compared to 2019, corresponding to a real decrease of 4.1 per cent. The impact of the repeated and protracted closures due to the Covid-19 pandemic has proved to be very significant for use of external research grants. The effect has also been observed in the financial follow-ups over the year. However, the decline has only manifested itself in the figure for other operating costs, and externally financed payroll costs have actually increased.

Sales and other operating income include tuition fees for continuing and further education, income-generating activities and forensic services, and amounted to approx. 7 per cent of revenues in 2020, which is similar to 2019. In 2020, revenues from sales and other operations were DKK 439 million, corresponding to a real decrease of DKK 53 million (10.8 per cent) compared with 2019. These revenues have been most affected by the Covid-19 pandemic. Tuition fees from foreign self-paying students and further and continuing education and conference participation fell by almost DKK 26 million (22 per cent) from 2019 to 2020 (2020 prices), while other sales together fell by just over DKK 27 million.

The university's total costs fell by DKK 100 million in real terms from 2019 to 2020 (1.5 per cent), which partly counteracted the lower income.

Payroll costs are the university's largest cost and amounted to DKK 4,533 million in 2020. Compared to 2019, when salaries were 66 per cent of the total costs (DKK 4,454 million at 2020 prices), salaries rose to 68 per cent of total costs in 2020. The actual increase in payroll costs was DKK 79 million. (1.8 per cent). The increase includes an extra provision for holiday pay liabilities of DKK 23 million arising from the transition to concurrent holiday.

Use of staff in 2020 was 8,005 FTEs, which is a total drop of 35 FTEs from 2019 (0.4 per cent). Use of academic staff FTEs increased by 29 FTEs, while use of part-time academic staff FTEs fell by six FTEs and for technical/administrative staff by 58 FTEs.

Total other operating costs, incl. rent and building operations, fell by DKK 183 million (2020 prices). Other operating costs have been particularly affected by the Covid-19 restrictions. Travel and entertainment expenses fell by DKK 152 million from 2019 to 2020, corresponding to 69 per cent. Another Covid-19 factor has had the opposite effect; having many employees working from home entailed a need for rapid digital transformation, and this contributed to a costs increase of almost DKK 23 million, corresponding to 16 per cent, for telephones, computers, IT devices, other hardware, software, AV equipment and procurement of IT services.

Overhead income from external funding fell by 5.1 per cent (DKK 19 million, 2020 prices) from 2019 to 2020. The decrease is a direct consequence of the lower use of external funding, since the average overhead share of external funding has remained unchanged from 2019 to 2020 (17.2 per cent).

Depreciation fell by 3 per cent from 2019 to 2020 (DKK 4 million), partly because of delays in acquisitions in 2020 due to coronavirus factors.

Financial items constituted net revenues of DKK 35 million, which was DKK 18 million lower than in 2019. Revenues of DKK 20 million were budgeted at the beginning of 2020, but at the end of the first quarter, when the first Corona lockdown became a reality, there was a deficit of almost DKK 87 million. At the end of 2020, Aarhus

University had investments for DKK 1,995 million. The investments are primarily in Danish bonds and a small amount in shares and corporate bonds. The return corresponds to 1.8 per cent.

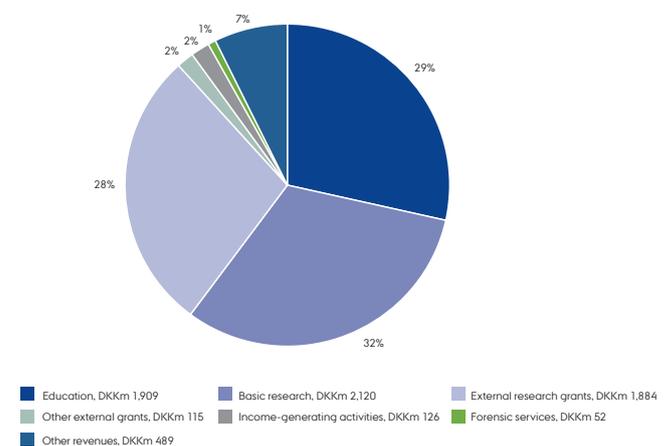
CORE ACTIVITIES AND RESOURCES

The previous section on the financial results for the year uses a terminology and a categorisation of revenues and costs that primarily refer to section 3. Financial statements. The following section concerns AU's core activities and resources, represented by the university's revenues broken down by purpose and results of activities such as education, research and PhD programmes. The terminology and the categorisation of revenues follow the definitions in Universities Denmark's statistical service, which are also used to define the financial highlights in Appendix 4.2. Financial highlights are a mandatory part of the annual report and are calculated identically across the sector. In the financial statements, external funding consists of external research grants and other grant-financed activities, while sales of goods and services include income-generating activities, forensic services and other revenues under ordinary activities (see Appendix 4.1). In the break-down of revenues by purpose, forensic medicine and income-generating activities are included in the external funding category. Consequently, discrepancies will occur between the figures in the two sections.

The university's core activities - education, research, public sector consultancy and knowledge sharing - are financed by funding under the Finance Act, external research grants, other external funding, income-generating activities, sales of forensic services, public sector consultancy as well as other revenues in the form of financial income, letting and subletting, and other sales of goods and services.

The sources of revenue are broken down in figure 1.

Figure 1 Break-down of revenues 2020, DKK mill. and per cent



As shown in the figure, the university's largest sources of income are more or less evenly distributed between education (29 per cent), basic research (32 per cent) and external research grants (28 per cent), which together make up DKK 5,913 million. The remaining 12% consists of other external funding (2 per cent), income-generating activities (2 per cent), forensic services for the Ministry of Justice (1 per cent) and other revenues of DKK 489 million (7 per cent). Other income includes 50 per cent of the research-based public sector consultancy agreement. The other half of the public sector consultancy contract is included in the calculation of basic research funding.

Aarhus University's status in relation to other universities is measured, among other things, as student FTE funding, use of external research grants, research production in the form of publications, and PhD programmes. These four elements (FTEs, external research grants, bibliometric scores and PhD degrees awarded) are therefore included in the allocation key used by the Ministry of Higher Education and Science to allocate new basic research funding to the university sector. For a number of years, Aarhus University has remained stable in this allocation key, with a share of approx. 22 – 23 per cent of total new basic research funding for the sector.

Education revenues amounted to a total of DKK 1,909 million. The vast majority of educational revenues stem from full-time degree programmes (94 per cent), while the remaining 6 per cent come from part-time degree programmes (4 per cent), subsidies for exchange students, free places and scholarships (1 per cent) and subsidies from the Ministry of Children and Education for vocational and diploma programmes (1 per cent).

99 per cent of education revenues from the full-time degree programmes come from Finance Act grants, while approx. 1 per cent come from foreign self-paying students.

The funding reform, which came into force on 1 January 2019, means that the university's per capita student funding is supplemented by other funding elements, such as basic subsidies, performance subsidies and quality subsidies. The purpose of the funding reform was to increase focus on the quality of education rather than quantity.

Figure 2 shows the distribution of Finance Act grants for full-time degree programmes divided between the individual basic elements of the funding reform.

Total revenues from research activities amounted to DKK 4,005 million in 2020, and consisted of basic research funding of DKK 2,120 million, of which contract funds for research from the Ministry of Environment and Food amounted to DKK 187 million, and grant-financed research funded by public and private sources amounted to DKK 1,884 million.

Figure 2. Finance Act grants for full-time degree programmes from the Ministry of Higher Education and Science 2016-2020, DKK mill., 2020 prices

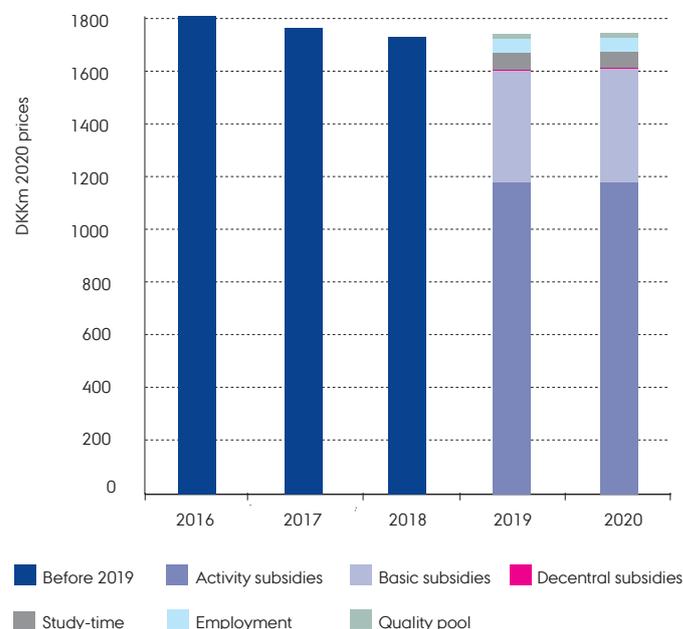


Table 3. Research funding 2016 - 2020, DKK mill., 2020 prices

DKK mill., 2020 prices	2016	2017	2018	2019	2020
Basic grants	1,912	1,920	1,940	1,923	1,934
Research for sector ministries	215	208	203	190	187
Grant-financed research activities	1,777	1,838	1,859	1,942	1,884
Total	3,904	3,966	4,002	4,055	4,005

Table 3 shows the trends in the relationship between the three elements of the university's research funding.

The contract with the Ministry of Environment and Food of Denmark is being reduced by 2 per cent per year. Basic research funding from the Ministry of Higher Education and Science has remained more or less constant in real terms for a number of years.

The repeated lockdowns due to coronavirus restrictions in 2020 broke recent years' increases in the use of external research funding, although use is approx. 2% higher than in 2018, corresponding to DKK 36 million. As shown in table 4, the increase in use is particularly in funding from Danish private sources, which reflects the fact that the funding secured from these sources in 2019 was particularly high, and this is also clear from table 5.

Table 4. External research funding used, DKK mill, 2020 prices

DKK mill., 2020 prices	2016	2017	2018	2019	2020
Danish public sources	1,054	1,030	936	914	814
Danish private sources	448	527	611	691	725
EU	200	206	216	230	239
Other foreign sources	75	75	97	106	106
Total subsidised research activities	1,777	1,838	1,859	1,942	1,884

Table 5 shows the new external grants received. Competition between Danish and international universities for new grants of external research funding is constantly intensifying. In spite of this, in 2020 Aarhus University attracted over 7 per cent more grants (DKK 206 million), thereby continuing the increases in recent years. The increase in grants was primarily from public-sector Danish sources, but also from the EU and other foreign sources. On the other hand, private Danish funding fell. Grants received from Danish private sources have increased in recent years, from DKK 671 million in 2016 to a peak in 2019 of DKK 1,366 million. In 2020, funding from Danish private sources reached DKK 1,164 million.

Table 5. External research funding received, DKK mill, 2020 prices.

	2016	2017	2018	2019	2020
Danish public sources	895	937	721	842	1,208
Danish private sources	671	749	971	1,366	1,164
EU	235	269	245	415	437
Other foreign sources	107	96	191	101	123
Total received	1,908	2,052	2,127	2,724	2,930

The annual amount received is greater than use for all three of the top categories, and the holding of unused commitments has risen significantly in recent years, see table 6.

Table 6. Trends in unused commitments 2016 – 2020, DKK mill. at current prices

DKK mill. current prices	
2016 - Q4	4,251
2017 - Q4	4,307
2018 - Q4	4,498
2019 - Q4	5,174
2020 - Q4	6,325

Other external grants amounted to DKK 115 million (see figure 1), and include Erasmus scholarships, Sino-Danish Center (SDC) and company sponsorships for education. Income-generating activities amounted to DKK 126 million and include sales of services at the university's dental clinic, sales of consultancy services, laboratory analyses, etc. Forensic medicine amounted to DKK 52 million in 2020 and includes an agreement on forensic services for the Ministry of Justice.

Other revenues amounted to DKK 489 million (see figure 1) and comprise 50 per cent of the contract for public sector consultancy with the Ministry of Environment and Food (DKK 187 million), other basic grants under the Finance Act (DKK 101 million) and other revenues in the form of net financial items (DKK 35 million), letting and subletting (DKK 14 million), and sales of goods and services such as laboratory animals and agricultural products under ordinary activities (DKK 151 million).

For example, research activity is measured as scores in the Bibliometric Research Indicator (www.bfi.dk), which is used by the Ministry of Higher Education and Science to allocate new basic research funding between the universities. Trends in bibliometric scores per member of academic staff in 2016 - 2020 are shown in table 6.

Table 7. Academic staff FTEs and bibliometric scores 2016-2020

	2016	2017	2018	2019	2020
Academic staff FTEs *)	3,447	3,463	3,539	3,643	3,699
Bibliometric score	6,241	6,327	7,066	7,343	7,263
Bibliometric score per academic staff FTE	1.81	1.83	2.00	2.02	1.96

*) Professor, associate professor, assistant professor, postdoc, PhD, see the job structure at universities

As shown in table 6, bibliometric scores increased steadily in the period 2016 to 2020, although there was a slight decrease in 2020, corresponding to a generally lower level of activity (including in the publication channels). While the number of academic staff full-time equivalents increased by 7 per cent from 2016 to 2020, the bibliometric score increased by 8 per cent.

The number of approved PhD dissertations is also part of the allocation key for new basic research funding between the universities. Table 7 shows developments in the number of approved PhD dissertations in the period 2016 - 2020 and how they are broken down between faculties: Arts/Aarhus BSS and Health/Nat/Tech.

Table 8. Approved PhD dissertations, 2016 - 2020

	2016	2017	2018	2019	2020
Arts/Aarhus BSS	28%	25%	25%	28%	25%
HEALTH and Nat/Tech	72%	75%	75%	72%	75%
Total number of approved PhD dissertations	497	452	417	455	459

2.3.1 SPECIAL SUBSIDIES

QUALITY GRANT

Since and including 2019, the grant system has included a quality grant for institutions of higher education to implement quality initiatives. In 2019 and 2020, the quality grants were to support the use of feedback and/or the application of technology on degree programmes.

In 2020, Aarhus University used the funds to enhance the educational IT (EDU IT) initiative adopted by the university board in 2017. The strategic priorities of the EDU IT initiative consist of engaging and varied forms of teaching as well as more and better feedback to ensure better learning outcomes and higher quality in research-based degree programmes.

In this connection, investments have been made to procure and implement a number of learning technologies to improve the opportunities for teachers at Aarhus University to create varied teaching and to support digitally different forms of feedback. For example, Aarhus University has procured and implemented the Peergrade feedback platform, which makes it possible to involve students in structured feedback processes. For example, students can give feedback to each other on the basis of criteria set by teachers. This helps students learn to assess and reflect on the work of others and to structure constructive feedback. During 2020, additional resources were used to implement Peergrade even more deeply, and to inspire teachers to apply the learning technology didactically and reflectively.

Another example is the purchase and implementation of the Zoom video conferencing system, which makes it easy to hold online teaching, start and plan video meetings and interact with others live. The system can accommodate a large number of students and has a wide range of functions to support stimulating online teaching, including a chat function, screen sharing, file sharing, recording and live voting.

Besides procuring and implementing technologies, 197 courses underwent a redesign process in 2020, with work on feedback, digital elements and reorganisation of teaching to digital formats. A total of more than 14,000 students have been affected by this initiative.

Another part of the initiative in 2020 consisted of granting DKK 2 million as seed money for educational projects. Funding was granted to 19 educational projects, which were supplemented with funds from the faculties, and several initiatives have been launched that are anchored close to the relevant degree programme. Examples of these educational projects are as follows:

- On the *Integrated Marketing* course on the MSc in IT, Organisation

and Communication, Peergrade and Blackboard have been used to focus on increasing formative feedback for students when they prepare compulsory assignments. In their course evaluations, students stressed that writing the sub-assignments and giving feedback helped them to understand the subject and apply the theory.

- On the *China Now* course on the China Studies programme, as well as in Bachelor's and thesis supervision, a project was completed using the Kaizena tool aiming at supporting lecturers' verbal, recorded feedback and guidance. The students experience verbal feedback as more personal and detailed than written feedback
- At the faculties of Natural Sciences and Technical Sciences, virtually all course elements in large Bachelor's courses are being redesigned, among other things with focus on more and better feedback.
- At the Faculty of Health, the EDU-IT initiative consists mainly of initiatives centred on feedback or designing more focused study activities between lessons.

FUNDING TO DEVELOP TOOLS FOR MANAGEMENT EVALUATION

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

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

The centre for public leadership started development work on the management evaluation in 2019. The researchers have conducted extensive literature studies, interviews with Danish public-sector

organisations about their experience with management evaluation, and an international research workshop, and they have developed and tested a concept for management evaluation in a number of public-sector organisations. Work continued in 2020, but the project has been a little delayed due to the coronavirus and procurement of an IT system. The final tests are now being conducted in the run-up to the launch of results from mid-2021 until the end of 2021. The full grant for 2020 has been used during the year.

FUNDING TO IMPLEMENT EU LAW INTO DANISH LAW

In 2019, Aarhus University received funding of DKK 0.7 million from the Danish Agency for Institutions and Educational Grants. The funding was granted by agreement with the Presidium of the Danish Parliament, which, at the behest of the European Committee, granted funding for a research project to investigate how EU legislation – with special focus on regulations – affects Danish law.

The grant was not used in 2019, but the full grant was used in 2020. The project was carried out by the Department of Political Science and has followed its planned course. The project kept to the timetable agreed with the client (the Danish Parliament), although due to the coronavirus situation it was postponed compared with the original grant letter. At the end of the year, all the data had been collected and analysed, the report is now being written. The project is expected to be completed before summer 2021.

2.4 PERFORMANCE REPORTING

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

The framework contract consists of seven strategic goals that are reported below. The reporting repeats the conclusions of the status report prepared for the Ministry of Higher Education and Science, with an assessment of whether the university is on track to realising the strategic goals as envisaged.

In general, Aarhus University assesses that there has been solid progress in realising the goals agreed in the strategic framework contract, meaning that, with an unchanged level of activity, Aarhus University believes that it will be able to realise all seven strategic goals within the contract period. This assessment is described in detail below.

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

Aarhus University's assessment of the strategic goal

Aarhus University assesses that there has been progress towards realising this strategic goal. The initiatives and activities described in Action Plan 2020 have been implemented to a large extent. There is a positive trend on the indicator concerning recruitment of tenured academic staff. There is a slight decline in the indicator concerning attracting external research funding, but this should be seen in light of a steady increase in use from 2017. The decline is probably due to lower use due to coronavirus.

Two initiatives with a particular role over the past year in relation to realising the strategic goal should be stressed:

- *Stronger initiatives concerning the responsible conduct of research and freedom of research:* Research integrity, responsible conduct of research and freedom of research are fundamental and crucial elements in research production. Therefore, all academic staff at Aarhus University, from post-doc to professor, must now participate in a course to ensure knowledge about the current regulations, etc. in the area, and to support a strong culture in the academic environments.
- *Better gender equality and diversity:* Better gender equality and diversity is an important prerequisite in realising the goal of a stronger position as an internationally recognised research institution. For this reason, work on promoting equality and diversity has been particularly important in 2020.

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

Aarhus University's assessment of the strategic goal

Aarhus University assesses that work on this strategic goal is making good and stable progress. The initiatives and activities described in Action Plan 2020 for additions to academic staff have thus been met. The business initiative, which runs up to and including 2021, has already achieved the objective for the total number of appointments. Similarly, the IT and engineering initiative has seen good progress with regard to capacity expansion, and the departments have received a large number of highly qualified applications. In total, an additional 25 tenured academic staff have been employed within the initiatives in 2020. In 2020, external research funding at Arts has been challenged by the corona crisis, and the use of external research funding was DKK 411,000 per senior academic staff FTE against the baseline of DKK 457,000 in 2017. However, consumption is expected to rise to a higher level as soon as the situation has normalised. Each of the faculties involved are working to fulfil their share of the target, which is continuously monitored and followed up by the university management twice a year.

Strategic goal 3: Enhance students' learning outcomes

Aarhus University's assessment of the strategic goal

Aarhus University assesses that the goals set in Action Plan 2020 with regard to securing good learning outcomes for students concerning 1) student engagement, 2) ECTS credits earned, 3) student/academic staff ratio and 4) the EDU IT initiative have been met. In addition, a new virtual study-start concept was developed in 2020, which will be implemented in connection with the commencement of studies in 2021.

Re 1) Results from the Degree Programme Zoom concerning time on task show that in 2020, students at Aarhus University reported that they spent a median 37 hours per week on their studies. The students' reports of the time they spend on educational activities were obtained in September and October 2020, and they were affected by the coronavirus lockdown. This is considered to be the primary reason for the slight decrease since the last calculation in 2018, when self-reported time consumption was 38 hours per week. With this backdrop, the level is considered satisfactory.

Re 2) *ECTS credits earned* per semester are at a stable and high level. For 2020, ECTS credits earned have been calculated at 28.1 ECTS per semester per student. This result is considered

satisfactory. This is partly because the point of departure of 28.0 ECTS credits in 2018 is high, and partly because, following the lockdown and the subsequent reorganisation of teaching from physical to online, it was expected that there would be a more pronounced decline.

Re 3) *The ratios of students per tenured member of academic staff* at the Faculty of Arts and at Aarhus BSS are 20.1 and 26.1, respectively, which is an improvement compared to the established baseline.

Re 4) *Aarhus University's EDU IT initiative* is in its third year, and it has been registered that 197 courses were redesigned in 2020 in order to increase learning outcomes through more and better application of learning technology. Approx. 14,500 students are following the redesigned courses. The criterion for the courses included in the calculation is that a didactic redesign must have taken place for the course. The considerable number of courses which, due to corona, were converted from physical to online teaching in 2020 is thus additional to the number of courses stated.

Strategic goal 4: Prepare students better for the labour market

Aarhus University's assessment of the strategic goal

In 2020, Aarhus University continued its work to improve the transition from studying to the labour market. Aarhus University assesses that the objectives set out in Action Plan 2020 in this regard have been met. The same applies to work to adjust the graduate competency profile.

The central element of Aarhus University's work in this context consists of the different types of collaboration between the labour market and the students during their studies. The most important initiatives are to increase the number of Master's theses written in cooperation with business and industry as well as the number of students in project placement. Developments from 2019 to 2020 are as follows:

- Number of project placements has increased from 588 to 882
- The number of Master's theses prepared in collaboration with business and industry has increased slightly from 1,800 to 1,882

The percentage of graduates (except Bachelor's degree graduates) and Master's degree graduates from Aarhus University employed in the private sector increased correspondingly. For graduates (except Bachelor's degree graduates) the figure was 52 per cent, while the figure for Master's degree graduates was 50 per cent.

Cooperation between Aarhus University and the City of Aarhus to reduce the rate of unemployment among graduates intensified in 2020. During the year, meetings were held between

pro-rector, the Committee on Education and the head of employment at the City of Aarhus. The meetings resulted in a number of specific activities, including two courses for unemployed graduates offered by the City of Aarhus, with Aarhus University as the supplier, one in *digital innovation and the other in entrepreneurship*. In addition, a collaboration has been initiated to provide better data for targeted initiatives within the subject areas in which graduate unemployment is highest. This includes parts of the programme portfolio within the humanities and the life sciences, respectively. The collaboration also includes a Job Bootcamp held by the City of Aarhus in October, with 3,000 unemployed academics and with Aarhus University as a player. The pre-graduate programme, which we have held with the City of Aarhus for a number of years, continued in 2020.

Profile adjustment, with more students on engineering programmes and digital programmes, is still being implemented. In this connection, *the Bachelor of Engineering degree programme, the Master's degree programme* in IT, communication and organisation, and the *executive Master's degree programme* in informatics teaching were offered for the first time in 2020. The latter is in collaboration with the University of Copenhagen, the University of Southern Denmark, the IT University of Copenhagen, Roskilde University and Aalborg University. In 2020, Aarhus University also set up the Master's degree programme in natural sciences and mathematics teaching in collaboration with the University of Copenhagen.

The trend in applications and admissions for IT and engineering programmes declined during the period. As described in last year's status report, the primary reason for this is probably the new admission requirement at the Faculties of Natural Sciences and Technical Sciences, which were implemented at the former Faculty of Science and Technology in 2019. The figures available so far for admissions in 2020 are positive, and a significant increase is expected. Among other things, this is because, as a result of Corona, 539 extra student places were offered within natural sciences, technical and economic degree programmes at Aarhus University. In order to accommodate the increases in applications, Aarhus University changed the grade requirement in quota 1 at the faculties of Natural Sciences, Technical Sciences and Aarhus BSS. Efforts to attract more students to STEM programmes will continue in the coming years.

At Aarhus BSS, the range of education programmes was reduced in 2020 because of the closure of the *Master's degree programme in international business communication* and the *executive Master's degree programme in international entrepreneurship, education and training*. This was to improve the match between the degree programmes offered and the demand for graduates.

Strategic goal 5: Help to promote greater innovation in private enterprises and the public sector**Aarhus University's assessment of the strategic goal**

It is Aarhus University's assessment that the realisation of the strategic goal showed satisfactory progress in 2020. Aarhus University continued its work to open up the university even more, with more collaborations to benefit companies, local authorities, students and researchers. Even though this was a year with many postponements, cancellations and conversions to online events and meetings due to corona.

Despite the coronavirus, in 2020 Aarhus University intensified its priority on business collaboration and innovation with the start of a new and stronger organisation headed by a newly appointed director of enterprise and innovation. The director of enterprise and innovation is part of the senior management team, which has launched a strategy process and activities to help the university make a larger and clearer contribution to society.

Together with current and new partners, models for collaboration have been further developed in 2020. Aarhus University has entered into knowledge partnerships with companies, renewed our agreement with the Central Denmark Region, contributed to municipal development and strengthened our network with the Confederation of Danish Industry, the Danish Chamber of Commerce, SMV Danmark, etc. Our collaborations have helped forge a better framework for entrepreneurship and business cooperation, making it easier to apply the university's research and get more graduates into a job.

In 2020, Aarhus University enhanced its entrepreneurship for both students and researchers with the establishment of the inter-faculty entrepreneurship facility: The Kitchen. The Kitchen is an open house for partners such as companies, investors, mentors, etc., and it provides an excellent framework for startups and spinouts at Aarhus University.

The number of new research agreements fell in 2020 to 486 agreements, primarily due to the coronavirus situation.

Strategic goal 6: Develop the university's contribution to society through research-based public sector consultancy**Aarhus University's assessment of the strategic goal**

In 2020, Aarhus University worked hard on the planned initiatives in order to maintain its strong position within research-based public sector consultancy. Aarhus University is therefore of the opinion that the target for 2020 has been met.

The indicator for a stronger research base, gearing of contract funds for research-based public sector consultancy within food, agriculture and the environment fell slightly from 147 per cent in 2018 to 139 per cent in 2019, as reported in 2020. However, it is still above the starting point of 130 per cent, and this documents the desired retention and enhancement of the gearing.

Quality assurance has been improved in 2020 by implementing and obtaining certification of a quality management system in accordance with ISO 9001.

Strategic goal 7: Strengthen the development of schools and daycare on the basis of research**Aarhus University's assessment of the strategic goal**

Aarhus University assesses that the National Centre for School Research (NCS) has come a long way in its efforts to take on a central national role, including by enhancing its research profile through strategic recruitment. The initiatives and activities described in Action Plan 2020 have to a large extent been implemented, in particular the planned communication and networking activities. However, the coronavirus crisis has challenged the implementation of projects in collaboration with employers and university colleges, and the annual use of project funding was therefore not maintained at the usual high level in 2020. However, it is expected to return to the previous level as soon as the coronavirus situation has normalised.

2.5 OUTLOOK FOR 2021

A central focus for Aarhus University in 2021 is to consolidate and process the consequences of the corona lockdown, the extent of which is still uncertain. The lockdown has affected - and continues to affect - degree programmes, research and collaboration with external parties. One important point is the negative impact of the corona lockdown on student well-being, and the university will have strong focus on mitigating this in 2021.

Aarhus University's Strategy 2025 was adopted by the board in December 2019. As a part of ongoing action-plan work, an action plan for 2021 has been drawn up, which describes more than 40 general initiatives that will characterise work on implementing the strategy in 2021. There is considerable cohesion with the action plan for the strategic framework contract. The following central initiatives are of particular note:

- A cohesive effort to support choice of study guidance, recruitment, admissions, retention and employment. Each of the elements is already being managed individually, but in 2021 there will be stronger focus on the cross-cutting cohesive efforts. A guiding principle for Aarhus University is to consider the entry to student life more cohesively through retention activities aimed at the entire first academic year. A similar principle is to facilitate graduates' transition to working life through early exposure to the labour market during Master's degree programmes.
- Research of the highest international quality by attracting more qualified applicants to permanent academic positions. The codes of practice for recruitment have been revised with effect from 2021 and implementation of these is an important focus area. In this respect, the codes of practice for recruitment are key to ensuring that the university will be able to attract a large, broad field of highly qualified applicants in the future and thereby maintain and broaden its position in the global competition.
- Strengthening the university's contribution to development and welfare in society as a whole. In 2021, the university will adopt and commence implementation of a sub-strategy for business collaboration and innovation. This will further strengthen the development of projects with the business community and public institutions, innovation and entrepreneurship, and it will establish a stronger basis for business collaboration and innovation.
- Developing public sector consultancy. The quality management system was certified according to ISO 9001 in 2020, and it will be optimised in 2021, among other things through the annual management evaluation as well as internal and external audits. The system focuses on improving the quality of task performance, strengthening the integrity of researchers and increasing transparency in Aarhus University's public sector consultancy.
- Continued development of the university's visions for its own sustainable operations and development. There will be particular focus on reducing the university's CO₂ emissions in accordance

with the goals in the university's climate strategy for 2020-2025. In 2021, this year's climate action plan will be implemented with specific CO₂ reduction activities.

- Continued focus on responsible conduct of research and freedom of research. In 2021, workshops will be held at all departments and schools with focus on dialogue on topics and dilemmas relevant to the local academic environments. The workshops will build on the compulsory online course that all academic staff have completed.
- Promotion of gender equality among employees and managers. Implementation of the Action Plan for Gender Equality 2020-22 forms the basis for targeted efforts to promote gender equality among employees as well as managers. The action plan includes a number of specific activities at department/school level, faculty level and central/cross-organisational level. In 2021, a special activity will be a series of workshops for the entire management.

In the 2021-2024 budget, Aarhus University expects stable annual growth in revenues, with the underlying assumption that the Covid-19 restrictions will be lifted during the first half of 2021.

A slight increase in educational income is expected, with an increased production of student FTEs in the budget period from 2021-2024, primarily driven by the engineering and digitalisation initiative. There are positive expectations for additional external funding, as well as to use the increasing amount of unused commitments. This requires recruitment of more full-time academic FTEs and, consequently, rising payroll costs. All things being equal, the increasing dependence on external grants will require more co-financing of both direct and indirect costs of the external grants.

Like the other budgets for recent years, there is strong optimism about the future level of activity.

At the end of 2020, Aarhus University's equity totalled DKK 909 million after a negative correction to the amount brought forward of DKK 48 million, because the Agency for Public Finance and Management announced a reorganisation of the principle of calculating the value of holiday pay due. Thus, equity accounts for 13.7% of revenue. In the budget for 2021-24, the university's strategic investments are expected to result in negative results, and this will bring down equity to the board's long-term target of 10% of revenue.

Table 9. Realised revenues, 2019 and 2020 financial statements, 2021 budget, DKK mill., current prices

DKK mill. current prices	FS2019	FS2020	B2021	B22	B23	B24
Total revenues	6,727	6,660	6,957	7,239	7,445	7,649
Profit/loss	51	0	-48	-39	-33	-17

3. FINANCIAL STATEMENTS

3.1 ACCOUNTING POLICIES

Basis of accounting

The annual report of Aarhus University has been presented in accordance with the Ministry of Finance's guidelines and Ministerial Order no. 1021 of 24 June 2020 on the Funding and Auditing etc. of Universities.

On the basis of the latest guidelines from the Agency for Public Finance and Management, a change of accounting policies has been made regarding recognition of the holiday pay liability so that, from the 2020 annual financial statements, it includes employer-paid pension contributions. At the beginning of 2020, the difference between the two methods of calculation constituted an increase in the holiday pay liability of DKK 47.9 million, and this has been adjusted in equity.

Unlike in previous years, SEA rent has not been included in note 3.6.12 Contractual obligations.

Apart from this, the accounting policies have been applied consistently with previous years.

The annual report is presented in DKK '000.

Recognition and measurement in general

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

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

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

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

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

Financial assets and liabilities are measured at amortised cost.

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

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

Foreign currency translation

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

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

Income taxes and deferred tax

The university is not subject to taxation.

Revenues

The university is covered by the Danish University Act and thus receives government subsidies and funding. The government subsidies are disbursed monthly in twelve instalments on the basis of the forecast student full-time equivalents and are recognised in the period in which they are received. Every year in October, the actual student full-time equivalents are calculated and the on-account payments are adjusted. Government subsidies concerning public sector consultancy are recognised in the period in which they are received. External funding received and commitments made, including revenues from cooperation agreements, are rec-

ognised as revenues as and when costs are incurred. Tuition fees from open education programmes are recognised as revenues in the period to which they relate. Other sales and cash sales are recognised as revenues at the time of invoicing.

Costs

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

Financial items

Financial 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 they are incurred.

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

Inventions, patents and licences are measured at cost less accumulated amortisation and impairment losses or any lower recoverable amount, and are amortised over the term of the rights, 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 provided on land.

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

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

Property, plant and equipment under construction are measured at cost.

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

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

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

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

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

Non-current assets received as donations

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

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

Collections and works of art

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

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 sales price in normal operations less completion costs and costs incurred to effect sale. The net realisable value is determined with due regard for marketability, obsolescence and developments in the expected sales price.

Livestock is valued in accordance with the "TSS circular" from the Danish tax authorities concerning normal commercial values.

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

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

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

Receivables

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

Receivables from ongoing funding activities

To the extent that Aarhus University incurs costs for activities which are financed by grants under 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 the 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, due to an event that happened before or on the balance sheet date, the university has a legal or constructive obligation, and it is probable that economic benefits will flow out of the university to meet such an obligation.

Long-term debt

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

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

Liabilities

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

Holiday pay payable

This item includes both holiday pay payable and the holiday pay liability. In addition, a new item has been registered in the balance sheet concerning frozen holiday funds.

Accrued donations

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

Prepaid tied-up funds from ongoing funding activities

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

Other deferred income

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

Cash flow statement

The cash flow statement shows the cash flows for the year from operating, investing and financing activities and the cash effect of these cash flows. The statement includes the value of shares, bonds and cash.

3.2 INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK '000			
Note	Income statement	FS 2020	FS 2019
	Ordinary operating income		
	Grants for own operation from the Danish Finance Act	4,239,977	4,190,833
	External funding	1,983,671	2,048,300
	Sales of goods and services	436,802	487,984
	Total ordinary operating income	6,660,450	6,727,117
	Ordinary operating costs		
	Consumption costs		
	Rent	674,473	684,852
	Other consumption costs	95,313	107,810
	Total consumption costs	769,786	792,662
	Staff costs	4,533,088	4,410,510
	Other ordinary operating costs	1,243,952	1,382,205
	Depreciation, amortisation, write-downs and impairment losses	149,497	144,264
	Total ordinary operating costs	6,696,323	6,729,641
	Profit/loss before financial items	-35,873	-2,524
	Financial items		
	Financial income	139,667	64,340
	Financial expenses	104,031	10,778
	Profit/loss for the year	-237	51,038

3.3 BALANCE SHEET AS AT 31 DECEMBER

DKK '000			
Note	Assets	FS 2020	FS 2019
	Non-current assets		
	Intangible assets		
	Acquired concessions, patents, licences etc.	2,484	851
3.6.2	Total intangible assets	2,484	851
	Property, plant and equipment		
	Land and buildings	544,392	565,316
	Plant and machinery	519,856	473,221
	Transport equipment	48,548	49,177
	Equipment and IT equipment	35,968	30,714
	Property, plant and equipment under construction	126,465	126,238
3.6.3	Total property, plant and equipment	1,275,229	1,244,666
	Total non-current assets	1,277,713	1,245,517
	Current assets		
	Inventories	7,842	8,140
	Trade receivables	130,375	173,385
	Receivables from ongoing funding activities	1,061,838	785,094
	Other receivables	80,914	99,464
	Prepayments	9,203	20,737
	Securities	2,555,541	1,943,999
	Cash	142,115	514,764
	Total current assets	3,987,828	3,545,583
	Total assets	5,265,541	4,791,100

DKK '000			
Note	Equity and liabilities	FS 2020	FS 2019
	Total equity	909,451	957,540
3.6.4	Total provisions	33,169	30,644
3.6.5	Mortgage debt	14,610	16,754
3.6.6	Accrued donations	480,014	446,290
	Total long-term debt	494,624	463,044
	Short-term debt		
	Trade payables	251,861	360,091
	Frozen holiday pay	359,581	0
	Holiday pay payable	359,511	605,170
	Other payables	146,959	148,009
	Prepaid tied-up funds from ongoing funding activities	2,347,875	1,855,635
3.6.7	Other deferred income	362,510	370,967
	Total short-term debt	3,828,297	3,339,872
	Total equity and liabilities	5,265,541	4,791,100

3.4 STATEMENT OF CHANGES IN EQUITY

DKK '000	Total equity
Equity according to the 2019 annual report	957,540
Correction of holiday pay liabilities	-47,852
Profit/loss for the year	-237
Total equity as at 31 December 2020	909,451

3.5 CASH FLOW STATEMENT

DKK '000	FS 2020	FS 2019
Profit/loss for the year	-237	51,038
Reversal of items with no cash effect:		
Depreciation, amortisation and impairment losses on non-current assets, including profits from disposals	149,500	144,263
Donations recognised as revenues during the year	-71,725	-60,752
Changes in provisions	2,524	-13,026
Changes in receivables etc.	-203,353	-6,677
Changes in short-term debt	440,572	284,439
Cash flows from operating activities	317,281	399,285
Purchases of intangible assets	-2,417	0
Purchases of property, plant and equipment	-181,336	-222,333
Disposal of non-current assets	2,059	1,386
Cash flows from investment activities	-181,694	-220,947
Increase in donation obligation	105,449	93,051
Repayment of long-term debt	-2,144	-2,136
Cash flows from financing activities	103,305	90,915
Change in cash	238,892	269,253
Total securities and cash as at 1 January	2,458,764	2,189,511
Total securities and cash as at 31 December	2,697,656	2,458,764

3.6 NOTES TO THE FINANCIAL STATEMENTS

Note 3.6.1 Number of staff

	2020	2019	2018	2017	2016
Full-time equivalents	8,005	8,040	7,872	7,825	7,853

Note 3.6.2 Intangible assets

DKK '000	Acquired concessions, patents, licences etc.	Total
Cost as at 1 January 2020	10,208	10,208
Additions	2,416	2,416
Cost as at 31 December 2020	12,624	12,624
Amortisation as at 1 January 2020	9,357	9,357
Depreciation for the year	783	783
Amortisation as at 31 December 2020	10,140	10,140
Carrying amount	2,484	2,484
Depreciation period/years	3	

Of the total carrying amount of DKK 2,484,000 DKK 206,000 is financed by donations, see note 3.6.6.

Note 3.6.3 Property, plant and equipment

DKK '000	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Property, plant and equipment under construction	Total
Cost as at 1 January 2020	776,151	1,586,440	101,144	285,092	126,238	2,875,065
Additions	3,343	78,577	4,696	22,895	71,825	181,336
Transfers	2,870	65,256	298	3,174	-71,598	0
Disposals	-1,276	-27,102	-1,741	-46,515	0	-76,634
Cost as at 31 December 2020	781,088	1,703,171	104,397	264,646	126,465	2,979,767
Amortisation as at 1 January 2020	210,835	1,113,219	51,967	254,378	0	1,630,399
Depreciation for the year	27,138	96,570	5,445	20,814	0	149,967
Depreciation on assets sold	-1,277	-26,474	-1,563	-46,514	0	-75,828
Amortisation as at 31 December 2020	236,696	1,183,315	55,849	228,678	0	1,704,538
Carrying amount	544,392	519,856	48,548	35,968	126,465	1,275,229
Depreciation period/years	10-50 years	5-20 years	5-30 years	3 years		

Of the total carrying amount of DKK '000 1,275,229, DKK '000 479,808 is financed by donations, see note 3.6.6.

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

Building value	415,835
Land value	73,066
Total public assessment	488,901
Property for which no separate public assessment has been made. Book value	3,400

Note 3.6.4 Provisions

DKK '000	FS 2020	FS 2019
Re-establishment commitments re. leasehold improvements	3,272	3,925
Limited tenures, mutually agreed departures etc.	18,897	15,719
Impairment loss on Student Self-Service (STADS)	11,000	11,000
Total provisions	33,169	30,644

Note 3.6.5 Mortgage debt

DKK '000	FS 2020	FS 2019
Long-term debt is repaid over the following periods		
Within one year	2,142	2,136
Between one and five years	8,525	8,532
After five years	3,943	6,086
Total mortgage debt	14,610	16,754

Loan no.	Property	Loan type	ISIN code	Currency	Interest rate (per cent)	Fixed/floating interest rate	Charges (per cent)	Interest-only	Principal amount (DKK mill.)	Outstanding debt (DKK mill.)	Expiry
4	Birk Centerpark, 7400 Herning	Mortgage loan	DK0009520876	DKK	0.0522	Floating	0.65	no	32.0	8.8	2026
5	Birk Centerpark, 7400 Herning	Mortgage loan	DK0009520876	DKK	0.0507	Floating	0.65	no	10.0	5.2	2034
6	Birk Centerpark, 7400 Herning	Mortgage loan	DK0009521338	DKK	0.01	Floating	0.65	no	1.2	0.6	2032

Note 3.6.6 Accrued donations

Distribution of accrued donations by asset types:

DKK '000	Acquired concessions, patents, licences etc.	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Non-current assets under construction	Total
Accrued donations 1 January 2020	623	84,945	269,462	24,721	11,172	55,367	446,290
Transfers	0	0	52,879	0	2,488	-55,367	0
Donations received	0	425	93,846	1,466	9,884	0	105,621
Donations recognised as income	-417	-5,812	-56,496	-1,108	-7,892	0	-71,725
Donations disposed of	0	0	-172	0	0	0	-172
Accrued donations 31 December 2020	206	79,558	359,519	25,079	15,652	0	480,014

Accrued donations recognised as revenues in the following periods:

Within one year	73,516
Between one and five years	219,431
After five years	187,067
Total accrued donations as at 31 December 2020	480,014

Note 3.6.7 Other prepayments

DKK '000	FS 2020	FS 2019
Prepayment of grants 2021 from the Danish Agency for Institutions and Educational Grants (SIU) and the Danish Agency for Higher Education and Educational Support (VUS)	326,543	335,799
Other prepayments	35,967	35,168
Total prepayments	362,510	370,967

Note 3.6.8 Use of funds for free places and scholarships in the period 1 September 2019 - 31 August 2020

USE				
	Number of students enrolled on fully or partly free places	Number of scholarship recipients	Use of free places (DKK '000)	Use of scholarships (DKK '000)
Rate 1	41	31	1,625	3,140
Rate 2	0	0	63	0
Rate 3	23	20	2,030	2,225
Total	64	51	3,718	5,365

FINANCIAL STATEMENTS

Year	Transferred from the Danish Agency for Institutions and Educational Grants (SIU) (DKK '000)	Retained earnings from international fee-paying students (DKK '000)	Use in the financial year (DKK '000)	Result (DKK '000)
2014	10,268		13,207	-2,939
2015	10,086		14,180	-4,094
2016	9,756	246	10,975	-973
2017	9,526	179	10,492	-787
2018	9,396	0	9,074	322
2019	9,097	0	8,563	534
2020	9,218	563	8,775	1,007

The surplus of DKK 563,000 transferred in 2020 comes from the now discontinued free place scholarship programme for "particularly talented students" and, by agreement with the Ministry of Higher Education and Science, it has been transferred to the free place scheme

Note 3.6.9 Scholarships for particularly talented students for the 2015, 2016, 2017, 2018, 2019 and 2020 financial years

Year	Number of scholarships	Subsidies from the Danish Agency for Institutions and Educational Grants (DKK '000)	Use in the financial year (DKK '000)
2015	0	1,200	0
2016	7	2,600	377
2017	11	1,200	1,150
2018	11	0	808
2019	4	0	36
2020	0	0	0

The scholarships expired in January 2019, and the project has now been closed. By agreement with the Ministry of Higher Education and Science, in 2020 the surplus of DKK 563,000 was transferred to the "ordinary free place scheme", see note 3.6.8.

Note 3.6.10 Aarhus University's total costs for student political activities and other student activities

DKK '000	FS2020	FS2019	FS 2018	FS 2017
Student sports activities and other student activities				
Student sports activities	877	879	898	898
Other student activities	22	7	1	6
Total student activities	899	886	899	903
Student political activities				
Student Council/Studenteraadet/Joint Student Council	1,447	1,468	1,449	1,177
Konservative Studenter	100	179	141	46
Frit Forum	142	138	144	144
Total student political activities	1,689	1,784	1,734	1,367
Total	2,588	2,670	2,632	2,270

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

Aarhus University engages in cooperation of a non-commercial nature with the Aarhus University Research Foundation, Incuba Science Park, CAPNOVA, Agro Business Park, Agro Food Park, the Danish University Extension, Constructive Institute, Studentarhus Aarhus, the 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 self-governing institution Sandbjerg Estate, Studenterhusfonden 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 31 December 2035.

The commitments are as follows:

DKK '000	Rental commitments
Within one year	150,886
Between one and five years	163,722
After five years	193,204
Total rental commitments	507,812

However, in contrast to previous years, SEA tenancy is not included in the calculation.

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 no sufficient basis for recognition.

Note 3.6.14 Contingent liabilities

Some employees have civil servant status, which means that Aarhus University is obligated to provide redundancy pay for up to 36 months if they are dismissed. The total maximum liability is DKK 49,186,000. The pension liability for civil servants has been covered by the ongoing payment of pension contributions to pension funds.

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

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

If the university chooses to discontinue the Department of Business Development and Technology or to discontinue the degree programmes offered at the department, the Ministry of Higher Education and Science will be entitled to an amount equivalent to the net transfer price at the time of the department's amalgamation with the university on 1 January 2006 of DKK 52,499,000, adjusted according to specific guidelines, including the difference in the market value of the buildings and the carrying amount. Partial discontinuation of the programmes would mean that the Ministry of Higher Education and Science would have a pro rata claim. The Ministry of Higher Education and Science may approve changes made to the programmes covered by the amalgamation on 1 January 2006 without the university being fully or partly liable to pay the adjusted net transfer price to the Ministry of Higher Education and Science.

Aarhus University must conduct research at the Villum Research Station in northeast Greenland until the contract expires on 1 January 2025.

At this time, Aarhus University will be subject to a re-establishment obligation if the Government of Greenland does not wish to renew the cooperation agreement, and if Aarhus University does not wish to conduct research at the station after this date.

This is not considered to be likely.

Note 3.6.15 Charges

Mortgage debt of DKK 14,610,000 is secured by way of mortgages on the university's properties with a carrying amount as at 31 December 2020 of DKK 52,913,000

Note 3.6.16 Equity investments

DKK '000				
Aarhus University has ownership interests in the following companies:		Investment and acquisition		
Company	2020	Accumulated	Total company share capital (nominal amount in DKK)	AU's ownership share in %
SIMHERD A/S		145	500	29.00
TEGNOLOGY ApS		34	267	12.90
Pleuratech ApS		5	125	3.84
Cercare Medical A/S		2	475	0.51
Brincker Dynamics ApS		8	80	10.00
Methyl Detect		13	50	25.40

Equity investments are recognised in the financial statements at DKK 0. The university had no revenues or expenses in 2020 relating to the above companies following their formation.

Note 3.6.17 Overview of accumulated result for income-generating activities

DKK '000		2020	2019	2018	2017	2016
Income-generating activities	Revenues	126,134	130,339	131,474	145,623	132,222
	Costs	-113,251	-118,587	-123,236	-134,517	-126,735
	Profit/loss	12,883	11,752	8,238	11,106	5,487
*) Accumulated results DFS 2: Income-generating activities		142,666	129,784	118,032	109,793	98,688

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

Note 3.6.18 Managerial salaries - board

DKK '000		
Managerial salaries, board	2020	2019
Number of external board members	6	8
Remuneration paid to the chair	260	277
Total remuneration paid to other external members	433	426

4. APPENDICES

4.1 OVERVIEW OF ACTIVITY TYPES (DIVISIONAL FINANCIAL STATEMENTS)

DKK mill.		2020	2019	2018	2017
DFS 1: General activities	Revenues	4,622	4,552	4,499	4,498
	Costs	4,635	4,513	4,511	4,443
	Profit/loss	-13	39	-12	55
DFS 2: Income-generating activities	Revenues	126	130	131	146
	Costs	113	119	123	135
	Profit/loss	13	12	8	11
DFS 3: Forensic medicine	Revenues	51	50	47	46
	Costs	51	49	46	46
	Profit/loss			2	
DFS 4: Grant-financed research	Revenues	1,884	1,922	1,813	1,760
	Costs	1,884	1,923	1,813	1,760
	Profit/loss				
DFS 5: Other grant-financed activities	Revenues	115	136	137	140
	Costs	115	136	137	139
	Profit/loss				1
DFS 6: Educational Research	Revenues	2	1	2	
	Costs	2	1	2	
	Profit/loss				
All divisional financial statements			51	-2	68

4.2 FINANCIAL HIGHLIGHTS

No.	Financial highlights	2020	2019	2018	2017	2016
	Revenues, DKK mill.					
1	Education	1,909	1,882	1,941	1,952	1,980
2	Research	2,120	2,093	2,091	2,037	2,012
3	External funding	2,178	2,239	2,130	2,091	1,988
4	Research-based public sector consultancy services	187	188	183	184	189
5	Basic grants	101	123	52	85	39
6	Other income	201	257	206	225	235
	Costs in DKK mill. broken down by purpose					
7	Research	3,494	3,507	3,427	3,320	3,159
8	Education	2,198	2,238	2,223	2,203	2,111
9	Research dissemination and knowledge exchange	215	216	189	251	277
10	Research-based public-sector consultancy	425	420	416	412	369
11	General management, administration and service	345	320	321	286	298
	Staff (full-time equivalents)					
12	Academic staff	4,175	4,129	4,009	3,902	3,918
13	Part-time academic staff	341	367	377	397	436
14	Technical/administrative staff	3,489	3,544	3,486	3,526	3,499
	Balance sheet					
15	Equity, DKK mill.	909	958	907	915	847
16	Balance sheet, DKK mill.	5,266	4,791	4,438	4,320	4,155
17	Buildings, total (gross area in m²)	700,848	707,642	685,770	695,132	675,216
	Activity and production information					
	Students					
18	Number of admissions to Bachelor's degree programmes	7,187	6,815	7,018	6,989	7,219
19	Number of admissions to Master's degree programmes	5,771	5,925	5,898	5,767	5,846
20	Number of students enrolled as at 1 October	33,381	33,020	33,112	33,120	34,497
21	Student FTE production	26,475	26,521	26,317	26,842	26,867
	Graduates					
22	Number of Bachelor's degree graduates	4,653	4,625	4,512	4,368	4,914
23	Number of Master's degree graduates	4,987	5,045	5,203	5,917	6,072
	Open and part-time degree programmes					
24	Number of active full-time equivalents	834	958	1,030	1,142	1,211
25	Number of professional Master's and diploma degree programme graduates	559	594	743	713	701
	Internationalisation					
26	Number of outgoing students (exchange students)	1,390	1,988	2,005	1,748	2,021
27	Number of incoming students (exchange students)	636	996	1,090	1,055	1,004
28	Number of foreign exchange students on full programmes in Denmark	2,717	2,790	2,962	2,913	2,959
	PhD programmes					
29	Number of PhD students enrolled	1,840	1,798	1,813	1,798	1,781
30	PhD student intake (new PhD students)	549	491	490	507	473
31	No. of approved PhD dissertations	459	455	417	452	497
	Research and dissemination results					
32	Number of publications (bibliometric indicator)	6,854	6,949	6,605	5,823	5,709
33	Reported patents	28	20	24	19	17
34	Reported inventions	75	80	68	54	71
35	Number of projects with business and industry	2,616	2,713	2,474	2,358	2,600
36	Number of external projects	5,045	5,038	4,699	4,720	5,008
37	Revenues from cooperation with business and industry, DKK mill.	831	790	690	574	494

No.	Financial highlights	2020	2019	2018	2017	2016
	Accounting key figures					
38	Profit margin	0 %	0.76 %	-0.04 %	1.03 %	3.12 %
39	Liquidity ratio	128.26 %	129.65 %	132.37 %	130.76 %	129.05 %
40	Solvency ratio	17.27 %	19.99 %	20.43 %	21.18 %	20.39 %
41	Funding ratio	1.15 %	1.35 %	1.62 %	1.80 %	1.98 %
42	Debt factor	0.21 %	0.25 %	0.28 %	0.32 %	0.36 %

5. SINO-DANISH CENTER FOR EDUCATION AND RESEARCH

The Sino-Danish Center for Education and Research (SDC) entered 2020 with a recently adopted new strategy and an ambition to develop and strengthen collaboration between the parties involved. At the start of the year, when SDC celebrated its 10th anniversary, there were ambitious plans for initiating new activities and initiatives. Then Covid-19 struck! First in China and later in Denmark and the rest of the world.

The Covid-19 outbreak in China at the beginning of 2020 led to lockdown at UCAS by the Chinese authorities, as in all other educational institutions in China. The lockdown also included the SDC building, which is located on the UCAS Yanqihu campus, and therefore, at short notice, the SDC had to reorganise all educational activities for online teaching. Since then, the Chinese government has closed the country's borders, which meant that only a few Danish researchers and teaching staff were in China in 2020, and of course this challenged the collaboration, but did not put it at a standstill.

The transition to online teaching in both the spring and autumn semesters was a major upheaval in the students' daily lives. Building up an online study environment has therefore been a focus area for the SDC throughout 2020. This initiative was carried out in close collaboration with the researchers behind the SDC's pedagogical unit SMILE (Study Milieu and Intercultural Learning), the purpose of which is to help maintain a good study environment to benefit students, researchers and teaching staff.

In autumn 2020, the Danish SDC board launched an evaluation of SDC's programme portfolio, with particular focus on the possibility of strengthening the recruitment of Danish students to SDC's Master's degree programmes. The evaluation is being conducted by an external working group, which is expected to submit a report and a number of recommendations to the SDC board in spring 2021.

Even though the planned celebration of SDC's 10th anniversary in June had to be cancelled, the milestone was still observed with a large online event in December, when the SDC launched its *SDC International Report 2020: Cooperating for Energy Transition*. The publication is the SDC's most comprehensive interdisciplinary publication to date, containing 17 peer-reviewed articles written jointly by Danish and Chinese researchers, and with the celebration of the 10th anniversary, it was marked with a large academic symposium arranged in collaboration with Innovation Centre Denmark in Shanghai.

In 2020, 36 full-time students were enrolled from the Danish side on the SDC's Master's degree programmes, including the Master's degree programme in International *Food Quality and Health*, which enrolled students for the first time. All SDC research areas now have associated Master's degree programmes.

In the PhD area, in 2020 the Danish SDC secretariat provided co-financing for the launch of 31 new PhD courses divided between the current six research areas: Water and Environment, Sustainable Energy, Nanoscience, Social Sciences, Life Sciences, and finally Food and Health.

2020 also included replacements on the Danish SDC board. Professor Dana Minbaeva (CBS) replaced long-time board member Professor Kjeld Erik Brødsgaard, whose period on the board expired, while the former dean of UCPH Science, Professor John Renner Hansen joined the board instead of Emeritus Professor Niels Overgaard Andersen (UCPH).

THE SINO-DANISH CENTER FOR EDUCATION AND RESEARCH
 INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2020
 BALANCE SHEET AS AT 31 DECEMBER 2020

DKK '000				
Note	Income statement		FS2020	FS2019
	Ordinary operating income			
	Grants for own operation from the Danish Finance Act		34,389	33,560
	External funding		30,300	30,000
	Total ordinary operating income		64,689	63,560
	Subsidies transferred to Danish universities		45,355	58,034
	Subsidies transferred to China		0	610
	Total funds transferred		45,355	58,644
	Ordinary operating costs			
	Consumption costs			
	Rent		437	495
	Other consumption costs		0	41
	Total consumption costs		437	536
	Staff costs		8,061	7,782
Note 1	Other ordinary operating costs		2,142	2,295
	Depreciation, amortisation, write-downs and impairment losses		92	123
	Total ordinary operating costs		56,087	69,380
	Profit/loss for the year		8,602	-5,820

Balance sheet				
Assets				
	Current account with AU		64,152	55,550
	Total assets		64,152	55,550
Equity and liabilities				
	Balance carried forward 2019		55,550	61,370
	Funds paid by partners 2020		64,689	63,560
	Use of funds paid by partners 2020		-56,087	-69,380
	Funds available for future activities, end of 2020		64,152	55,550
	Total equity and liabilities		64,152	55,550

Note 1: The Danish Industry Foundation has awarded DKK 9,000,000 to complete the House of the Danish Industry Foundation in Beijing. In 2020, DKK 131,000 of this grant was used.

COLOPHON

Annual Report 2020

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Aarhus University

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

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

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

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