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# 2012 ANNUAL REPORT



AARHUS UNIVERSITY



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# 1. REPORT FOR 2012

## Introduction

Aarhus University is an academically diverse and strongly research-based institution giving a high priority to its social responsibilities and to addressing the major challenges facing society. Aarhus University is constantly working to improve the contribution it makes to society, even if this does not always provide short-term economic gain. Everything the university does must be based on high-quality research, and its degree programmes must be developed so that Aarhus University graduates can venture out and play an active part in today's knowledge society.

It is important that the recession which is still affecting many of the world's economies does not weaken the institutions on which society rests. An open knowledge society cannot develop without good education for all, and therefore healthy universities are a *sine qua non*. Quality requires highly skilled and competent individuals, and they need the time and space to mature and develop. For universities, time – a lot of time – and patience are essential. Without the necessary time and space, high quality is soon replaced by mediocrity.

Aarhus University is one of the top 100 universities in the world, and looking only at the "young" universities, those founded less than 100 years ago, Aarhus University is among the top 10. However, it is important to note that the quality of a university cannot be expressed in a single figure. At present, Aarhus University has 43,000 students, 11,000 employees and a budget of more than DKK 6 billion, and it is home to a wealth of diverse activities. All this cannot be quantified or measured without losing sight of much of what is key to a thriving university life. That said, the university's advancement in the rankings since they were first published some years ago is indeed positive.

Aarhus University remains dedicated to strengthening the internationalisation of its research and educational activities, while

at the same time consistently increasing its involvement with the global university community. For example, Aarhus University is taking part in the global capacity building of universities in the developing countries via the joint Danish Building Stronger Universities project; also, it is cementing its close cooperation with the strongest four Chinese universities, Peking University, Tsinghua University, Fudan University and Harbin Institute of Technology.

In 2011, Aarhus University launched a comprehensive change process known as The Academic Development Process, which in 2012 involved virtually all staff and students. The change process has involved restructuring the organisation, management, physical structure, administrative services etc., and the university is noting strong interest from leading universities worldwide wanting to learn more about the experience gained by Aarhus University from the extensive reform process. The implementation of the changes is now so far advanced that all the major changes have been effected, and the university is now entering a consolidation phase.

Results are beginning to materialise in both the academic and administrative fields. In 2012, the university established a number of new interdisciplinary centres in widely different academic areas. The centres ensure the interdisciplinary approach to research and education which is necessary in order to tackle the huge challenges facing the global community. In 2012, the university also invested large sums in two special initiatives to support talent development and new research ideas, AU Ideas and the Aarhus Institute of Advanced Studies (AIAS), which recruits fellows internationally and within all subject areas.

The university has established four advisory AU fora, which advise on the university's core activities, and the first meetings have been held. The pan-university bodies which – under the management of a dean and with contributions from the vice-deans within the four main academic areas – manage the work within the four

strategic core activities have established a regular and constructive working method. The pan-university bodies have assumed a key responsibility for and have been heavily involved in preparing the new strategy for the 2013-2020 period.

At the new departments, the daily routines and working relationships are almost in place. Integrating the new, larger and academically more diverse departments has been a challenging task for the many new heads of department, as has been establishing appropriate departmental structures to support the departments' discharge of their duties at the university. Valuable contributions have come from the strategy process which kicked off in autumn 2011 and which was largely based at the newly formed departments. However, cultural differences and different working conditions still exist at the departments. These differences date back to the pre-merger days and are becoming particularly apparent now that staff from what were formerly separate units are starting to work together in the new and merged departments. The issue is being addressed, and joint staff rules and systems are being established.

Some systems are still not in quite in place and are subject to ongoing adjustment and development. Even though the workplace assessment conducted in November 2012 shows that the transformation has put a considerable strain on the staff, it is important for the legitimacy and follow-up on the survey that unions and staff members have played an active and constructive role throughout the process. The workplace assessment, which identifies a number of serious problems, is giving rise to a range of initiatives and local action plans. In addition to the problems pinpointed by the workplace assessment, several other issues remain to be addressed. The most important of these relate to the implementation of IT systems, consolidation of data, establishment of close working relations between front-office functions and departments, consolidation of the Navision financial system, completion of the new financial model and the establishment of a safe internal communication strategy. They are all being addressed successively based on stringent portfolio management. At the end of the year, a seminar was held for, among others, all deputy directors, administrative managers and heads of department. Even though a number of outstanding problems were raised, many participants were appreciative of the level of administrative support which they receive.

1 January 2012 saw the merger of Aarhus University with the Engineering College of Aarhus (IHA), which is now an integrated part of Science and Technology. The merger followed many years of preparation under the auspices of the Aarhus School of Engineering, a partnership between the two institutions in the field of engineering studies. With more than 2,000 students, about 200 staff and revenue of almost DKK 200 million, the Engineering College of Aarhus contributes to strengthening the university's research, education, talent development and knowledge exchange with the business community within the field of engineering.

In 2012, Aarhus University worked on a new strategy, which confirms and strengthens the university's commitment to the course that it has already set. The new strategy is based on Aarhus University's Strategy 2008-2012 and the objectives of The Academic Development Process. The strategy consolidates the university's commitment to society and desire to be a university both for the many and for the few. In the course of 2012, the strategy was discussed at all levels of the organisation, among other things through a consultation of staff and students. The strategy covers the 2013-2020 period, and focuses on three strategic priorities. The first priority is basic research and core academic disciplines of the highest quality that will generate international research breakthroughs and be combined to produce new interdisciplinary research. The second priority is solid research-based degree programmes for all students combined with supplementary academic activities and challenges for the most talented and motivated students, while the third priority is internationalised teaching and research programmes that contribute to the high concentration and mobility of talent at all levels. The strategy intensifies and elaborates on the existing strategic objectives set out in the strategy for the 2008-2012 period and which have subsequently been reported on. As part of the many analyses and discussions in connection with the development and implementation of the new strategy, the main academic areas and departments have worked and will be working with the status, challenges and possibilities within the individual strategic areas. The implementation thus creates a smooth transition between the two strategy periods, and the report for 2012 is modelled on the structure of Aarhus University's Strategy 2008-2012.

In 2012, Aarhus University – like the other Danish universities – entered into a new development contract with the Ministry of Science, Innovation and Higher Education. The development contract covers the 2012-2014 period and comprises seven goals, of which the first four are decided by the Danish Minister for Science, Innovation and Higher Education and the last three by Aarhus University. For each goal there are one or two indicators, equating to a total of twelve indicators. Considerable attention is given to the educational activities, with half of the indicators measuring issues such as completion times, student satisfaction and employment rates. However, the development contract sets out goals for all the university's four core activities. Research must be measured based on publication impact and the ability to attract funding from foreign sources, while the ability of Aarhus University's interdisciplinary centres to attract funding is a separate goal in the development contract. As regards knowledge exchange, Aarhus University undertakes to strengthen further and continuing education and to increase the number of partnership agreements with society, while talent development is measured based on PhD employment rates. It is a clear and concise development contract, which is also ambitious in terms of both the choice of goals and the determination of specific targets. The development contract was the result of an internal process in which the academic councils, the Main Liaison Committee, student unions, the pan-university bodies and the deans were all consulted.

In spring 2012, Aarhus University received a visit from the Danish Agency for Universities and Internationalisation as part of the agency's third round of annual inspections of the Danish universities. The inspection resulted in a comprehensive report about Aarhus University which, in the words of the report, "paints a picture of Aarhus University as a well-run university which is developing positively within all the university's core activities and also regarding the extension of the facilities at the university. Generally speaking, Aarhus University is fulfilling the requirements and following the guidelines which have been laid down for Danish universities."

### Excellent research

In connection with the Danish Presidency of the Council of the European Union in 2012, Aarhus University hosted the presidency's conference on excellence in research. At the conference, leading representatives of the research community and European research policy discussed the importance of quality in research and development. The outcome of the conference was the Aarhus Declaration, which describes a number of preconditions for promoting excellence. They concern, first and foremost, trust and freedom for researchers, and taking a long-term perspective in funding and evaluating the success or impact of research. Finally, the Aarhus Declaration points to the importance of research beyond and across disciplines, of recognising and nurturing talents and of state-of-the-art research infrastructure. Excellence in research is the guiding principle and the object of all research activities at Aarhus University.

### *Modern and attractive research infrastructure*

In 2012, it was decided that Aarhus will be home to another unique research infrastructure – a particle accelerator for the modern and gentle treatment of cancer patients. This followed from the Danish Ministry of Health's decision that Aarhus University Hospital should host the Danish National Center for Particle Radiotherapy. The particle therapy facility is expected to cost approx. DKK 770 million, including a building for DKK 295 million and equipment to the tune of DKK 475 million. Construction will commence in 2013, and the first patient will start treatment in 2017.

Particle therapy is high-precision radiation therapy which makes it possible to deliver higher radiation doses to tumours, while at the same time minimising radiation of healthy tissue. This increases the chance of eliminating all cancer cells with minimum damage to the surrounding tissue, which will be particularly beneficial to children. The long-term vision of the Danish National Center for Particle Radiotherapy is to become a world-leading centre for cancer research and treatment using particle-based radiation therapy. The Danish Ministry of Health made its decision following a recommendation from a panel of five international experts who unanimously recommended Aarhus.

The decision to establish the Danish National Center for Particle Radiotherapy in Aarhus is the most recent example of the very close and fruitful collaboration which has been established bet-

ween Aarhus University and the Central Denmark Region. Thus, in 2012 Aarhus University Hospital was named the best hospital in Denmark for the fifth consecutive year by the independent Danish specialist newspaper on healthcare-sector news, Dagens Medicin. Aarhus University Hospital was best in Denmark in 28 out of 35 medical specialities.

2012 also saw the inauguration of the ASTRID2 particle accelerator. ASTRID2 represents a further development of the ASTRID accelerator which was inaugurated in 1991. ASTRID2 works by accelerating electrons to near-light speed, whereby very intense short-wave light is emitted, and with ASTRID2 researchers can study the microscopic world more closely and in far greater detail. This brilliant light – the synchrotron radiation – is used by the researchers to analyse everything from biological systems to atomic-scale nanotech interconnections.

Since 1991, the Centre for Storage Ring Facilities (ISA) has established a world-leading academic environment, which over the years has attracted physicists, physicians and biologists from all over the world. ASTRID is an example of how important it is to have unique and modern research infrastructures which can strengthen the academic environment and attract researchers and collaboration partners from the whole world.

In 2012, the first digital laboratory (DigHumLab) within the humanities and the social sciences was inaugurated by the Danish Minister for Science, Innovation and Higher Education, Morten Østergaard. The laboratory improves the possibilities for promoting access to digital research resources, the development of research tools and the use of digital teaching resources. The Danish Ministry of Science, Innovation and Higher Education has granted funding of DKK 30 million to the national consortium behind DigHumLab. The laboratory is sited at Aarhus University.

In 2012, Aarhus University signed an agreement with Hvide Sande Skibs- & Baadebyggeri on the construction of a new research vessel. The vessel is the first newly constructed Danish research vessel for more than 30 years. It will be approx. 28 metres long and accommodate 14 people on science missions lasting up to ten days. The new vessel, which is expected to be launched in 2014, will enable researchers to better investigate and understand marine ecosystems, thus benefitting all Danish oceanographers and oceanography students. The vessel can carry very sophisticated research equipment, thereby opening up new possibilities for marine research at Aarhus University. The total budget is DKK 40 million, of which DKK 30 million comes from the Danish Agency for Science, Technology and Innovation.

### *Five new interdisciplinary centres*

Aarhus University has a long tradition of conducting interdisciplinary research. Since 2001, the Interdisciplinary Nanoscience Centre (iNANO) has brought together researchers from the fields of chemistry, physics and molecular biology to find new solutions within medicine, durable materials and energy storage. Since 2009,

researchers from the fields of philosophy, theology, music, psychology, business and the health sciences have studied the brain under the auspices of the MINDlab centre. Many other examples of interdisciplinary research involving researchers and research groups from across the university could also be mentioned.

For the universities to contribute even more to solving the huge challenges facing society, the academic environments must to a much larger degree work together on joint projects. Consequently, Aarhus University decided in 2011 to allocate funding to a number of new interdisciplinary centres. 2012 saw the establishment of five new interdisciplinary centres with total funding of DKK 125 million over a five-year period. The centres bring together excellent researchers from widely different academic fields. Academic environments of a high quality are the cornerstones of the university, and the various subject areas are absolutely key to delivering interdisciplinary research of a high quality.

The five new centres and centre directors (names in brackets) are: Centre for Arctic Research (Professor Søren Rysgaard, Department of Bioscience), Centre for Integrative Sequencing – iSEQ (Professor Anders Børghlum, Department of Biomedicine), Centre for Integrated Register-based Research (Professor Preben Bo Mortensen, Department of Economics and Business), Interacting Minds Centre (Professor Andreas Roepstorff, Department of Culture and Society) and Participatory Information Technology Centre (Professor Susanne Bødker, Department of Computer Science, and Professor Kim Halskov, Department of Aesthetics and Communication).

The decision to establish the interdisciplinary centres followed in the wake of a comprehensive process aimed at assessing the research potential and guaranteeing quality. The applications from the centres had to outline their research idea, the planned interdisciplinary collaboration and the centre organisation and management. All applications have been subjected to international peer review and assessed by two to three international experts within the relevant scientific fields.

#### *Prizes and large grants*

Competing with researchers from Denmark, Europe and the rest of the world, researchers at Aarhus University were again awarded very substantial amounts of funding and many research prizes in 2012.

In 2012, a grant of DKK 60 million was received from TRYGFonden for a research centre focusing on the well-being of children. Professor Michael Rosholm from the Department of Economics and Business will be heading the centre, which in the coming years will conduct research into a range of different age groups, developmental stages and competencies, looking at small children in daycare institutions as well as young people in youth education or at the start of their working lives. The centre will gather knowledge on what works and what does not work with respect to enhancing the well-being of children and young people.

Is schizophrenia preventable, and does the same medicine work for all ADHD sufferers? These are questions that a unique research project, the Lundbeck Foundation's Initiative for Integrated Psychiatric Research (iPSYCH), will be looking at. The DKK 121 million grant from the Lundbeck Foundation is the largest grant ever awarded for psychiatric research in Denmark. Professor Preben Bo Mortensen from the Department of Economics and Business is Scientific Director of iPSYCH. The project involves leading researchers within psychiatry, genetics and register-based research as well as collaboration with Statens Serum Institut, Beijing Genomics Institute (BGI), deCode Genetics from Iceland and the Genetic Biobank of the Faroes.

In 2012, three researchers from Arts received total funding of DKK 17 million from the Velux Foundation. Associate Professor in Linguistics Peter Bakker will be studying the world's newest languages, the so-called creoles. Associate Professor in Philosophy Johanna Seibt will investigate social robots and human self-understanding, while Associate Professor in European Studies Hagen Schulz-Forberg will, from a history of ideas perspective, study the principal ideas that have shaped the conceptions of economic thinking concerning the social domain from the 1930s through to the present day. The project "Humanomics – mapping the dynamics of the humanities" was also initiated in 2012 based on a grant from the Velux Foundation. A research group headed by Frederik Stjernfelt will map all the scientific disciplines in the humanities in Denmark and provide an overview of the methods and norms applied by the disciplines to produce new knowledge.

Out of six Niels Bohr professorships awarded by the Danish National Research Foundation, two went to Aarhus University, or more specifically to Professor in Anthropology Anna Lowenhaupt Tsing and Professor in Geology Charles E. Lesher, both from the University of California. Anna Lowenhaupt Tsing will be affiliated with the Department of Culture and Society for a five-year period. She will be working with researchers from, for example, the fields of bioscience, psychology and anthropology on a project which aims to describe what geologists call the Anthropocene age. Charles E. Lesher has also been appointed to a five-year professorship, at the Department of Geoscience; together with a number of the department's own researchers, he will conduct research into petrology and the material fluxes on the surface of the Earth, focusing on a study of types of volcanic rock from Greenland and the North Atlantic.

Aarhus University was also hugely successful in attracting funding from the European Research Council (ERC) in 2012. The university was awarded two Advanced Grants 2012, one for Professor with special responsibilities Jeffrey Hangst from the Department of Physics and Astronomy, and one for Professor Henrik Stapelfeldt from the Department of Chemistry. In addition, four researchers received the so-called Starting Grants. They were Associate Professor Hans Fynbo, Department of Physics and Astronomy, Associate



Professor Thomas Bataillon, Bioinformatics Research Centre (BiRC), Professor Jens-Christian Svenning, Department of Bioscience and Professor Mads Meier Jæger, Department of Education.

In 2012, Dr Klaus Mølmer, Professor of Physics, received the largest Danish research prize, the Villum Kann Rasmussen Annual Award for Technical and Scientific Research of DKK 2.5 million. This is the third time in four years that the award goes to a professor at Aarhus University. The award is presented each year to a Danish researcher in recognition of outstanding achievement.

Among many other awardees at the university, Kim Halskov from the Centre for Advanced Visualization and Interaction was awarded the prize as Business Researcher of the Year, while Flemming Besenbacher received the highest academic award in China for his collaboration with the Chinese Academy of Sciences (CAS). Finally, Professor of Computer Science Lars Arge was named an ACM Fellow. ACM is the largest and most highly respected professional organisation in computer science.

### High-quality education

#### *A good study environment*

It is the objective of Aarhus University to create an attractive study environment for all students. In addition to being an objective in itself, a good study environment is also an important precondition for students completing their studies. Academic integration in particular, but also social integration have a bearing on drop-out rates. In 2012, Aarhus University continued a number of study environment projects, and also launched a number of new projects with a view to improving student integration via both the academic and social study environments at the university. For example, in 2012 the university established and developed a number of student counselling services, including online information sites designed for students with personal problems and in need of support, chat counselling, guidance interviews and increased focus on the period surrounding the start of studies for both Bachelor and Master's degree students.

#### *Application and admission*

In 2012, Aarhus University received more than 24,000 applications from prospective Bachelor degree students, testifying to the consistently strong interest in studying at the university. The university's total student intake stabilised relative to 2011 with a total of 7,256 new Bachelor degree students and 4,598 new Master's degree students being admitted. With an intake of more than 7,000 students, Aarhus University is making a positive contribution to the Danish government's target of 60% of a youth year group completing a higher education programme.

The merger with the Engineering College of Aarhus meant that the university welcomed 677 new engineering students to the main academic area Science and Technology. The Bachelor in Information Technology, Bachelor in Mechanical Engineering and Bachelor in Healthcare Technology programmes were particularly popular among the new engineer students. At Science

and Technology, the programmes in Geology, Mathematics, Mathematics-Economics and Agriculture, Food and Environment also saw an increase.

Globalisation clearly influenced applicants' wishes in 2012, as Chinese Studies, Japanese Studies and South Asia Studies as well as several of the European culture and language studies were popular programmes at Arts. Finally, almost all programmes at Aarhus University with restricted admission such as Medicine, Odontology, Law and Psychology filled all their places. A new initiative at Aarhus University in 2012 was the offering of 30 extra Social Science/Political Science places, which were also filled.

#### *Internationalisation*

The university has devised a concept for admitting foreign students that will improve the basis on which the students choose their degree programmes, and the university has made efforts to develop incentives designed to encourage Danish students to do parts of their programmes at the best foreign universities. In addition to the numerous stays abroad by Aarhus University students around the world, in 2012 the university hosted 3,300 international students on full programmes and 1,200 students who visited for a semester. AU Summer University also saw a marked increase in the number of foreign students.

#### *Match between students and labour market*

The Danish government has started to focus on creating a better match between the students' competencies and the needs of the labour market for highly educated labour with broad skills that go beyond general academic qualifications. In line with this, in 2012 Aarhus University concentrated on ensuring a better match between the students and the demands of society through several activities, for example a seminar organised by Health, which primarily presented and discussed the challenges, results and effects of admission tests in Denmark. As a follow-up, the trialling of a number of different admission procedures to degree programmes at Health is being considered. In general, the relevance of the degree programmes is discussed and assessed by the employer panels and advisory boards. The annual employment surveys which are conducted by the university are an important tool in this respect.

In 2012, Aarhus University also analysed how the university's Bachelor students admitted via quota 2 perform in relation to students admitted via quota 1. In general, there was a lot to suggest that clarity about the job possibilities for graduates from the various degree programmes is important for retention. Aarhus University is therefore working to make this clearer for students in various ways.

#### *Educational IT*

It is one of Aarhus University's basic premises that the latest technology should be used to support teaching, learning and research. In 2012, Aarhus University continued the work with its strategic "Educational IT" project, which was launched in 2011. The purpose is to supplement the physical learning space with



virtual learning spaces, and to gear the university to catering for the modern media-oriented student and ensuring more student-centred teaching as well as the development of new teaching methods. A decision was made in 2012 to invest in a powerful joint technological platform, or Learning Management System (LMS). In this connection, Aarhus University conducted an EU tender, which resulted in the purchase of Blackboard. Aarhus University has established an implementation committee for "Educational IT" which – through the broad participation of the pedagogical units, Aarhus University Library, AU IT, AU Communication and AU Studies Administration – is ensuring that the project is integrated across the university. To ensure the best possible match between user needs and wishes and the new system, users are being involved through user panels.

#### *High-quality programmes*

Aarhus University has laid down a policy for quality work within the educational area to support, further develop and document the high level of quality of its research-based degree programmes. During 2012, the university put targeted efforts into revising this quality policy. The work has been coordinated by a working group with representatives from the management, boards of studies, main academic areas as well as the students.

The purpose of the quality policy is to establish a common set of core values for the quality work within the educational area for the entire university and across the different levels and main academic areas. The policy sets out the university's overall vision as well as principles for the quality work and a number of quality objectives.

#### *Evaluation ensures optimum learning outcomes*

In connection with the quality work, at the end of 2012 the Education Committee appointed a working group tasked with drawing up a proposal for common goals for systematic teaching evaluations which recognise the various evaluation cultures, teaching methods and educational objectives. The teaching evaluations should largely be seen as a tool for the individual teachers to continue and develop their good teaching practices, while it must also be possible to tailor the tools which are made available in connection with the evaluations to the needs that may emerge when evaluating individual courses. The working group is expected to complete its work by mid-2013.

#### *Interdisciplinarity in degree programmes*

In 2012, Aarhus University intensified its work with interdisciplinarity in its degree programmes. Interdisciplinarity helps to give graduates, together with a strong academic identity, a broad qualification profile which enables them to help solve the major challenges facing society, now and in the future. In September 2012, the senior management team and the four main academic areas held meetings at which they focused on developing the interdisciplinary education profile at Aarhus University. Among other things, the meetings resulted in interdisciplinarity being included as a core element at AU Summer University 2014. As an

example of interdisciplinarity in the degree programmes, in 2012 Aarhus University developed a new Master's degree programme in Neuroscience and Neuroimaging, which combines technical engineering and neurology.

#### **Targeted talent development**

Global competition to attract the brightest research talents has intensified. It is vital that Aarhus University is able to attract the best researchers, and in 2012 the university, inspired by some of the best international universities, developed a "tenure track" model for recruiting academic staff in situations where there is intense competition for or between strong candidates. Tenure track positions are time-unlimited appointments at assistant professor level at a department with the possibility of transition to a permanent position as associate professor following a satisfactory academic assessment of research and teaching results.

In 2012, 1,900 PhD students were attached to Aarhus University, with 370 completing their doctorates during the year. The Danish PhD initiative, which in the space of a few years has doubled the number of PhD students at universities in Denmark, is not just designed to ensure highly educated and well-qualified academic employees at universities but will also help to raise the general level of knowledge within the public and private sectors. In 2012, Aarhus University's career centre started offering career guidance for the university's PhD students, and extra resources were allocated to strengthen the career centre's relations with potential employers of trained researchers.

#### *Talent prizes*

In the course of the year, several PhD students at Aarhus University were awarded a number of distinguished prizes in recognition of their special efforts and talent. For example, in 2012 three PhD students were presented with EliteForsk travel grants of DKK 300,000 each by the Danish Minister for Science, Innovation and Higher Education Morten Østergaard. The students were 28-year-old PhD computer science student Ian Zerny, 24-year-old Peter Arendorf, who is doing an economics PhD, and 31-year-old Søren Dinesen Østergaard, who is doing a PhD in medicine. The three PhD students have chosen to use their prizes to forge new international networks through studying abroad; Ian Zerny is visiting the School of Computer Science at Carnegie Mellon University, Peter Arendorf is visiting the Department of Economics at Harvard University, and Søren Dinesen Østergaard is visiting the Center for Psychopharmacologic Research and Treatment at the University of Massachusetts and Zucker Hillside Hospital at Yeshiva University. Another prestigious prize, the Danish Academy of Natural Sciences' PhD prize, was awarded in 2012 to Dorthe Ravnsbæk from iNANO and the Department of Chemistry for her doctoral dissertation.

#### *Aarhus Institute of Advanced Studies*

Aarhus Institute of Advanced Studies (AIAS) is a new initiative for promoting independent research at the highest level by attracting talented researchers from around the world within all disciplines.

AIAS is a fellowship programme that gives international researchers and researchers from Aarhus University the opportunity to dedicate themselves to excellent research projects for a specified period of time. The programme was developed in 2012, and the first researchers recruited. At the same time, impressive new facilities are being created for the department at Høegh-Guldbergs Gade 6b, where the AIAS researchers will be based. In future, AIAS fellows will participate in joint activities, and the department will serve as a venue for research activities and international conferences, initiated by the fellows and the department itself. AIAS Director is Professor Morten Kyndrup, who took up his position on 1 January 2013. The first fellows take up their positions on 1 June 2013, and AIAS officially opens on 13 June 2013.

#### *Partnership with Edinburgh University*

Aarhus University is taking active steps to ensure excellence in European doctoral training. AU has therefore started working closely with the University of Edinburgh to put the subject on the European agenda. Against this background, a number of specially invited participants from European universities, university organisations, the European Commission and research bodies were invited in September 2012 to a high-level dialogue on Excellence in European Doctoral Training in Aarhus. The meeting resulted in a range of concrete recommendations which Aarhus University and the University of Edinburgh are now working to implement as common European standards. The first important step in this work is that the two universities have agreed to work together on developing a model for "Excellence in European Doctoral Training". Initially, the partnership will result in the establishment of a joint PhD pilot programme starting in 2013 and a conference in Edinburgh at the end of 2013, and both universities have allocated funding for three PhD fellowships for the PhD pilot programme. The long-term ambition is that funding will be made available for financing a full-scale joint PhD programme.

#### **Inspiring consultancy and knowledge exchange**

Aarhus University focuses on practising knowledge exchange through relationships characterised by equality and based on the university's research strengths, and the university's knowledge exchange covers a broad spectrum of activities.

#### *From basic research to commercialisation*

In 2012, Aarhus University produced an outstanding example of basic research leading to commercial results as the sale by the biotech company Action Pharma of the drug candidate AP214 – a potential drug against acute kidney failure – to the American healthcare group Abbott for DKK 623 million builds on ten years of basic research in biomedicine at Aarhus University. The sale was so big that it caught the attention of the biotech industry in both Denmark and abroad. The establishment of Action Pharma in 2000 was based on the basic research by Professor Søren Nielsen and Professor Jørgen Frøkiær's research groups at Aarhus University into the significance of aquaporin water channels for regulation by the kidneys of the body's water balance. The R&D was conducted in partnership with the University of Copenhagen, the University of

Southern Denmark and leading international research groups in the USA. The two professors' research in Action Pharma has taken place through a partnership agreement with Aarhus University, and the local innovation environment has supported the company's development with Østjysk Innovation A/S being the first investor to come on board followed by several others.

In 2012, Aarhus University signed 20 agreements on the commercialisation of 22 patents, and five spin-outs were established. This was twice as many as in 2011 and the highest number since the Danish Act on Inventions at Public Research Institutions (Lov om Opfindelser) was adopted in 2000. The number of reported inventions (61) and submitted patent applications (37) was almost on a par with 2011. The five spin-outs broadly represent the university's research activities within software, chemistry, engineering and biotechnology. One of the companies – Insusense ApS – is the first to enter into an agreement with the Lundbeck Foundation's Emerge programme on the first round of investment of DKK 15 million.

The development in 2009 of small balls with wireless technology and sensors led in 2012 to a distinguished second place for Senior Researcher Ole Green from the Department of Engineering in the Danish Broadcasting Corporation's (DR) and Mandag Morgen's 'Væxtfaktor' TV programme. The balls are able to monitor farmers' stacks of grain, feedstuffs or silage and thereby prevent the build-up of heat and rotting, a problem which costs the agricultural sector millions of kroner each year. In 2012, a partnership was signed with Østjysk Innovation A/S, Agro Business Park and DLG on the initiative.

#### *Cooperation with business community*

Aarhus University's Centre for Entrepreneurship and Innovation is behind "Short-cut to New Knowledge" (Genvej til Ny Viden), a three-year project which was set up in collaboration with the Central Denmark Region and the EU's European Regional Development Fund. In 2012, the project received a very positive interim evaluation, the main message being that the cooperation with researchers has an impact on the growth of small and medium-sized enterprises. The project is based on the businesses' own, specific challenges, and by matching a researcher with a concrete project, Aarhus University and the business community foster new knowledge which can be transferred directly to production. The project has proved so successful that, for economic reasons, admission is closed to new businesses.

Aarhus University is also working with the Central Denmark Region on the MidtNET project, which develops partnerships between businesses in the Central Denmark Region and China, especially in Shanghai. Focusing on three business areas – IT, Health/Life Sciences and Energy/Environment – the project will bring together businesses and knowledge institutions in both regions to engage in concrete, joint development partnerships. Aarhus University's Centre for Entrepreneurship and Innovation is the coordinator together with the Danish Technological Institute, and the Depart-

ment of Engineering has successfully participated in one of the completed projects.

#### *Public-sector consultancy*

In 2012, the university continued to develop the three national centres, the Danish Centre for Environment and Energy (DCE), the Danish Centre for Food and Agriculture (DCA) and the Danish Centre for Culture and Learning (DCL), so that they now act as points of access to the university's research-based public-sector consultancy. The university has agreements with relevant ministries, public authorities and private partners, and the consultancy is very significant for key decisions being made within the areas of the environment and nature, agriculture, teaching and forensic medicine. Aarhus University focuses on the integration and further development of its public-sector consultancy; for example, the area enjoys a central position in the university's future strategy.

#### *Student Incubator*

In 2012, new processes were developed by Student Incubator for broadly facilitating collaboration between the students' start-up businesses and existing businesses. The development of student businesses has focused more on facilitating growth entrepreneurship, and as an element in the entrepreneurial processes, the Student Incubator environment has developed a greater focus on peer-to-peer sparring for the mutual benefit of the entrepreneurs.

#### *Dialogue with society*

In 2012, the university's researchers started to supply content to the popular 'Tænkepauser' series, published by Aarhus Universitetsforlag in collaboration with the Danish Broadcasting Corporation (DR), the daily newspaper Jyllands-Posten, Litteratursiden.dk and the libraries. The books are also being published as e-books and audio books. Looking at topics such as "Freedom", "Networks", "Monsters" and "Trust", the books are making a contribution to general education and to fostering debate in society, with some of them topping the sales lists of academic books.

In March 2012, the Festival of the Century was held as a large festival of historical knowledge in and around Aarhus. Themed on the 18th century, the festival was organised by the Danish University Extension working closely with Aarhus University and a large number of cultural and educational institutions. With a mix of knowledge, art and culture spattered with talk shows, masquerades, speed talks, lectures, theatre performances, book publications etc., the festival provoked lively debate about the lives we lead and the society that surrounds us. The Festival of the Century is being staged – with the spotlight each time on a new historic period – every other year in the run-up to celebrating Aarhus as European Capital of Culture in 2017.

#### *Regional and municipal cooperation*

In 2012, Aarhus University continued its close and positive cooperation with the City of Aarhus and the Central Denmark Region. By participating in the City of Aarhus's Business Contact Committee and a number of working groups and concrete projects, the

university is supporting Aarhus's development as a leading city of education and knowledge. The university is also involved in developing Aarhus as European Capital of Culture 2017. Aarhus University's cooperation agreement with the Central Denmark Region provides a framework for the university's participation in the Central Denmark Growth Forum and strong collaboration within the healthcare area. At the beginning of the year, a new and historic agreement between Aarhus University and the Central Denmark Region was signed which saw Aarhus University assuming responsibility for research and educating doctors at all regional hospitals in the Central Denmark Region.

#### *Infrastructure*

During 2012, Aarhus University implemented a comprehensive reorganisation of its library services, which is closely related to the academic development process. After extensive and thorough preparations, Aarhus University and the State and University Library launched the new Aarhus University Library, which brings together the university's 22 former libraries in a new unit in close collaboration with the State and University Library. Aarhus University Library is organised into six interdisciplinary academic communities, which give the library staff a stronger basis for exchanging ideas and developing the modern university library's core services. The new organisation has nineteen service points at Aarhus University, and throughout the entire reorganisation process the focus has been on strengthening the study environment for students.

#### **Work of University Board**

In 2012, the board closely followed the academic development process and the status for the implementation of the new organisation, a new joint infrastructure and IT systems.

Based on the work conducted by a specially appointed committee, the board decided to change the university's bye-laws in 2012. The changes in the by-laws involve ensuring co-determination and involvement in decision-making at all levels, especially the consultancy function of the academic councils, and revising the appointment procedure for all external members of the University Board.

The chairs of the academic councils participated in one of the board meetings together with the deans, and provided a status on the work of the academic councils, their working methods and forthcoming tasks.

In 2012, the board advertised the position of rector at the end of the present rector Lauritz B. Holm-Nielsen's employment period. The board appointed an appointment committee and advisory group which submitted a draft job ad to the board.

The board started the year by entering into a new development contract with the Danish Minister for Higher Education for the 2012-2014 period. At its seminar in September, the board opened discussions on Aarhus University's strategy for the 2013-2020 period. The board made a particular point of ensuring that in the strategy the university must maintain its quality and research-based focus

through intensifying the existing strategic course. At meetings in October and December, the board continued its discussions of the strategy, among other things the results of the internal consultation. Finally, the board considered the university's budget, financial reporting, auditing, the university's election rules, the discontinuation of 'universitetssamvirket', a new charter for the Sandbjerg Estate, the status of new degree programmes, the consultation regarding a forthcoming institutional accreditation, an assessment of the board's work, challenges and solutions in connection with starting studies, the university newspaper UNlvers as well as the university's agreements on research-based public-sector consultancy. In 2012, the board continued its discussions on extending the university's physical facilities in Aarhus and the plans for strategic physical planning as well as new building work in the University Park for Health.

A new external member of the University Board, the CEO of Novozymes, Steen Riisgaard, was appointed for the period 1 February 2013 to 31 January 2017. Steen Riisgaard is replacing Lars Rohde, who is stepping down following his appointment as the new governor of Danmarks Nationalbank. The Chairman of the University Board, Michael Christiansen, was reappointed for the period 1 February 2013 to 31 January 2017.

#### Financial results for the year

The financial statements are presented in accordance with the rules in the Executive Order on the Funding and Auditing etc. of Universities. In 2012, the university posted revenue of DKK 6,043 million. The university realised a loss of DKK 55 million, while ordinary operating activities saw a loss of DKK 121 million. The balance sheet total as at 31 December 2012 was DKK 3,287 million.

The results for the year must be seen in the context of the profit realised in 2011. After a number of years of profit, the university decided to budget with a loss in 2012 and 2013 to support the objectives of The Academic Development Process and the university's strategy.

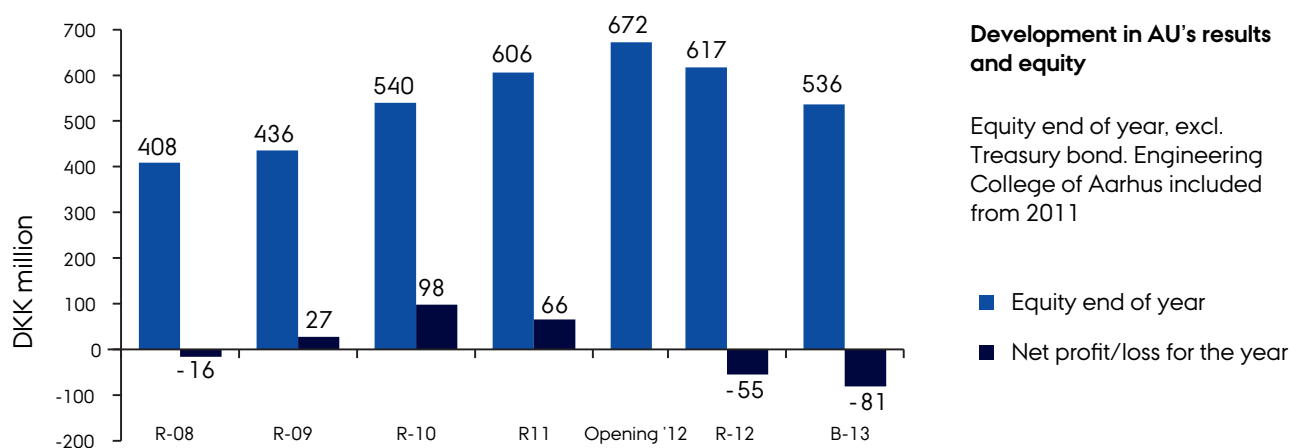
The university's budget for 2012 showed an expected loss of DKK 41 million. The university's income was DKK 152 million lower than budgeted, while costs were DKK 106 million below budget. As regards the university's income, the use of external funding in particular has been 5% lower than budgeted, while the Finance Act appropriations were 2% lower than expected when preparing the budget.

Financial income was budgeted at DKK 33 million, but net interest income of DKK 66 million was received.

The university's income stems from Finance Act appropriations for education and research as well as contractual agreements on the delivery of public-sector consultancy services to the Danish Ministry of Food and the Danish Ministry of the Environment. To this should be added income in the form of grant-financed research, other external grants and disposals. In 2012, staff costs amounted to DKK 3,872 million, corresponding to 63% of the university's total ordinary expenses.

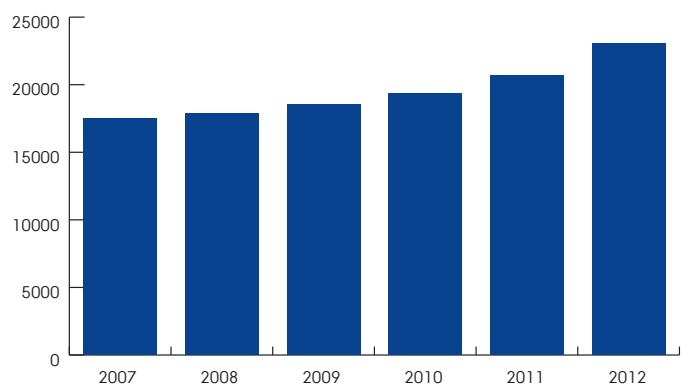
The University Board and the Rector's Office regard the realised results as satisfactory, but have decided to place special emphasis on applications for and the use of external funding.

The university spends the funding in a way that reflects the university's vision, strategy, development objectives and prioritised activities. In addition, the financial resources must be used efficiently and responsibly with due consideration being given to both current tasks and long-term development and innovation.

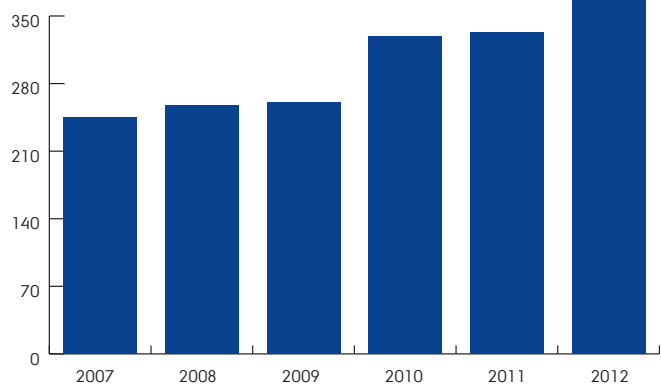


## 2. KEY FIGURES \*

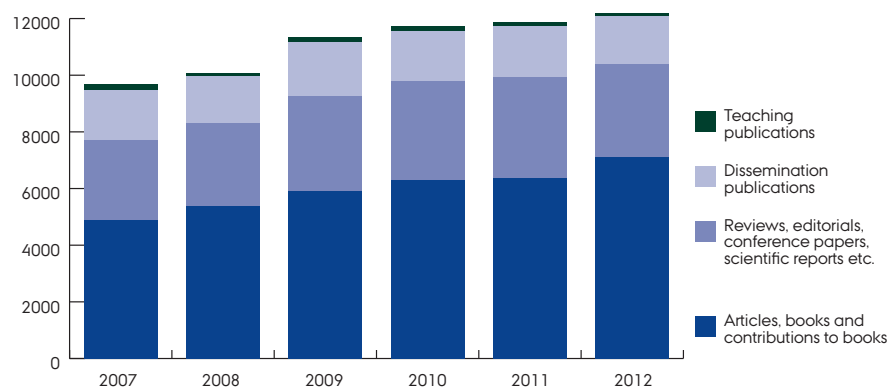
\* Key figures for 2012, incl. Engineering College of Aarhus. 2007-2011 are exclusive of Engineering College of Aarhus



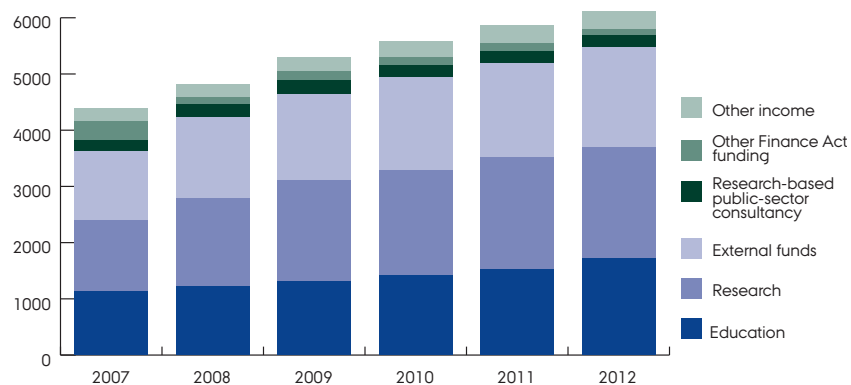
**Production,  
years of full-time study**



**PhD degrees awarded**



**Publications**



**Total income, by purpose 2007-2012  
DKK '000 in prices for the year**

### 3. STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT AND AUDITORS' REPORT

#### 3.1 GENERAL INFORMATION ON THE UNIVERSITY

**The university**

Aarhus University, Nordre Ringgade 1, 8000 Aarhus C, Denmark

**Registered in**

**City of Aarhus, CVR no.: 31119103**

**University Board 2012**

Michael Christiansen, Chairman  
Peder Tuborgh, Deputy Chairman  
Mariann Fischer Boel  
Benjamin Bilde Boelsmand, Student representative (from 1.2.2012)  
Peter Bugge, Employee representative (academic staff) (from 1.2.2012)  
Susanne Bødker, Employee representative (academic staff) (from 1.2.2012)  
Kirsten Jakobsen, Employee representative (technical and administrative staff) (until 1.2.2012)  
Maria Juhler-Larsen, Student representative (until 1.2.2012)  
Karen Marie Kjeldsen, Student representative (from 1.2.2012)  
Bertha P. Beck Mortensen, Employee representative (technical and administrative staff) (from 1.2.2012)  
Erik Strange Petersen, Employee representative (academic staff) (until 1.2.2012)  
Margareta Wallin Peterson  
Lars Rohde  
Martin Tang Sørensen, Employee representative (academic staff) (until 1.2.2012)  
Christian Thyrrestrup, Student representative (until 1.2.2012)  
Gitte Ørskou

**Management 2012**

Lauritz B. Holm-Nielsen, Rector  
Søren E. Frandsen, Pro-Rector  
Jørgen Jørgensen, University Director  
Mette Thunø, Dean (Arts)  
Allan Flyvbjerg, Dean (Health)  
Svend Hylleberg, Dean (School of Business and Social Sciences)  
Brian Bech Nielsen, Dean (Science and Technology)

**Auditors**

Rigsrevisionen  
St. Kongensgade 45, 1264 Copenhagen K, Denmark

**Institutional auditors**

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



### 3.2. STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

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

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

It is hereby confirmed:

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

Aarhus, 24 April 2013



Lauritz B. Holm-Nielsen  
Rector



Jørgen Jørgensen  
University Director



Søren E. Frandsen,  
Pro-Rector

#### UNIVERSITY BOARD



Michael Christiansen  
Chairman



Peder Tuborgh  
Deputy Chairman



Heidi Klokke Andersen



Mariann Fischer Boel



Benjamin Bilde Boelsmand



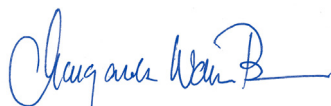
Peter Bugge



Susanne Bødker



Bertha P. Beck Mortensen



Margareta Wallin Peterson



Steen Riisgaard



Gitte Ørskou

### 3.3 INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Aarhus University for the period 1 January - 31 December 2012. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes 1-17. The financial statements have been prepared in accordance with the Danish Act on Audit of State Accounts etc., rules laid down in the Danish Ministry of Finance's Economic Administrative Guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities.

#### **Management's responsibility for the financial statements**

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

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

#### **The auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international auditing standards and additional requirements under Danish audit regulation, generally accepted public auditing

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

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

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

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

Our audit did not give rise to qualifications.

**Opinion**

In our opinion, the financial statements of Aarhus University for the financial year 1 January - 31 December 2012 have in all materiality been presented in accordance with the Danish Act on Audit of State Accounts etc., rules laid down in the Danish Ministry of Finance's Economic Administrative Guidelines and Executive Order No. 1281 of 15 December 2011 on the Funding and Auditing etc. of Universities. In addition, we believe that procedures and internal controls have been established to ensure that the transactions included in the financial statements are consistent with appropriations granted, legislation and other provisions, agreements made and general practice.

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

We have read the management's report for 2012 (pages 2-10), the section on performance reporting (pages 27-31) and appendices (pages 32-34). We have not performed any activities other than the audit of the financial statements. Against this background, we believe that the information provided in the management's report for 2012, the performance reporting and appendices is in accordance with the financial statements.

**Aarhus, 24 April 2013**

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab



Claus Lindholm Jacobsen  
State-Authorised Public Accountant



Henrik Kragh State-Authorised Public Accountant

## 4. FINANCIAL STATEMENTS

### 4.1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

No changes have been made in accounting policies compared to previous years. Aarhus University merged with the Engineering College of Aarhus as at 1 January 2012, resulting in an adjustment in equity as at 1 January 2012, and comparative figures in the income statement and balance sheet have been restated. A separate opening balance sheet as at 1 January 2012 has been prepared for the merged Aarhus University.

The annual report is presented in DKK '000.

#### **Recognition and measurement in general**

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

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

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

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

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

Financial assets and liabilities are measured at amortised cost.

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

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

#### **Foreign currency translation**

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

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

#### **Income taxes and deferred tax**

The university is not subject to taxation.

### Income

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

### Net financials

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

### Intangible assets

#### *Finished development projects*

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

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

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

#### *Acquired concessions, patents, licences etc.*

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

### Tangible assets

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

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

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

Tangible assets in progress are measured at cost. Cost includes the acquisition price and costs directly related to the acquisition until the time when the asset is ready to be put into operation.

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

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

No recognition of assets has been made based on bundling.

### Fixed assets received as donations

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

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

### Collections and works of art

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

### Inventories

Inventories, i.e. stocks that can be sold and are included in active production, are measured at the lower of cost (using the FIFO principle) and net realisable value. The net realisable value of inventories is calculated as the expected selling price in normal

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

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

operations less completion costs and costs incurred to effect sale. The net realisable value is determined with regard to marketability, obsolescence and the expected selling price development.

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

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

### **Receivables**

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

### **Receivables from ongoing funding activities**

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

### **Prepayments**

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

### **Securities**

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

### **Provisions**

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

### **Long-term debt**

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

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

### **Holiday pay payable**

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

### **Accrued donations**

As mentioned under tangible assets, the value of tangible assets procured through grant-financed activities is recognised. The counter item to tangible assets is an accrual of the value of the donation, which is recognised as income straight-line over the same period as the related tangible 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 incidental to funding activities. The fee is recognised as income as the grants are spent.

### **Other deferred income**

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

## 4.2 INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK '000			
Note	Income statement	FS 2012	FS 2011
	<b>Ordinary operating income</b>		
	Grants for own operation over the Danish Finance Act	3,921,247	3,944,055
	External funds	1,645,359	1,535,666
	Sale of goods and services	475,954	484,060
	<b>Total ordinary operating income</b>	<b>6,042,560</b>	<b>5,963,781</b>
	<b>Ordinary operating costs</b>		
	Consumption costs		
	Rent	634,910	594,668
	Other consumption costs	84,475	94,197
	<b>Total consumption costs</b>	<b>719,385</b>	<b>688,865</b>
	Staff costs	3,872,398	3,701,786
	Other ordinary operating costs	1,439,956	1,449,633
	Depreciation, amortisation and impairment losses	131,955	125,701
	<b>Total ordinary operating costs</b>	<b>6,163,694</b>	<b>5,965,985</b>
	<b>Profit/loss from ordinary operating activities</b>	<b>-121,134</b>	<b>-2,204</b>
	Net financials		
	Financial income	69,478	72,734
	Financial expenses	3,142	4,604
	<b>Net profit/loss for the year</b>	<b>-54,798</b>	<b>65,926</b>



## BALANCE SHEET AS AT 31 DECEMBER 2012

DKK '000			
Note	Assets	FS 2012	1.1.2012
	<b>Fixed assets</b>		
	<b>Intangible assets</b>		
	Finished development projects	0	0
	Acquired concessions, patents, licences etc.	1,878	2,120
4.6.2	<b>Total intangible assets</b>	<b>1,878</b>	<b>2,120</b>
	<b>Tangible assets</b>		
	Land and buildings	267,937	272,111
	Plant and machinery	424,928	434,802
	Transport equipment	10,008	10,546
	Equipment and IT equipment	40,846	52,959
	Tangible assets in progress	319,666	192,439
4.6.3	<b>Total tangible assets</b>	<b>1,063,385</b>	<b>962,857</b>
4.6.4	<b>Total investments</b>	<b>0</b>	<b>0</b>
	<b>Fixed assets</b>	<b>1,065,263</b>	<b>964,977</b>
	<b>Current assets</b>		
	Inventories	5,712	5,222
	Trade receivables	139,204	228,239
	Receivables from ongoing funding activities	341,284	351,821
	Other receivables	200,408	204,173
	Prepayments	18,770	14,013
	Securities	1,073,373	1,025,866
	Cash	442,972	631,566
	<b>Total current assets</b>	<b>2,221,723</b>	<b>2,460,900</b>
	<b>Total assets</b>	<b>3,286,986</b>	<b>3,425,877</b>

DKK '000			
Note	Liabilities and equity	FS 2012	1.1.2012
	<b>Total equity</b>	<b>617,259</b>	<b>672,722</b>
4.6.5	<b>Total provisions</b>	<b>27,559</b>	<b>42,009</b>
4.6.6	Mortgage debt	70,120	72,571
4.6.7	Accrued donations	291,229	280,722
	<b>Total long-term debt</b>	<b>361,349</b>	<b>353,293</b>
	<b>Short-term debt</b>		
	Building loan	20,242	87,099
	Trade payables	418,088	488,435
	Holiday pay payable	523,556	538,833
	Other payables	143,176	140,657
	Prepaid tied-up funds from ongoing funding activities	805,926	774,838
4.6.8	Other deferred income	369,831	327,991
	<b>Total short-term debt</b>	<b>2,280,819</b>	<b>2,357,853</b>
	<b>Total liabilities and equity</b>	<b>3,286,986</b>	<b>3,425,877</b>

## 4.4 STATEMENT OF CHANGES IN EQUITY

DKK '000	Retained earnings	Revaluation, building	Equity excl. of Treasury bond	Treasury bond	Total equity
Equity according to 2011 annual reports	672,722	14,788	687,510	239,750	927,260
Adjustments in opening balance sheet 1.1.2012	0	-14,788	-14,788	-239,750	-254,538
Adjusted equity as at 1.1.2012	672,722	0	672,722	0	672,722
Net profit/loss for the year	-54,798	0	-54,798	0	-54,798
Adjustment of liability, interest rate swap	-665	0	-665	0	-665
<b>Total equity as at 31 December 2012</b>	<b>617,259</b>	<b>0</b>	<b>617,259</b>	<b>0</b>	<b>617,259</b>

## 4.5. CASH FLOW STATEMENT

DKK '000	FS 2012	FS 2011
Net profit/loss for the year	-54,798	65,926
Adjustment of liability, interest rate swap	-665	0
<b>Reversal of items with no cash effect:</b>		
Depreciation, amortisation and impairment losses on fixed assets	131,405	125,379
Donations recognised as income during the year	-48,062	-46,544
Changes in provisions	-14,450	-31,403
Change in receivables etc.	98,090	-37,111
Changes in short-term debt	-77,034	268,955
<b>Cash flow from operating activities</b>	<b>34,486</b>	<b>345,202</b>
Purchase of intangible assets	-238	-115
Purchase of tangible assets	-232,120	-301,763
Disposal of fixed assets	667	2,856
<b>Cash flow from investing activities</b>	<b>-231,691</b>	<b>-299,022</b>
Addition of donation obligation	58,569	54,914
Repayment of long-term debt	-2,451	-2,320
<b>Cash flow from financing activities</b>	<b>56,118</b>	<b>52,594</b>
<b>Change in cash</b>	<b>-141,087</b>	<b>98,774</b>
<b>Total securities and cash as at 1 January</b>	<b>1,657,432</b>	<b>1,558,658</b>
<b>Total securities and cash as at 31 December</b>	<b>1,516,345</b>	<b>1,657,432</b>

## 4.6 NOTES

### Note 4.6.1 Staff consumption

	2009	2010	2011	2012
<b>FTE</b>	6,905	7,187	7,687	7,992

NB! The figures for 2009 and 2010 are exclusive of Engineering College of Aarhus, whereas the figures for 2011 and 2012 are inclusive of Engineering College of Aarhus.

### Note 4.6.2 Intangible assets

DKK '000	Finished development projects	Acquired concessions, patents, licences etc.	Total
Cost as at 1.1.2012	5,434	10,840	16,274
Addition	0	238	238
Disposal	0		0
<b>Cost as at 31.12.2012</b>	<b>5,434</b>	<b>11,078</b>	<b>16,512</b>
Amortisation as at 1.1.2012	5,434	8,720	14,154
Amortisation for the year		480	480
Amortisation on disposed assets	0	0	0
<b>Amortisation as at 31.12.2012</b>	<b>5,434</b>	<b>9,200</b>	<b>14,634</b>
<b>Carrying amount</b>	<b>0</b>	<b>1,878</b>	<b>1,878</b>
Amortisation period/years	20	3	

### Note 4.6.3 Tangible assets

DKK '000	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Tangible assets in progress	Total
Cost as at 1.1.2012	356,526	1,146,279	47,453	202,873	192,439	1,945,570
Addition	10,805	145,238	7,855	20,665	47,557	232,120
Transferred to work in progress	0	-71,395	-4,900	-3,375	79,670	0
Disposal	0	-5,427	-531	-1,185	0	-7,143
<b>Cost as at 31.12.2012</b>	<b>367,331</b>	<b>1,214,695</b>	<b>49,877</b>	<b>218,978</b>	<b>319,666</b>	<b>2,170,547</b>
Depreciation as at 1.1.2012	84,415	711,477	36,907	149,914	0	982,713
Depreciation for the year	14,979	83,050	3,493	29,403	0	130,925
Depreciation on disposed assets	0	-4,760	-531	-1,185	0	-6,476
<b>Depreciation as at 31.12.2012</b>	<b>99,394</b>	<b>789,767</b>	<b>39,869</b>	<b>178,132</b>	<b>0</b>	<b>1,107,162</b>
<b>Carrying amount</b>	<b>267,937</b>	<b>424,928</b>	<b>10,008</b>	<b>40,846</b>	<b>319,666</b>	<b>1,063,385</b>
Depreciation period/years	10-50	5-20	5-30	3		

Out of the total carrying amount of DKK 1,063.385 million, DKK 291.153 million was financed by donations, cf. note 4.6.6.

The university's ownership of the assigned property which originally belonged to HIH has not yet been officially assigned to Aarhus University. The book value of the property as at 31 December 2012 is DKK 60.127 million.

### Public assessment of land and buildings, cf. the most recent assessment, as at 1 October 2012

Building value	294,425
Land value	42,873
<b>Total public assessment</b>	<b>337,298</b>
<b>Property for which no separate public assessment has been made. Carrying amount</b>	<b>4,200</b>

**Note 4.6.4 Investments**

The Treasury bond expired on 1 January 2012, after which time the entries were reversed as an adjustment in the opening balance sheet as at 1 January 2012.

**Note 4.6.5 Provisions**

DKK '000	FS 2012	1.1.2012
Re-establishment commitments re leasehold improvements	5,855	8,899
Limited tenures, mutually agreed departures etc.	15,490	15,787
Restructuring costs	0	500
Project provisions	4,814	14,000
Other provisions	1,400	2,823
<b>Total provisions</b>	<b>27,559</b>	<b>42,009</b>

**Note 4.6.6 Mortgage debt**

DKK '000	FS 2012
Mortgage debt is repaid over the following periods	
Within one year	3,270
Between one and five years	13,229
After more than five years	53,621
<b>Total mortgage debt</b>	<b>70,120</b>

**Note 4.6.7 Accrued donations**

Distribution of accrued donations on asset types:

DKK '000	Acquired concessions, patents, licences etc.	Land and buildings	Plant and machinery	Transport equipment	Equipment and IT equipment	Total
Accrued donations as at 1.1.2012	252	51,029	219,902	221	9,318	280,722
Donations received	0	0	48,935	4,900	4,734	58,569
Donations recognised as income	-176	-1,528	-40,699	-77	-5,582	-48,062
<b>Accrued donations as at 31.12.2012</b>	<b>76</b>	<b>49,501</b>	<b>228,138</b>	<b>5,044</b>	<b>8,470</b>	<b>291,229</b>
Accrued donations are recognised as income in the following periods:						
Within one year						46,328
Between one and five years						93,080
After more than five years						151,821
<b>Total accrued donations as at 31.12.2012</b>						<b>291,229</b>

**Note 4.6.8 Other prepayments**

DKK '000	FS 2012	1.1.2012
Prepayment of grants 2013 from the Danish Ministry of Science, Innovation and Higher Education	271,907	275,934
Other prepayments	97,924	52,057
<b>Total other prepayments</b>	<b>369,831</b>	<b>327,991</b>

**Note 4.6.9 Use of funds for free places and scholarships in the period 1 September 2011 - 31 August 2012 DKK '000**

<i>Use of free places</i>	Number of students enrolled on fully or partially free places	Free places stated in years of full-time study
Rate 1	45	35.3
Rate 2	4	2.3
Rate 3	22	13.8

**DKK '000**

<i>Funds for payment of scholarships</i>		
Number of scholarship recipients		45
Total amount paid in scholarships		2,250

**Note 4.6.10 Study activity in the period 1 September 2011 - 31 August 2012 for Erasmus Mundus students from third countries**

<i>Use of free places</i>	Number of students enrolled on fully or partially free places	Free places stated in years of full-time study
Rate 1	0	0.0
Rate 2	0	0.0
Rate 3	0	0.0

**DKK '000**

<i>Funds for payment of scholarships</i>		
Number of scholarship recipients		3
Total amount paid in scholarships		94

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

**Note 4.6.11 The university's total costs for student political activities and other student activities**

DKK '000	FS 2010	FS 2011	FS 2012
<b>Student sports activities and other student activities</b>			
Student sports activities	910.0	971.5	923.7
Other student activities	106.2	50.3	59.5
<b>Total student activities</b>	<b>1,016.2</b>	<b>1,021.8</b>	<b>983.2</b>
<b>Student political activities</b>			
The Student Council/the Student's Guild/the Joint Student Council	2,188.1	2,296.3	2,066.7
Konservative Studenter	41.2	38.5	40.1
Frit Forum	114.8	150.0	150.0
Liberale Studenter	40.2	-	0.0
<b>Total student political activities</b>	<b>2,384.3</b>	<b>2,484.8</b>	<b>2,256.8</b>
<b>Total</b>	<b>3,400.5</b>	<b>3,506.5</b>	<b>3,240.0</b>

The figures for 2012 are inclusive of Engineering College of Aarhus, whereas the figures for 2010 and 2011 are exclusive of Engineering College of Aarhus.

**Note 4.6.12 Information on foundations, organisations etc. with which the university has special cooperation of a non-commercial nature**

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

**Note 4.6.13 Contractual obligations**

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

The commitments are distributed as follows:

DKK '000	Rental commitments
Within one year	416,630
Between one and five years	881,901
After more than five years	958,915
<b>Total rental commitments</b>	<b>2,257,446</b>

The Engineering College of Aarhus has entered into a forward rate agreement (swap contract) for part of the long-term mortgage debt. The market value of this of DKK 5.096 million is recognised as debt in the balance sheet and taken to equity.

**Note 4.6.14 Contingent assets**

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

**Note 4.6.15 Contingent liabilities**

Some employees have civil servant status, which means that Aarhus University is obliged to provide redundancy payment for up to 36 months if they are dismissed. The total maximum commitment is DKK 143.523 million. The pension liability for civil servants has been covered by ongoing payment of pension contributions to pension funds.

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

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

If the university chooses to close down the Institute of Business and Technology in Herning or to discontinue the programmes offered at the centre, the Ministry of Science, Innovation and Higher Education is entitled to an amount corresponding to the net transfer price at the time of the institution's amalgamation with the university on 1 January 2006 of DKK 52.499 million, adjusted according to special guidelines, including the difference in the market value of the buildings and the carrying amount. Partial discontinuation of the programmes would mean that the Ministry of Science, Innovation and Higher Education will have a proportionate claim. The Ministry of Science, Innovation and Higher Education may approve changes made to the programmes covered by the amalgamation on 1 January 2006 without the university being fully or partly liable to pay the adjusted net transfer price to the Ministry of Science, Innovation and Higher Education.

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

**Note 4.6.16 Charges**

Mortgage debt is secured by way of mortgages on the university's properties with a carrying amount as at 31 December 2012 of DKK 154.902 million.

The Engineering College of Aarhus has furnished Danske Bank with security in the form of a mortgage registered to the mortgagor of DKK 100.000 million secured on properties, as security for all balances.

The Engineering College of Aarhus has assigned the purchase sum in connection with the sale of the property Dalgas Avenue 2.

The guarantee expires on 30 September 2015.

**Note 4.6.17 Equity investments**

DKK '000

Aarhus University has ownership shares in the following companies:

Company	Investment and acquisition		Total company share capital (nominal amount in DKK)	AU's ownership share in %
	2012	Accumulated		
CABRA A/S		184	500	36.75
SIMHERD A/S		245	500	49.00
TEGNOLOGY ApS		53	267	20.00
PLEURATECH ApS		5	125	4.00
CarouCELL ApS	58	58	125	46.55

Equity investments are recognised in the financial statements at DKK 0. The university had no income or expenses in 2012 relating to the above companies following their formation.

## 5. DEVELOPMENT CONTRACT

### 5.1. PERFORMANCE REPORTING

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

#### A. Programme quality

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

#### B. Better cohesion in the educational system

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

#### C. Faster completion times

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

#### D. Increased innovation capacity – knowledge exchange with society

With its considerable academic breadth and research and education, Aarhus University has the possibilities for and the obligation to open its doors to the outside world and exchange knowledge, ideas and expertise with society at large.

#### E. Research quality

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

#### F. Talent development

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

#### G. Global solutions

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

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

#### Summary – status for target achievement (indicators)

Number of indicators	12
<i>of which</i>	
Starting point established in connection with the 2013 annual report	1
To be measured in 2014	1
Target achieved	6
Target not achieved	2
No targets due to system conversion	2



## 5.2 GENERAL OUTLINE OF PERFORMANCE TARGETS IN DEVELOPMENT CONTRACT FOR 2012

### A. Programme quality

#### 1. Student satisfaction with their studies

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

*Comment:* No targets have been determined for 2012 in the development contract.

In 2012, Aarhus University continued a number of study environment projects, and also launched a number of new projects with combined budgets of DKK 8 million. The intention is to improve the academic integration of students via both the academic and social study environments at the university, thus contributing to increasing student satisfaction with their studies.

For example, in 2012 the university established and developed a number of student counselling services, including online information sites designed for students with personal problems and in need of support, chat counselling, guidance interviews and increased focus on the period surrounding the start of studies for both Bachelor's and Master's degree students.

In 2013, Aarhus University will follow up on the projects launched since the latest study environment survey in 2011 and continue its work to improve the study environment. In 2013, DKK 4 million will therefore be earmarked for the continued work on improving the study environment, including Educational IT. The objective of Educational IT is to create a powerful, joint technological platform or Learning Management System (LMS) as well as developing lecturers' and students' competencies in utilising the new LMS, all with a view to strengthening teaching and learning.

Aarhus University is also working to modernise the exam types and reap the benefits of increased digitisation in general, including increased study efficiency.

#### 2. Transition to the labour market assessed through analyses of the job situation 4-19 months after graduating from a Master's degree programme

	2011	2012	2013	2014
Targets		National average + 1 percentage point	National average + 2 percentage points	National average + 2 percentage points
Results	86% = Avg. + 1%	<b>85%</b>		

*Comment:* The target for 2012 was achieved.

The employment rate declined relative to 2011, which is the case for the entire sector. The decline is probably linked to the current economic climate. Aarhus University maintains a 1% lead relative to the average employment rate for new graduates across the university sector.

## B. Better cohesion in the educational system

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

	2011	2012	2013	2014
Targets		13,000	14,000	16,000
Results	12,000	<b>13,125</b>		

*Comment.* The target for 2012 was achieved.

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

	2011	2012	2013	2014
Targets	-	-	+ 11% relative to 2012	+ 33% relative to 2012
Results	-	<b>1,124</b>		

*Comment.* For system and registration reasons, it is not possible to generate base figures for 2011. According to the development contract, the base figures will be determined in 2012.

## C. Faster completion times

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

	2011	2012	2013	2014
Targets		6,000 ECTS	6,300 ECTS	6,800 ECTS
Results	5,543 ECTS	<b>5,257 ECTS</b>		

*Comment.* The target for 2012 was not achieved.

The development contract considers Aarhus University students' and other Danish students' participation in AU the Summer University. There has been a slight drop in this activity. Attracting the university's own students has been difficult, due to a large number of study administrative issues, which Aarhus University will seek to iron out as from 2013, for which purpose a special project organisation has been established, among other things. There are significant difficulties in relation to students at the other Danish universities, which would be easier to overcome with more and more flexible academic regulations, easier and quicker access to credit transfer, more direct marketing at the other universities, standardisation of deadlines etc.

The number of international participants at the AU Summer University is growing. The number of international course enrolments thus increased from 275 to 409.

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

Bachelor's degree programmes	2011	2012	2013	2014
Targets		3.2 years	3.1 years	3.1 years
Results	3.2 years	<b>3.2 years</b>		

*Comment:* The target for 2012 was achieved.

Master's degree programmes	2011	2012	2013	2014
Targets		2.9 years	2.9 years	2.8 years
Results	3.0 years	<b>2.9 years</b>		

*Comment:* The target for 2012 was achieved.

It is remarkable that the target has been achieved despite the current economic situation not being favourable in terms of employment opportunities for new graduates. The current difficult employment situation will, all things being equal, mean that a number of students will prolong their study period.

#### D. Increased innovation capacity

– knowledge exchange with society

##### 7. Financial scope of partnership agreements with society

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

Note: The result for 2012 cannot be calculated. As some of the project master data for some projects were not covered by the system conversion in 2012, the information on project financing sources was not complete by the editorial deadline.

##### 8. Financial scope of further and continuing education

	2011	2012	2013	2014
Targets		DKK 95 million	DKK 103 million	DKK 112 million
Results	DKK 89.5 million	<b>DKK 95 million</b>		

*Comment:* The target for 2012 was achieved.

#### E. Research quality

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

	2011	2012	2013	2014
Original targets *)		1.35	1.40	1.45
Result *)	1.45			
Updated targets **)				1.36
Result **)	1.36	<b>1.34</b>		

*Comment:*

\*) The original base figure for 2011 and the subsequent targets for 2012, 2013 and 2014 were determined on the basis of an analysis conducted by NORIA-net under NordForsk. It is not possible to recreate the base figure based on this database. It is therefore impracticable to continue basing the target follow-up on this database.

\*\*) The university has entered into strategic collaboration with CWTS (Centre for Science and Technology Studies) under Leiden University. CWTS has been chosen as a partner because the centre is world-leading within the development of bibliometric tools and analyses. The agreement entails, among other things, that the Danish Centre for Studies in Research and Research Policy at Aarhus University has access to data and analyses via CWTS's research database. Originally, the development contract specifies that the university's research impact in the international research community drops for part of the contract period, reverting to the initial level in 2014. The same pattern has been incorporated in the figures on the basis of the CWTS database.

#### 10. External funding from foreign sources

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

Note: The result for 2012 cannot be calculated. As some of the project master data for some projects were not covered by the system conversion in 2012, the information on project financing sources was not complete by the editorial deadline.

#### F. Talent development

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

	2011	2012	2013	2014
Targets		National average + 1 percentage point	National average + 2 percentage points	National average + 2 percentage points
Results	93% = Avg. + 1%	<b>93%</b>		

*Comment:* The target for 2012 was achieved.

The employment rate declined relative to 2011, which is the case for the entire sector. The decline is probably linked to the current economic climate. Aarhus University maintains a 1% lead relative to the average employment rate for new PhD graduates across the university sector.

#### G. Global solutions

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

	2011	2012	2013	2014
Targets		DKK 200 million	DKK 240 million	DKK 275 million
Results	DKK 172 million	<b>DKK 186 million</b>		

*Comment:* The target for 2012 was not achieved.

The university established five new interdisciplinary centres in 2012: Centre for Integrated Register-based Research, Centre for iSequencing, Arctic Research Centre, Interacting Minds Centre and Participatory Information Technology Centre. The centres were established in 2012, and some of the centres did not start up their activities until the end of the year. Consequently, resource consumption was lower than expected. Going forward, the university expects to meet the targets set out in the development contract.

## 6. APPENDICES

### 6.1 OVERVIEW OF ACTIVITY TYPES (DIVISIONAL FINANCIAL STATEMENTS)

DKK '000	All divisional financial state- ments	DFS1: General activities	DFS 2: Commer- cial activities	DFS 3: Forensic medicine	DFS 4: Grant- financed re- search	DFS 5: Other grant-financed activities	DFS 6: Educa- tion research
<b>Income</b>							
Finance Act grants	3,921,247	3,915,624	0	0	0	0	5,623
External funding	1,645,359	-2,670	0	0	1,563,635	84,394	0
Disposals and other operating income	475,954	341,690	84,610	43,833	4,780	1,041	0
<b>Total income</b>	<b>6,042,560</b>	<b>4,254,644</b>	<b>84,610</b>	<b>43,833</b>	<b>1,568,415</b>	<b>85,435</b>	<b>5,623</b>
<b>Costs</b>							
Wages and salaries	3,872,398	2,951,171	52,611	21,977	818,824	27,622	193
Rent	634,910	604,429	626	5,104	24,536	215	0
Other operating costs	1,524,431	754,064	25,002	11,946	670,380	57,609	5,430
Depreciation	131,955	71,793	663	4,810	54,689	0	0
<b>Total costs</b>	<b>6,163,694</b>	<b>4,381,457</b>	<b>78,902</b>	<b>43,837</b>	<b>1,568,429</b>	<b>85,446</b>	<b>5,623</b>
<b>Profit before net financials</b>	<b>-121,134</b>	<b>-126,813</b>	<b>5,708</b>	<b>-4</b>	<b>-14</b>	<b>-11</b>	<b>0</b>
Net financials	66,336	66,310	1	0	14	11	0
<b>Net profit/loss for the year</b>	<b>-54,798</b>	<b>-60,503</b>	<b>5,709</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 6.2 COSTS BY PURPOSE

DKKm	2012
Research	3,086.4
Education	1,895.1
Dissemination and knowledge exchange	314.3
Research-based public-sector consultancy	365.5
Other purposes	464.2
<b>All purposes</b>	<b>6,125.5</b>

## 6.3 FINANCIAL AND OPERATING DATA

Nos.	Financial and operating data	2012
	<b>Income, DKKm</b>	
1	Education	1,714.4
2	Research	1,981.2
3	External funds	1,782.2
4	Research-based public-sector consultancy	200.6
5	Basic grants	113.6
6	Other income	321.5
	<b>Costs in DKKm by purpose</b>	
7	Research *	3,086.4
8	Education *	1,895.1
9	Dissemination and knowledge exchange *	314.3
10	Research-based public-sector consultancy *	365.5
11	General management, administration and service	464.2
	<b>Staff (full-time equivalent)</b>	
12	Academic staff	3,843.9
13	Part-time academic staff	528.9
14	Technical and administrative staff	3,619.0

## 6.3 FINANCIAL AND OPERATING DATA (CONTINUED)

Nos.	Financial and operating data	2012
	<b>Balance sheet</b>	
15	Equity, DKKm	617.3
16	Balance sheet, DKKm	3,287
17	<b>Buildings, total (gross area in sq. m.)</b>	675,864
	<b>Activity and production information Students</b>	
18	Number of admissions on Bachelor's degree programmes	7,256
19	Number of admissions on Master's degree programmes	4,598
20	Number of students enrolled as at 1 October	37,624
21	Years of full-time study	23,055
	<b>Graduates</b>	
22	Number of Bachelor's degree graduates	3,608
23	Number of Master's degree graduates	3,737
	<b>Open and part-time programmes</b>	
24	Number of active FTEs	1,468
25	Graduates on Master degree and diploma degree programmes	747
	<b>Internationalisation</b>	
26	Number of outgoing students (exchange students)	1,404
27	Number of incoming students (exchange students)	1,154
28	Exchange students on full programmes in Denmark	3,301
	<b>PhD programmes</b>	
29	Number of PhD students enrolled	1,900
30	PhD student intake (new PhD students)	491
31	Approved PhD dissertations	370
	<b>Research and dissemination results</b>	
32	Number of publications (bibliometric research indicator)	5,077
33	Reported patents	37
34	Reported inventions	61
35	Number of projects with the business community	**
36	Number of external projects	**
37	Income from cooperation with the business community, DKKm	**

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

\*\*) Financial and operating data for 2012 cannot be calculated. As some of the project master data for some projects were not covered by the system conversion in 2012, the information on project financing sources was not complete by the editorial deadline.



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

The Sino-Danish Center for Education and Research (SDC) is a joint project between the eight Danish universities, the Danish Ministry of Science, Innovation and Higher Education and the University of the Chinese Academy of Sciences (UCAS). SDC represents the realisation of the ministry's China strategy from 2008. In 2012, SDC further developed its activities within research, education and collaboration with the business sector in accordance with the Sino-Danish partnership agreement and the objects defined in the Danish SDC secretariat's master plan.

SDC engages in research within five areas: Life Sciences, Nano Science, Social Sciences, Sustainable Energy, and Water and Environment. In 2012, SDC supported stays in China for more than 100 Danish researchers. Almost 70 PhD projects are funded fully or partially by the Danish SDC secretariat. In order to be eligible for SDC funding, PhD students are required to spend at least six months at a Chinese partner institution. The scheme has helped kick-start SDC, and there are constantly PhD students in China. Most projects take place at CAS departments in Beijing, but there are also projects in cities such as Shanghai, Nanjing and Shijiazhuang. SDC also supported workshops in 2012.

The most important activity in 2012 was the establishment of four Master's degree programmes in Innovation Management, Public Management and Social Development, Neuroscience and Neuroimaging, and Water and Environment at SDC in Beijing. In Denmark, Aarhus University is the leading university for the Master's degree programme in Neuroscience and Neuroimaging. CBS, University of Copenhagen and Aalborg University are the leading universities in Denmark for the other Master's degree programmes. A total of 48 Danish and 56 Chinese students are enrolled on the four Master's degree programmes, with the majority on the two social sciences degree programmes. The degree programmes are offered at UCAS Olympic Village Campus close to the Beijing Olympic Village. Through intensive efforts at the Danish universities, SDC has demonstrated that it is possible to establish Master's degree programmes abroad and persuade Danish students to go abroad to study. SDC has thus made a significant contribution to the mobility statistics. In 2012, SDC established a secretariat office in Beijing in addition to the SDC secretariat located at Aarhus University. The secretariat office has primarily been established with a view to supporting the four Master's

degree programmes and to ensure a continuous dialogue with UCAS and other stakeholders.

In the course of 2012, three more degree programmes were accredited within Bioenergy, Nanoscience and 'omics', offering students a choice between seven SDC study programmes from 2013. This brings SDC to almost 300 students, which was the objective. However, recruiting students remains a major challenge. SDC will therefore continue to work with the cross-institutional recruitment and marketing group which is responsible for coordinating the universities' recruitment efforts. The group has organised an SDC roadshow which took researchers, business representatives, students with experience from China and secretariat staff members round to Danish universities to promote the SDC study programmes. Moreover, SDC has considerable focus on providing information through the websites [www.sinodanishcenter.dk](http://www.sinodanishcenter.dk) and [www.gribkina.dk](http://www.gribkina.dk), which, by means of short videos and texts, describe all that China and SDC have to offer to students.

Also in 2012, one of the primary aims for the Danish SDC secretariat was to strengthen links with the business community with a view to integrating businesses with interests in China into SDC's activities. This function has more or less been transferred to the secretariat office in Beijing, where it is possible to interact with Danish businesses in China. In this context, the Danish Chamber of Commerce and the Danish embassy in Beijing are important sounding boards. In the field of education, Danish businesses with interests in China will come to play a major role as employers of SDC graduates. Also, they will be playing a central role in connection with internships, which form part of the SDC Master's degree programmes. In Denmark, there is a strong tradition for collaboration between the business sector and the research community, and SDC is working hard to further strengthen these ties.

SINO-DANISH CENTER FOR EDUCATION AND RESEARCH  
 INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2012  
 BALANCE SHEET AS AT 31 DECEMBER 2012

DKK '000			
Note	Income statement	R2012	FS 2011
	<b>Ordinary operating income</b>		
	Grants for own operation over the Danish Finance Act	21,986	11,616
	External funds	27,200	25,400
	<b>Total ordinary operating income</b>	<b>49,186</b>	<b>37,016</b>
	Subsidies transferred to Danish universities	30,540	12,692
	Subsidies transferred to China	0	458
	<b>Total funds transferred</b>	<b>30,540</b>	<b>13,150</b>
	<b>Ordinary operating costs</b>		
	<b>Consumption costs</b>		
	Rent	148	134
	Other consumption costs	9	37
	<b>Total consumption costs</b>	<b>156</b>	<b>171</b>
	<b>Staff costs</b>	<b>4,895</b>	<b>3,850</b>
	Other ordinary operating costs	2,162	2,544
	Depreciation, amortisation and impairment losses	0	0
	<b>Total ordinary operating costs</b>	<b>37,754</b>	<b>19,716</b>
	<b>Profit before net financials</b>	<b>11,432</b>	<b>17,300</b>
	<b>Net financials</b>		
	Financial income	0	0
	Financial expenses	0	0
	<b>Profit before extraordinary items</b>	<b>11,432</b>	<b>17,300</b>
	<b>Extraordinary items</b>		
	Extraordinary income	0	0
	Extraordinary costs	0	0
	<b>Net profit/loss for the year</b>	<b>11,432</b>	<b>17,300</b>

<b>Balance sheet</b>			
Assets			
	Balance, AU	43,934	32,548
	<b>Total assets</b>	<b>43,934</b>	<b>32,548</b>
Liabilities and equity			
	Balance end of 2011	32,502	15,202
	Funds paid by partners 2012	49,186	37,016
	Use of funds paid by partners 2012	-37,754	-19,716
	Deferred income	0	46
	Funds available for future activities, end of 2012	43,934	32,502
	<b>Total liabilities and equity</b>	<b>43,934</b>	<b>32,548</b>

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

**2012 Annual report**  
[www.au.dk/arsr2012](http://www.au.dk/arsr2012)

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For printed publications, please contact AU Communication:

Tel.: +45 8715 0848  
Email: [kommunikation@au.dk](mailto:kommunikation@au.dk)  
Web: [www.au.dk/kommunikation](http://www.au.dk/kommunikation)

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**AARHUS UNIVERSITY**  
Nordre Ringgade 1  
8000 Aarhus C

Tlf: 8915 0000

E-mail: [au@au.dk](mailto:au@au.dk)  
[www.au.dk/arsr2012](http://www.au.dk/arsr2012)

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# ÅRSRAPPORT 2012



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