

# ANNUAL REPORT 2023



AARHUS UNIVERSITY





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# 1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

## 1.1 STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

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

The annual report has been prepared in accordance with the Danish Act on Audit of State Accounts, etc., Ministerial Order No. 116 of 19 February 2018 on State Accounting etc., the Ministry of Finance's Economic Administrative Guidelines, Danish (Consolidation) Act no. 778 of 7 August 2019 on Universities (University Act), Ministerial Order No. 1611 of 28 December 2022 on the Funding, Accounting and Audit etc. of Universities, as well as the Danish Agency for Higher Education and Science's guidelines for the preparation of the annual report.

Aarhus, 9 April 2024

Brian Bech Nielsen  
Rector

Kristian Thorn  
University Director

Berit Eika  
Pro-rector

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

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

### BOARD

Birgitte Nauntofte  
Chair

Carsten Bjerg  
Alternate

Trine Holm Thomsen

Jonas Dahl

Lars Rohde

Peter Balling

Tore Rye Andersen

Uffe Pilegård Larsen

Astrid Söderbergh Widding

Thea Bonnemann

Sofie Hillgaard Pedersen

## 1.2 INDEPENDENT AUDITORS' REPORT

To the Board of Aarhus University

### AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Aarhus University for the financial year 1 January - 31 December 2023. The financial statements comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies as indicated on pages 26-29. The financial statements are prepared in accordance with Ministerial Order No. 1611 of 28 December 2022 on the Funding and Auditing etc. of Universities, as well as the guidelines and instructions on financial statements set by the Ministry of Higher Education and Science and the Danish Agency for Higher Education and Science, hereinafter collectively referred to as the government accounting rules.

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

#### Basis of Opinion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, whereby the audit is performed on the basis of Ministerial Order No. 1611 of 28 December 2022 on the Funding and Auditing etc. of Universities and the agreement on internal auditing of universities between the minister for higher education and science and the Auditor General in accordance with section 9 of Auditor General's Act. Our responsibility according to these standards and requirements is described in more detail in the auditor's report, in the section 'The auditor's responsibility for the audit of the financial statements'. We are independent of the university in accordance with International Ethics Standards Board of Accountant's guidelines (IESBA Code) and the additional ethical requirements applicable in Denmark, just as we have fulfilled our other ethical obligations under these requirements and the IESBA Code. In our opinion, the audit evidence obtained is sufficient and provides a suitable basis for our opinion.

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

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

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

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

Our goal is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report with an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, whereby the audit is performed on the basis of Ministerial Order no. 1611 of 28 December 2022 on the Funding and Auditing etc. of Universities, will always identify material misstatements, when they exist. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit performed in accordance with international standards on auditing and the additional requirements applicable in Denmark, as well as generally accepted public auditing standards, whereby the audit is performed on the basis of the Ministerial Order no. 1611 of 28 December 2022 on the Funding and Auditing etc. of Universities, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

a conclusion on the effectiveness of the university's internal controls.

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

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

#### **Auditor's statement on the management's report**

Management is responsible for the management's report.

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

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

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

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **Statement on legal-critical audit and performance audit**

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

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

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

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

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Aarhus, 9 April 2024

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

Jakob Boutrup Ditlevsen  
State-Authorised Public Accountant  
mne27725

Lars Jørgen Viskum Madsen  
Registered Auditor  
mne18495

## 2. REPORT

### 2.1.1 INSTITUTIONAL INFORMATION

#### The institution

Aarhus University  
Nordre Ringgade 1  
8000 Aarhus C, Denmark

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

CVR no.: 31119103  
Financial year: 1 January – 31 December 2023  
Registered in: Aarhus

#### Board 2023

Birgitte Nauntofte, chair  
Carsten Bjerg, alternate  
Trine Holm Thomsen  
Astrid Söderbergh Widding  
Peter Balling, employee representative (academic staff)  
Anne Skorkjær Binderkrantz, employee representative (academic staff)  
Uffe Pilegård Larsen, employee representative (technical and administrative staff)  
Caroline Søeborg Ahlefeldt (until 31 January 2023)  
Jørgen Carlsen (until 31 January 2023)  
Mikkel Grøne, student representative (until 31 January 2023)  
Jonathan Rossen, student representative (until 31 January 2023)  
Lars Rohde (from 1 February 2023)  
Jonas Dahl (from 1 February 2023)  
Sofie Hillgaard Pedersen, student representative (from 1 February 2023)  
Thea Bonnemann, student representative (from 1 February 2023)

#### Management 2023

Brian Bech Nielsen, rector  
Berit Eika, pro-rector  
Kristian Thorn, university director (from 1 February 2023)  
Lone Ryg Olsen, director of enterprise and innovation  
Johnny Laursen, dean (Arts) (until 31 May 2023)  
Dean (Arts) Maja Horst (from 1 June 2023)  
Thomas Pallesen, dean (Business and Social Sciences)  
Anne-Mette Hvas, dean (Health)  
Kristian Pedersen, dean (NAT) (until 31 October 2023)  
Erik Østergaard Jensen, acting dean (NAT) (from 1 November 2023)  
Eskild Holm Nielsen, dean (TECH)

#### Bank

Danske Bank

#### Auditing

Rigsrevisionen  
Landgreven 4, 1301 Copenhagen K, Denmark

#### Institutional auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6, 2300 Copenhagen S, Denmark

## 2.1.2 PRESENTATION OF THE INSTITUTION

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

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

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

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

### AARHUS UNIVERSITY'S VISION

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

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

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

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

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

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

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

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

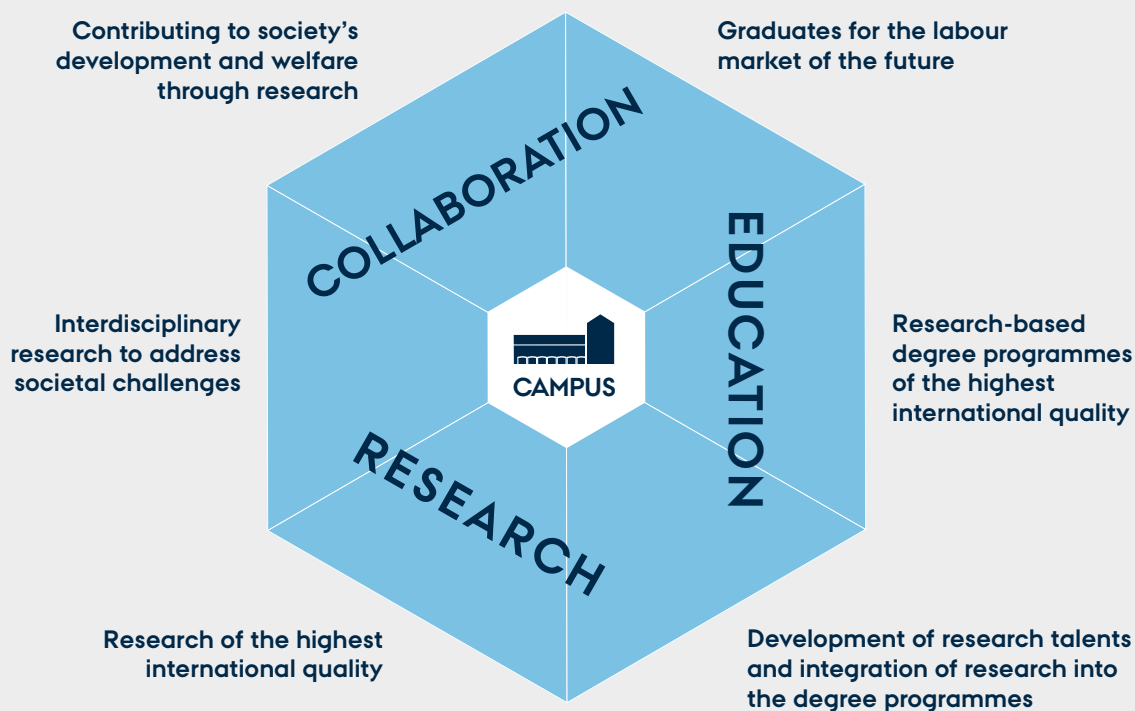
The outset of the vision is that Aarhus University is a genuine international campus university with vibrant campuses where students, staff and external partners meet in close collaboration. The university's main campus in Aarhus is already recognised internationally for its distinctive architecture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

work environments of the highest standard with sustainable operation and development. The university's vision for its own sustainable operation and development is described in its climate strategy, which supports the overall vision for 2025.

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

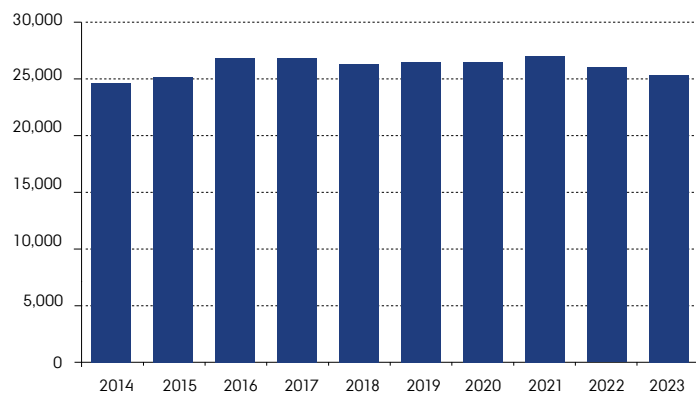
The core activities are categorised under the three main headings research, education and collaboration, and they all include specific strategic goals, sub-goals and initiatives to support the overall goal to ensure the highest international quality within the core activities.

#### Aarhus University's mission

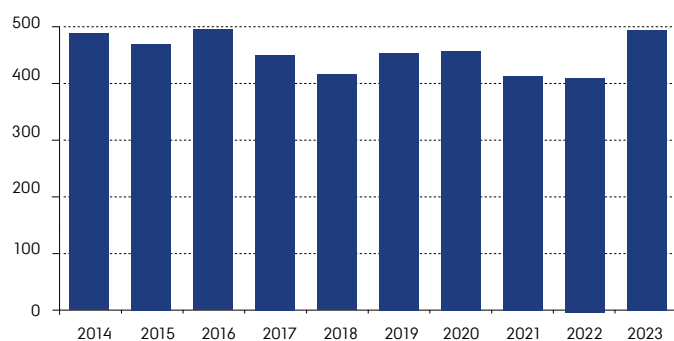




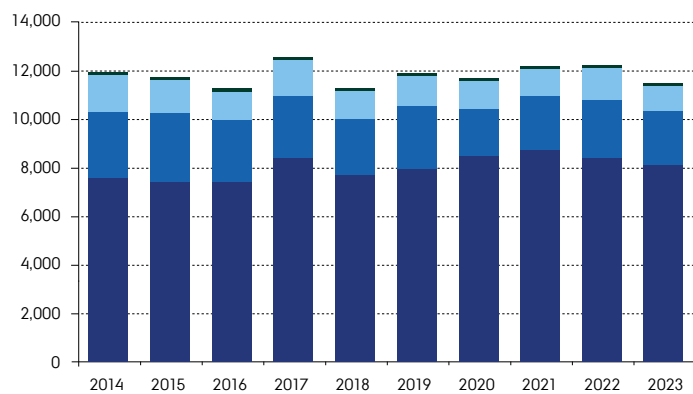
## 2.1.3 KEY FIGURES



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

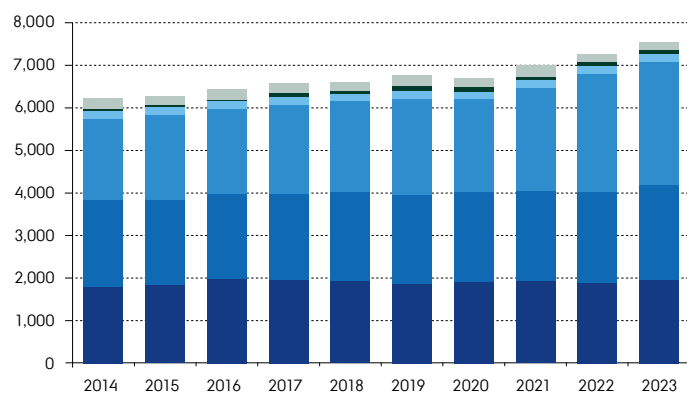


**PhD degrees awarded**



**Publications**

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



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

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

## 2.1.4 FINANCIAL HIGHLIGHTS

No.	Financial highlights	2023	2022	2021	2020	2019
<b>Income statement (DKK mill.)</b>						
1	Government subsidies	4,421	4,234	4,246	4,237	4,191
2	Other subsidies	2,763	2,575	2,245	1,986	2,052
3	Sales of goods and services	410	412	348	335	369
4	Other revenues	100	94	97	103	116
5	<b>Total operating income</b>	<b>7,694</b>	<b>7,316</b>	<b>6,936</b>	<b>6,662</b>	<b>6,728</b>
13	Staff costs	5,039	4,854	4,681	4,536	4,407
14	Rent	694	669	661	661	676
15	Depreciation, amortisation, write-downs and impairment losses	177	170	158	151	143
16	Losses in connection with the sale of buildings and impairment on buildings for sale	2	0	0	0	2
17	Other operating costs	1,707	1,659	1,456	1,349	1,502
18	<b>Operating costs, total</b>	<b>7,618</b>	<b>7,352</b>	<b>6,955</b>	<b>6,698</b>	<b>6,730</b>
19	Profit/loss before financial items and extraordinary items	76	-36	-19	-36	-2
20	<b>Profit/loss for the year</b>	<b>262</b>	<b>-292</b>	<b>14</b>	<b>0</b>	<b>51</b>
<b>Balance sheet (DKK mill.)</b>						
21	Non-current assets*	1,437	1,375	1,364	1,278	1,246
22	Balance sheet total	5,796	5,699	5,333	5,266	4,791
23	Equity	894	631	924	909	958
24	Long-term liabilities	452	423	518	495	463
<b>Accounting key figures (per cent)</b>						
25	Margin	3.41%	-4.00%	0.21%	0.00%	0.76%
26	Liquidity ratio	105.67%	100.34%	111.73%	128.26%	129.65%
27	Solvency ratio	15.42%	11.08%	17.32%	17.27%	19.99%
28	Funding ratio	-	-	0.96%	1.15%	1.35%
29	Debt factor	-	-	0.18%	0.21%	0.25%
<b>Staff (full-time equivalents)</b>						
30	Members of academic staff (VIP)	4,562	4,532	4,402	4,175	4,129
31	Part-time academic staff (DVIP)	315	314	325	341	367
32	Technical and administrative staff (TAP)	3,613	3,571	3,563	3,489	3,544
33	<b>Staff full-time equivalents, total</b>	<b>8,490</b>	<b>8,417</b>	<b>8,290</b>	<b>8,005</b>	<b>8,040</b>
<b>Active enrolment – Ordinary degree programmes</b>						
34	Theory - student FTEs	25,370	25,966	26,996	26,475	26,521
35	Internship - student FTEs	0	0	0	0	0
36	Student FTEs with subsidies from other ministries	134	124	176	182	179
37	<b>Student FTEs on ordinary degree programmes, total</b>	<b>25,504</b>	<b>26,090</b>	<b>27,172</b>	<b>26,657</b>	<b>26,700</b>
38	Number of admissions to academy profession degree programmes	81	0	10	15	16
39	Number of admissions to professional Bachelor's degree programmes	1,106	993	989	1,019	1,047
40	Number of admissions to Bachelor's degree programmes	5,532	5,411	6,554	7,187	6,815
41	Number of admissions to Master's degree programmes	5,645	5,407	5,767	5,771	5,925
42	Number of admissions to other ordinary degree programmes	0	0	0	0	0
43	Total number of enrolled students on ordinary degree programmes	31,846	31,972	32,543	33,027	32,630
44	Number of graduates from academy profession degree programmes	10	15	16	16	12
45	Number of graduates from professional Bachelor's degree programmes	754	841	825	697	659
46	Number of Bachelor's degree graduates	4,100	3,854	4,974	3,956	3,966
47	Number of Master's degree graduates	4,880	5,028	5,229	4,987	5,045
48	Number of graduates from other ordinary programmes	0	0	0	0	0

No.	Financial highlights	2023	2022	2021	2020	2019
<b>Actively enrolled – part-time degree programme/open education</b>						
49	Student FTEs, part-time degree programme/open education, higher education degree programmes	442	479	505	492	591
50	Student FTEs, part-time degree programme/open education, non-tertiary/other programmes	316	306	344	342	367
51	<b>Total student FTEs, part-time degree programme/open education</b>	<b>758</b>	<b>786</b>	<b>849</b>	<b>834</b>	<b>958</b>
<b>Course activities - income-generating activities (DKK mill.)</b>						
52	Course activities - income-generating activities, revenues**	61	51	20	-	-
<b>Internationalisation</b>						
53	Number of outgoing students (exchange students)	1,398	1,074	664	1,128	1,487
54	Number of incoming students (exchange students)	1,070	962	612	636	996
55	Number of foreign exchange students on full programmes in Denmark	3,150	2,827	2,786	2,717	2,790
<b>PhD programmes</b>						
56	Number of PhD students enrolled	1,869	1,898	1,894	1,840	1,820
57	Number of newly enrolled PhD students	544	510	516	549	491
58	Number of approved PhD dissertations	495	414	414	459	455
<b>Research and communication</b>						
59	Number of reported patents	26	32	17	28	20
60	Number of reported inventions	58	75	69	72	80
61	Number of projects with business and industry	3,047	3,225	2,710	2,616	2,713
62	Number of external projects	5,038	5,862	5,138	5,045	5,038
63	Revenues from cooperation with business and industry (DKK mill.)	1,166	1,143	962	831	790
<b>Buildings</b>						
64	Total buildings (gross area in m <sup>2</sup> )	712,871	717,925	697,196	700,848	707,642

\* Non-current assets including investments from 2021.

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

## 2.2 MANAGEMENT'S REPORT

The year 2023 was extremely eventful and a year of progress for Aarhus University in several key areas: Increase in external research funding, increasing admissions to Bachelor's degree programmes, falling graduate unemployment and closer collaboration with the local community. The positive results underline Aarhus University's strong position as a research, education and knowledge institution. This also applies financially. Aarhus University left 2023 with a surplus of DKK 262 million. The positive result contrasts with the loss in 2022 and contributes to realising the university's equity target as a percentage of total revenue. In 2023, Arts, Natural Sciences and Aarhus BSS implemented various level of financial adjustments to meet structural challenges and form the basis for a balanced operating profit. For the five faculties individually and for the university as a whole, 2023 ended with a positive operating result.

In 2023, the Danish government and a number of political parties agreed on the framework for a reform of Master's degree programmes. The reform involves a significant transformation of the Master's degree landscape, where 30 per cent of study places at sector level will be taken either as Master's degree programmes for working professionals over a shorter period, or as career-focused Master programmes with a work placement. The reform also involves a reduction (degree programme resizing) in the intake of Bachelor's degree students at the universities. After the political agreement was reached, a national committee on the reform of Master's degree programmes was set up consisting of the rectors of all eight Danish universities and others. During 2024, the committee will prepare a proposal for implementation of the agreement.

The geopolitical security situation has changed significantly in recent years. This also affects universities, which have extensive and important international research collaboration. Based on recommendations from the Committee on Guidelines for International Research and Innovation Collaboration, Danish universities are working closely with the Danish Ministry of Higher Education and Science and other authorities to establish procedures to reduce the risk of critical research ending up in adversary countries, but still maintaining and developing a high level of international research collaboration.

Generative Artificial Intelligence (GAI) and AI tools made a strong mark on universities in 2023. Initially, education in particular embraced the new opportunities and challenges, e.g. in connection with written exams. At Aarhus University, recommendations on the use of GAI in degree programmes were developed. A strategic approach was also launched to ensure that students acquire competencies in handling GAI within their subject area.

In 2023, Aarhus University continued work to reduce carbon emissions in accordance with the goals of Aarhus University's Climate Strategy 2020-2025. The annual climate action plan included initiatives regarding increased demand-controlled regulation of buildings, more sustainable procurement and development of future ventilation in laboratories.

To mark the 20th anniversary of the University Act, the Danish Council for Research and Innovation Policy published the report "Universities for the future". The aim was to contribute to public debate on the challenges facing universities and their future role in society. The survey included a questionnaire for researchers at Danish universities on, among other things, the universities' governance and financing culture. The report shows that virtually all researchers interact with the outside world, and this underlines the universities' major contribution to society. However, the survey also indicated a desire for more involvement and co-determination, and there may be challenges associated with an increase in external private research funding. The Aarhus University Board has considered the issues in the report, and the university management has ensured that the results were discussed in relevant meeting forums.

In 2023, the senior management team adopted the "Action Plan for Gender Equality, Diversity and Inclusion 2023-2025", which includes both cross-university activities and faculty-specific activities. Management is responsible for the action plan, and the gender equality and diversity committees at all faculties and in the administration are helping to ensure local anchoring.

In 2023, Aarhus University started working towards a new institutional accreditation. In December, the accreditation panel, consisting of Danish, Norwegian and Swedish academics, as well as students and a business representative, visited for the first time. The final decision will be announced in September 2024.

As part of Aarhus University's contribution to the political agreement on the relocation of university programmes across Denmark from June 2021, development of the university's new campus at AU Viborg is well underway. The first students will be welcomed to the new degree programmes, including veterinary medicine, in summer 2024. Aarhus University will also use the new campus as a setting for strengthening business collaboration and entrepreneurship in collaboration with Viborg Municipality and Agro Business Park.

Physical development of the campus in Aarhus has also had high priority. As part of the ongoing development of the University City,



the objective is to consolidate the university's sites in the University Park, the University City and Katrinebjerg to ensure optimum physical coherence.

In March 2023, Aarhus University received a decision entailing listing an extensive area of the University Park. With support and assistance from Aarhus University, the Danish Building and Property Agency submitted an appeal about the decision. In April, the Agency for Culture and Palaces withdrew its decision, and in the autumn Aarhus University received a new listing proposal. The university is working on a consultation response and expects a decision in May 2024.

In 2023, the Circle U. European university alliance completed its three-year pilot phase and launched the next four-year phase. The new phase is funded by the EU and builds on the activities for students and staff completed in the pilot phase. The activities will continue at the alliance's nine partner universities, and include new forms of internationalisation and summer schools in the fields of democracy, global health, climate, digital entrepreneurship, as well as seminars and conferences.

The Aarhus University Board hired Kristian Thorn as a university director from 1 February 2023. Berit Eika was reappointed as the pro-rector for education from 1 June 2023 for a new five-year period. She has been the pro-rector since 2014.

## FINANCIAL RESULTS

Aarhus University realised a surplus of DKK 262 million in 2023, significantly exceeding the budget of DKK 9 million. Total revenues excluding financial items were DKK 76 million higher than budget, while costs were DKK 30 million lower. The single biggest reason for the positive budget variance was financial items, which were DKK 147 million higher than expected. In addition, the budget variances reflect the general budgetary restraint at the university due to the negative operating result in 2022 and the expectations at that time of high inflation for an extended period, a decline in student FTEs earned, and extraordinary energy costs. All these factors have developed more favourably than expected.

## RESEARCH AND TALENT DEVELOPMENT

Aarhus University is a research-intensive university with a strong, clear international profile. The cornerstone of the university's activities is excellent basic research that provides solutions to major societal challenges and delivers new insights to benefit society as a whole. It is also the foundation of the university's other core activities: education, innovation and public sector consultancy.

### Talent and career development – diversity, gender equality and inclusion

Research strengths are closely linked to the ability to recruit, retain and develop talent. This is why Aarhus University is work-

ing to continually improve the quality of recruitment processes, create inclusive academic environments and strengthen career development for early-career researchers. In 2023, all faculties established guidelines for search committees for permanent academic positions. The aim is to increase the number of qualified applicants, e.g. by ensuring diversity in the field of applicants for individual positions. A two-day conference on inclusive academic environments was held in March attended by the Circle U. partner universities. A total of 400 people participated in the conference. Finally, the university runs a number of activities for PhD students regarding career development. In 2023, these activities included individual career guidance and career workshops in collaboration with the PhD programmes. Furthermore, two PhD schools have started onboarding programmes that include a career module.

### Consolidation of interdisciplinary initiatives

In 2023, the three interdisciplinary research focus areas START, PIREAU and SHAPE consolidated their position.

The three centres each address a complex societal challenge:

- START (Centre for Sustainable Agrifood Systems) contributes to the sustainable transition of agriculture and food production.
- PIREAU (Platform for Inequality Research at Aarhus University) generates new knowledge about inequality and develops initiatives to combat inequality.
- SHAPE (Shaping Digital Citizenship) provides solutions to promote democracy and active citizenship in an increasingly digitalised world.

Each of the three centres has received a grant of DKK 20 million from Aarhus University for the period 2022-2025. The expectation is that they will subsequently obtain external funding to continue their research activities.

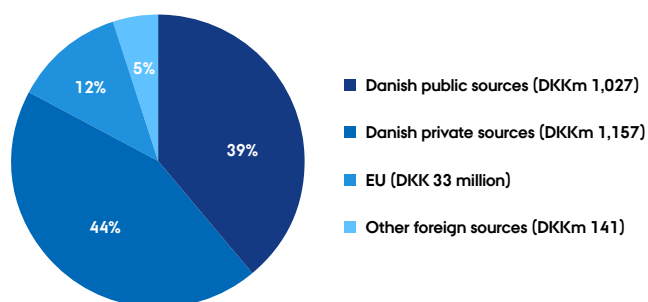
### Increase in external research funding

Aarhus University has contributed to a new agreement between the universities and a number of large private foundations. The agreement strengthens transparency with regard to the foundations' contribution to the actual costs associated with research at the universities, and it establishes a clear financial distribution key whereby the foundations will finance a larger proportion of project-related indirect costs. An ever-increasing proportion of external research funding is provided by private foundations, and the foundations included in the agreement account for approximately 30 per cent of the university's total external research grants. With the new agreement, it is expected that the university

will be able to release funding that is currently only intended to cover project costs. In future, it will be possible to use the funding to support research environments, among other things.

#### Utilisation of external research funding and attracting new grants

Changes in how the university utilises and attracts new external research funding are shown in section 2.3 Financial review. The utilisation of funding in 2023 is illustrated by source below.



Aarhus University attracted DKK 2.655 billion in external research funding in 2023, which represents an increase of 8 per cent over 2022. The utilisation of funding from all four funding sources increased. The proportion of funding from private Danish foundations also continued to increase.

A preliminary assessment carried out at the beginning of February 2024 shows external funding for 2023 of DKK 2,916 million. This is an increase compared with 2022, when an assessment made at the same time was DKK 2,883 million (based on experience from previous years, post-registration of Danish private and public grants received in 2023 will be around 10 per cent). As of 31 December 2023, Aarhus University has funding commitments as yet unutilised of DKK 8 billion for research projects with external funding. This supports the expectation of increased research activity in the coming years.

#### Major new grants for excellent research environments and research profiles

In 2023, several research environments with excellent researchers from the university's five faculties attracted major grants from international and national funders. This applies both to younger profiles and to well-established environments and underlines Aarhus University's success in attracting, developing and retaining talent at all levels. The research projects are often carried out in close collaboration with foreign universities, which reflects the university's international profile.

The European programme for research and innovation, Horizon Europe, is the most important international source of research funding. Grants from the ERC Excellence programme are considered particularly prestigious because researchers compete with the best researchers from all over Europe.

In 2023, 13 researchers from Aarhus University received grants under the ERC programme. The research projects are wide-ranging and underline the research quality at all faculties:

The research domains range from urban development and resilience in Mesopotamia and the Middle Ages to citizens' attitudes towards contemporary urban development, evolution in intestinal bacteria, AI/machine learning, and improved diagnostics of neurodegeneration.

Besides ERC grants, researchers from Aarhus University are lead coordinators on nine research and collaboration projects with total funding of almost DKK 70 million under Horizon Europe's Pillar II – Global challenges and European industrial competitiveness. In total, as of January 2024 Aarhus University had attracted 91 projects from Horizon Europe in 2023, with a total budget of just over DKK 366 million. Since the launch of the framework programme, the university has attracted 236 projects with a total budget of almost DKK 975 million. This puts Aarhus University in 13th place among all universities that have attracted funding from Horizon Europe.

Both public and private Danish foundations awarded significant grants to researchers and research environments at Aarhus University in 2023.

Through the Semper Ardens programme, the Carlsberg Foundation awarded grants of DKK 5-16 million to ten researchers from Aarhus at various career levels.

Universities and university colleges have together established the Knowledge Centre for Digital Literacy, which has received DKK 50 million in funding from the Villum Foundation, Novo Nordisk Foundation and Lundbeck Foundation. Among other things, the centre will explore how children and young people can be constructive and critical co-creators of the digital technology that creates the framework for our lives, communities and society. Researchers from both Arts and Natural Sciences are participating from Aarhus University.

The goal of the newly established centre at Aarhus BSS, CoRE, is to generate new research-based knowledge about energy, environmental and climate economics in Denmark and abroad, initially with a donation of DKK 25 million from the energy trading company InCommodities. Aarhus BSS has a strong academic tradition for combining econometric and financial models, and by combining these with industry expertise, CoRE has a good outset to make an international impact.

The Danish Parliament has decided that Denmark is to have an updated study on democracy and power. Like the first time, Aarhus BSS will head the study, and in 2023 the Minister for Higher Education and Science appointed Michael Bang Petersen from the Department of Political Science to lead the process following a recommendation from Independent Research Fund Denmark.

The Novo Nordisk Foundation granted a total of DKK 120 million to two new NNF challenge centres at Aarhus University. The Center for RNA Therapeutics Towards Metabolic Disease (RNA-META) will develop new types of RNA medicine and methods for targeted treatment of diseases. The international hub for legume research and innovation N2CROP conducts research into sustainable food production based on biological nitrogen fixation.

Three researchers from Natural Sciences have each received a Villum Investigator Grant from the Villum Foundation of DKK 40 million. Their research ranges from mathematical methodology development of L-functions to the significance of sugar molecules for the development of animal embryos and data visualisation.

### Awards

In 2023, a number of researchers from Aarhus University received prestigious awards in recognition of their excellent research.

Bo Barker Jørgensen from the Department of Biology received the H.C. Urey Award. The award is one of the most prestigious within geochemistry and is awarded to researchers who have made outstanding contributions to geochemistry.

Mette Løvschal from the School of Culture and Society was awarded the Queen Margrethe II's Science Award for her interdisciplinary research into prehistoric landscapes that may contribute knowledge to tackling the climate crisis. She also received the university's Victor Albeck Award.

Jens Christian Svenning from the Department of Biology received the Carlsberg Foundation Research Prize. He received the award for his internationally recognised research into macroecological processes and the development of methods and ideas for rewilding that may benefit the Earth's climate and ecosystems.

Per Borghammer from the Department of Clinical Medicine and Dorthe Ravnsbæk from the Department of Chemistry each received one of the five Elite Research Prizes awarded annually by the Ministry of Higher Education and Science. Per Borghammer received the award for his research into Parkinson's disease. Dorthe Ravnsbæk received the award for her research into sustainable, rechargeable batteries.

Aarhus University's Rigmor and Carl Holst-Knudsen Award for Scientific Research was presented to Bobby Zachariae from the Department of Psychology and Behavioural Sciences for his research into delayed psychological and physical complications from life-threat-

ening illness. Kim Daasbjerg from the Department of Chemistry received the newly established Else Kai Sass Award for his great contribution to collaboration, innovation and research communication. Finally, the Grundfos Prize was awarded to Patrick Biller from the Department of Biological and Chemical Engineering for his groundbreaking research into the technology Hydrothermal Liquefaction (HTL).

## DEGREE PROGRAMMES

### Portfolio of degree programmes

In 2023, Aarhus University received approximately a quarter of all first-choice applications for Danish university degree programmes. Aarhus University has a broad academic span, with degree programmes within health sciences, social sciences and business, the humanities, technical and natural sciences. The university provided 183 ordinary degree programmes and 22 supplementary courses in 2023.

Aarhus University continually adjusts its portfolio of degree programmes to meet labour market demands for relevant and highly qualified labour. In 2023, Aarhus University received approval to provide the Bachelor's and Master's degree programmes in plant and food science, animal science and veterinary medicine. The three programmes will all open at the university's new campus AU Viborg.

### Recruitment and commencement of studies

In 2023, Aarhus University welcomed more than 6,600 new Bachelor's degree students. This is an increase of almost 4 per cent on 2022. The increase is particularly evident in engineering, where the number of first-choice applicants was 8 per cent higher than in 2022.

In 2023, relatively more people accepted the study place they were offered on Bachelor's degree programmes. Only 13 per cent of those who were offered a place at Aarhus University turned down the offer, compared with 15 per cent in the year before.

Aarhus University's recruitment strategy aims to create the right match between applicant and degree programme. Among other things, this is through close collaboration with upper secondary schools. In February 2023, U-days were held with 7,640 visitors, and 924 of these were online. The physical event was supplemented by digital input to create greater accessibility, which, among other things, benefits people on a gap year. People on a gap year becoming increasingly important, partly because the number of gap years is rising, and partly because surveys of potential applicants show that the final choice of study is not made until late in the gap-year period. Other activities aimed at upper secondary schools included the 2,406 participants in study trials at Aarhus University in week 43. That was 300 more than in 2022. The university's live streams of lectures were watched by approximately 5,000 upper secondary school students, and the

Mobile University taught 8,000 upper secondary school students in 16 upper secondary schools. Finally, in 2023 the Committee on Education hosted the recurring networking day for top managers in upper secondary schools, where 80 upper secondary school principals and heads of studies administration discussed the new framework for education resulting from the reform of Master's degree programmes and generative artificial intelligence (GAI).

The first-year drop-out rate at Aarhus University increased slightly from 18.3 per cent in 2022 to 18.9 per cent in 2023. Some of the drop-out is due to changes of programme, but Aarhus University is constantly working to strengthen student well-being and affiliation in order to reduce drop-out rates. Among other things, this is through interdisciplinary initiatives such as academic reflection rooms, where teaching staff are trained to teach new students the right learning strategies. In 2023, the university launched an online tutor course to help tutors give new students a good intro week. The faculties have also launched a number of local initiatives to ensure a good intro week.

### Structure and completion time

The average number of ECTS credits earned by students at Aarhus University remains at a stable high level. In 2023, the average number of ECTS credits earned was 29 for Bachelor's degree students and 26 for Master's degree student.

However, students' self-reported time spent on studying per week (time on task) is falling slightly. At AU level, the time on task decreased from 37.3 hours in 2020 to 36 hours in 2023, although with variations between faculties. The university closely monitors developments in ECTS credits and time on task, both centrally and locally. There is still a need for initiatives to increase time on task.

The continued development of pedagogical and didactic competencies of teaching staff is crucial to ensure high-quality, coherent degree programmes. In 2023, Aarhus University took new steps in its work on the new job structure and implementation of the Danish framework for advancing university pedagogy. A new teaching portfolio will formalise and support the ongoing discussion between teacher and manager about didactic competency development needs.

### Study environment

The latest Study Environment Survey from 2023 shows that most students at Aarhus University are thriving both academically and socially. The same trend can also be seen in the 2023 student city survey carried out by the City of Aarhus. A large proportion of the respondents are students at the university, and they express a high level of well-being and satisfaction with Aarhus as a student city. While general developments in young people's well-being reflect complex and often more general trends in society, Aarhus University is committed to ensuring a framework that enables

students to experience good links with the university and with fellow students in and outside the classroom. For example, the campuses have flexible, sustainable and creative solutions such as those in the new University City to help make space for community and contemplation.

One of the keys to a well-functioning study environment is an inclusive university with room for diversity. In 2023, Aarhus University therefore decided to establish an interdisciplinary academic environment council effective from early 2024 to discuss and advise on topics relating to the psychological, physical, aesthetic and digital study environment.

Furthermore, a project study environment consultant was appointed in 2023, who has worked to improve university work on dealing with handling offensive behaviour involving students.

A survey of the diversity of the student population was also carried out in 2023. Among other things, it shows that the gender balance varies greatly across degree programmes. The results of the diversity survey are important for understanding the students' backgrounds and how the university's degree programmes reflect the surrounding society. This new knowledge will set the direction for work in 2024, when concrete actions are to be identified. Finally, in 2023 the university increased focus on the group of students in need of special support, as this group is growing. This group of students receives considerable support during their studies, but Aarhus University also wants to help more, with better opportunities for entering the labour market after graduation. Consequently, the university held academic events for directors of studies and others, and the university established interdisciplinary collaboration with the City of Aarhus and others.

### Transition to the labour market

A central goal for Aarhus University is that students acquire academic competencies at the highest level by the end of their degree programme and are able to apply these in a relevant professional context.

The graduate unemployment rate confirms that students from Aarhus University are in demand on the labour market. From 2022 to 2023, the unemployment rate for graduates at Aarhus University fell from 9.3 per cent to 6.5 per cent.

Although graduates are in demand, the university continuously strives to ensure that their competencies reflect the needs of the labour market. The Digitally Competent Graduates initiative



therefore continued in 2023. With the emergence of GAI, it was decided that the necessary work to ensure that students acquire skills to be able to use GAI tools reflectively and critically is to be anchored in the Digitally Competent Graduates project. This will mean that the new competency needs are met more quickly and competency development will be in the context of the individual degree programme. The development of a new entrepreneurship course also reflects the aim to ensure that students have good opportunities to develop competencies that are in demand on the labour market.

Moreover, the collaboration between the university, the City of Aarhus and the Akademikernes A-kasse unemployment insurance fund was consolidated in 2023. The collaboration includes joint efforts to ensure that international students stay in Denmark after graduation. Local initiatives are being launched across the university to support this purpose, e.g. mentor-like programmes between Danish students and exchange students.

The SME mentoring pilot project at Natural Sciences and Arts is based on the potentials of supervision, knowledge and networking. In the project, students are matched with an alum employed with an SME. Already in the pilot phase, the initiative has increased students' knowledge of new opportunities on the labour market and contributed to clarification of the future. This creates a sense of security and well-being, also during the actual period of study.

In general, students are very keen on getting acquainted with the labour market while they are still studying. In 2023, 1,734 students completed a project placement, and 928 wrote their Master's thesis in collaboration with a company.

## COLLABORATION AND KNOWLEDGE EXCHANGE

In 2023, Aarhus University intensified efforts to ensure that research-based knowledge and solutions benefit society. These efforts were made in two tracks: Collaboration with businesses, municipalities and civil society, as well as support for researchers and students to set up their own new businesses.

### Collaborations

In 2023, Aarhus University saw an increase in the number of research contracts with public sector institutions and authorities as well as with private companies. During the year, Aarhus University entered into 673 research contracts.

With regard to business and industry, Aarhus University maintains close collaboration with large as well as small and medium-sized enterprises (SMEs). Among other things, efforts in relation to SMEs are through national cluster organisations, and Aarhus University is active in all 13 organisations. Furthermore, a number of researchers have collaborated with SMEs on so-called knowledge bridge projects: an initiative that Aarhus Uni-

versity supports through knowledge bridge employees, network groups and knowledge sharing.

In 2023, Aarhus University collaborated with all the municipalities in Central Jutland, partly through strategic partnership agreements with 15 of them. For instance, Aarhus University opened a new research station in Norddjurs Municipality, which will contribute research into the green transition of the food sector.

The City of Aarhus, Aarhus University and leading IT companies in Aarhus have joined forces to establish Security Tech Space. This is because public sector authorities, knowledge institutions and private businesses must work together to combat increasing threats to our cybersecurity. Security Tech Space focuses on cyber and information security for businesses, and offers knowledge – in the shape of the latest research, education and continuing education, recruitment, entrepreneurship and more – as well as branding and export of Danish cybersecurity expertise and products.

### Entrepreneurship

Aarhus University continued to promote entrepreneurship and act as an incubator for new businesses in 2023. This was by further developing the entrepreneurial environment for researchers and students at Aarhus University, in particular through the entrepreneurship hub, The Kitchen, as well as the university's other innovation hubs.

In 2023, more than 200 active entrepreneurial cases were affiliated with The Kitchen, from where they received advice and sparring to develop their business further. There were also 58 registered inventions, 26 patent applications and 17 licence agreements on technology.

Collaborating with investors is key in entrepreneurship, because they can help promising startup and spinout cases take the next step in the development of new businesses. In 2023, capital totalling DKK 127 million was invested in 97 startups and spinouts that had been affiliated with The Kitchen or other AU entrepreneurship hubs. This is a significant improvement compared with 2022, when a total of DKK 61 million was invested in 85 startups and spinouts.

Further to previous years' activities, The Kitchen offered and held workshops and events, some with players from the entrepreneurial ecosystem at and around Aarhus University. In 2023, 105 workshops were held, with almost 2,000 participants in total.

The ambition is to strengthen the diversity of the entrepreneurial environment at and around Aarhus University. In 2023, 32 per cent

of entrepreneurs in The Kitchen were women, which is above the national average of 26 per cent. In 2024, Aarhus University will continue efforts to correct the gender imbalance in the entrepreneurship environment, among other things through a campaign launched at the end of 2023.

Professor Karin Lykke-Hartmann from Health and her group from the startup company, Notify Therapeutics, received an investment of just over DKK 37 million from the Lundbeck Foundation, BioCapital and +ND. to conduct research into improved fertility treatment. Karin Lykke-Hartmann has also been appointed Innowoman: an initiative from Innovation Fund Denmark to contribute to a better gender balance among entrepreneurs and researchers.

A significant part of Aarhus University's collaboration with players in the innovation ecosystem takes place through "The Link", which is a collaboration between the university, Central Denmark Region, the City of Aarhus, large and small companies, Incuba and investors. In 2023, The Link held an event called Aarhus Town Hall in both spring and autumn, gathering startups, investors and players from the entrepreneurial ecosystem. The Link also organised "Diversity Week" for the first time to promote a broader understanding of entrepreneurship – an initiative that will be repeated in 2024.

### Open Innovation in Science

Aarhus University has strengthened its commitment to Open Innovation in Science (OIS), where researchers and companies work together to find solutions to some of the major societal challenges, and where all knowledge and innovation are subsequently made freely available, i.e. patent-free.

Aarhus University operates OIS collaboration platforms within the development of pharmaceuticals as well as the green transition within plant-based diets (Plant2Food). The university has also set up an OIS centre to operate the various OIS platforms and develop the concept.

### Research-based public sector consultancy

In 2023, Technical Sciences prepared a strategy for public sector consultancy, among other things to strengthen internal collaboration. Concurrently, the faculty renewed its ISO9001 certificate for the quality management system for public sector consultancy. The auditor found no deviations and highlighted that the management system is being used and is strengthening workflows.

In 2023, a grant from the research reserve funds of DKK 28.4 million was allocated to public sector consultancy within climate, agriculture, nature and the environment to strengthen the re-

search base for consultancy. There are no specific reporting requirements, but there is a possibility to spread the amount over several years. The specific ministries welcome this grant, as many years of reallocation contribution have eroded the amount for research under the adjustable grant.

### Research communication

The media's most commonly used experts are predominantly men – usually professors. Therefore, Aarhus University has intensified efforts to promote diversity and gender equality. The goal is to give more female researchers and early career researchers an opportunity to contribute their expert knowledge.

In 2023, Aarhus University once again participated in Denmark's Political Festival on Bornholm. The university was present with a large number of researchers who participated in debates, talks and workshops. The university hosted more than 20 events focusing on the latest research. They were all held in Allinge Harbour from the research vessel Aurora.

For the second successive year, Ida Cecilie Jensen from the Department of Ecoscience won the final of the European research communication competition 3MT (Three Minute Thesis) in Cologne, Germany. She won with a presentation on how to control pests in agriculture using ants.

Aarhus University's "Chemistry Show" celebrated its 25th anniversary in 2023. Since 1998, students at the Department of Chemistry have travelled around Denmark and entertained children and young people with fun and inspiring chemical experiments. The team consists of 10-12 students, all of whom are enrolled on a chemistry programme. The Chemistry Show not only put on shows experimenting with chemicals, they also ran workshops etc.

When German sociologist Hartmut Rosa was appointed an honorary doctor at Aarhus University, an open event was held. The event was a major attraction, with more than 300 citizens and employees in the audience. Rosa's meeting with the people of Aarhus had a special ending: in the taxi on the way home to the hotel. Hartmut Rosa's taxi driver was a 70-year-old who happened to have read all Rosa's books and wanted to discuss his theses. The meeting resulted in an article in Zetland and illustrates how research communication can take place in very surprising everyday situations.

## 2.3 FINANCIAL REVIEW

### FINANCIAL RESULTS FOR THE YEAR

Aarhus University realised a surplus of DKK 262 million in 2023. The budget was an expected surplus of DKK 9 million. The result is thus DKK 253 million higher than budgeted. The operating result improved by DKK 106 million compared with the budget. This is because total revenues are DKK 76 million higher than budgeted, while costs are DKK 30 million lower. In addition, financial items are DKK 147 million higher than budgeted due to significant increases in prices of securities in AU's portfolio.

Table 1: Surplus/(deficit) for the year (current prices)

DKK mill. Current prices	FS22	B23	ØR3	FS23	FS23 -B23	FS23 -B23 %	B24
Finance Act grants	4,234	4,423	4,404	4,421	-2	-0.0%	4,620
External funding	2,573	2,741	2,782	2,763	22	0.8%	2,854
Sales/other operating income	508	451	504	509	55	12.2%	497
<b>Total revenues</b>	<b>7,316</b>	<b>7,618</b>	<b>7,690</b>	<b>7,694</b>	<b>76</b>	<b>1.0%</b>	<b>7,970</b>
Salary	4,854	5,083	5,061	5,039	-44	-0.9%	5,263
Rent	658	695	694	694	-2	0.3%	747
Other operating costs	1,670	1,682	1,715	1,709	27	1.6%	1,789
Depreciation and amortisation	170	188	189	177	-11	-6.1%	198
<b>Total costs</b>	<b>7,352</b>	<b>7,649</b>	<b>7,659</b>	<b>7,618</b>	<b>-30</b>	<b>-0.4%</b>	<b>7,997</b>
<b>Surplus/deficit before financial items</b>	<b>-36</b>	<b>-31</b>	<b>31</b>	<b>76</b>	<b>106</b>		<b>-27</b>
Financial items	-257	40	80	187	147		75
<b>Surplus/deficit</b>	<b>-292</b>	<b>9</b>	<b>111</b>	<b>262</b>	<b>253</b>		<b>48</b>

The budget variances should read in light of the fact that a number of major uncertainties, which to some extent were hedged with the 2023 budget, did not materialise. These include continued inflation, high energy prices, etc. Unlike the negative economic conditions in 2022, there were no significant negative surprises in 2023 and many conditions ended better than feared in the budget planning. At the same time, the aim in 2023 was not to worsen the budgeted result. The combination of the absence of potential budget challenges and prudent internal planning has contributed to a better operating result than budgeted. The significantly better financial result due to higher interest rates and much faster price recovery on securities in 2023 after the huge declines in 2022, together with the improved operating result, has resulted in a total surplus that is DKK 253 million higher than budgeted.

Total revenues increased by DKK 378 million against the realised amount in 2022, corresponding to an increase of just over

5 per cent. Table 1 shows that this increase is due to significant increases in Finance Act grants and external grants from the amount realised in 2022. Sales/other operating income increased by DKK 55 million from the budgeted amount in 2023, but is virtually constant compared with the amount realised in 2022.

External funding was significantly higher than in 2022 due to increased activity. The increased activity is distributed across AU's faculties, where Health and Tech in particular have seen increases in external funding since 2022. Aarhus BSS was the only faculty experiencing a decrease in external funding of approximately DKK 17 million compared with the amount realised in 2022.

Total Finance Act grants in 2023 were DKK 4,421 million and this amounts to a minor variance of DKK -2 million from the budgeted amount. The overall variance is made up of a number of underlying variances in individual revenue categories. Of this, an increase in basic research funding of DKK 18.4 million constitutes the largest nominal variance. The increase is mainly because AU was awarded a total of DKK 28.4 million in autumn 2023 to establish research-based public sector consultancy, of which DKK 10 million has been carried forward to 2024. Among other positive developments, AU received a grant of DKK 5.9 million to strengthen small subjects in December 2023. However, there was also a decrease in Finance Act grants for a number of other areas. Of particular note is a decrease in activity-based subsidies for full-time degree programmes of DKK 17 million compared with the budget for 2023. This decrease is due to a decline in student FTEs of 0.8 per cent relative to the budget. The decline was seen at all faculties (except at Arts), but primarily at Health and Nat.

Sales/other operating income, including tuition fees for continuing and further education, and consultancy and forensic services were significantly above the budgeted amount for 2023. One reason for this is that the budgetary basis for a large number of projects with sales revenues was not fully known when the budget was prepared. Due to this, these projects were, in line with tradition, budgeted conservatively at the beginning of 2023.

The budget variance in total costs is the result of major variances in all categories, except for rent costs. There was a drop in payroll costs and in depreciation and amortisation of DKK 44 million (-0.9%) and DKK 11 million (-6.1%), respectively, in relation to the budget, while other operating costs increased by DKK 27 million (1.6%) in relation to the budget. The drop in payroll costs and in depreciation and amortisation were both caused by general

budgetary restraint at the faculties due to the negative result in 2022. In addition, the drop in payroll costs was affected by the extension of the partial hiring freeze from late 2022 to early 2023 that was decided immediately after budgeting. The increase in operating costs is primarily on ordinary operations, where the increase is partly driven by TECH advancing and initiating new building projects as a result of the positive development in the faculty's finances. There was also a major increase in other operating costs in connection with the development of sales/other operating income.

### BUDGET PROJECTIONS 2024-2027

AU is planning a surplus in all years in the budget period 2024-2027. The improved result in 2023 means that, in all years, equity is expected to remain above the 10 per cent of revenue long-term target set by the AU Board. The university also expects to balance ordinary operations from 2026.

Major uncertainties during the budget period include the effects of the reform of Master's degree programmes not included in the budget, as well as costs associated with the further development of AU's campus, particularly in the University City and at Katrinebjerg. The budget does not include the fact that the collective agreement for state sector employees for 2024 became more expensive than assumed in the Finance Act for 2024. However, in the course of 2024, the state has the option of granting a compensatory supplementary grant so that the level of activity in general activities can be maintained.

Table 2: Budget 2024-2027 (2024 level)

DKK mill., 24 prices	FS2022	FS2022	B2024	B2025	B2026	B2027
Finance Act grants	4,523	4,589	4,620	4,656	4,683	4,700
External funding	2,748	2,868	2,854	2,938	2,988	3,006
Sales/other operating income	543	529	497	492	491	488
<b>Total revenues</b>	<b>7,814</b>	<b>7,986</b>	<b>7,970</b>	<b>8,086</b>	<b>8,161</b>	<b>8,194</b>
Salary	5,185	5,231	5,263	5,311	5,322	5,315
Rent	703	720	747	781	768	766
Other operating costs	1,784	1,774	1,789	1,812	1,860	1,890
Depreciation and amortisation	181	184	198	209	210	214
<b>Total costs</b>	<b>7,852</b>	<b>7,908</b>	<b>7,997</b>	<b>8,115</b>	<b>8,160</b>	<b>8,185</b>
<b>Surplus/deficit before financial items</b>	<b>-38</b>	<b>78</b>	<b>-27</b>	<b>-29</b>	<b>2</b>	<b>9</b>
Financial items	-274	194	75	48	37	27
<b>Surplus/deficit</b>	<b>-312</b>	<b>272</b>	<b>48</b>	<b>18</b>	<b>38</b>	<b>36</b>

A DKK 224 million increase in revenues is expected, corresponding to 2.8 per cent over the budget period, primarily due to increased utilisation of external funding. External funding is therefore expected to increase from approx. DKK 2.8 billion to approx. DKK 3 billion over the budget period. The increase in external funding is consistent with Aarhus University's strategic efforts. Besides the increase in external funding, the university expects

an increase in Finance Act grants based on an expectation of an increase in student FTEs earned at Health and Tech in particular. However, as recent years have shown, the pace of developments in student FTEs and increases in the utilisation of external funding is uncertain and may be affected by external factors.

Since the expected revenue increase is largely borne by external funding, and because basic research funding is not expected to increase at the same rate, Aarhus University will become more dependent on the proportion of overhead provided by funders and subsidies for the projects' fixed or indirect costs. As part of efforts to cover both direct and indirect costs, Aarhus University and the other Danish universities therefore entered into an agreement on project supplements with six foundations in 2023: the Novo Nordisk Foundation, Villum Foundation, Carlsberg Foundation, Velux Foundation, Lundbeck Foundation and LEO Foundation. TrygFonden has subsequently signed the agreement. The agreement is expected to boost the faculties' finances and release part of the government subsidies that currently finances derived costs from external research grants.

Costs are expected to increase by DKK 188 million, corresponding to 2.4 per cent over the budget period. Salaries and other operating costs are expected to rise in connection with increased external funding. The salary increase is primarily due to increased full-time equivalents for members of academic staff. Full-time equivalents for technical/administrative staff are expected to be more or less stable. Building-related costs, with the exception of rent, are expected to fall during the budget period based on an expectation of continued drops in energy costs as a result of the cost reductions implemented in 2022, as well as the completion of Campus Viborg at Tech. Rent costs will increase temporarily due to double rent during the period in which Fuglesangs Allé is vacated and the premises in the University City are taken into use. However, rent costs are expected to stabilise at a lower level over the longer term.

On the financial items, a return on AU's investments of DKK 75 million is expected in 2024, DKK 50 million in 2025, DKK 40 million in 2026 and DKK 30 million in 2027 (current prices). The changed expectations regarding returns on investment are a consequence of the new investment policy adopted by the board. This means that the majority of the portfolio is placed in short-term government and mortgage-credit bonds. Based on an expectation of falling market interest rates in society, the return is expected to decrease over the coming years.

The deficit in 2022 reduced AU's equity to a level equivalent to 8.6 per cent of revenues. The positive result in 2023 has increased equity so that it corresponds to 11.6 per cent of revenues at the end of the year. The budget for 2024-2027 maintains a solid equity, which helps to safeguard AU against future uncertainties, including the effects of the forthcoming reform of Master's degree programmes.



## 2.3.1 SPECIAL SUBSIDIES

### **Startup and investment funding for veterinary medicine programme and dentistry degree programme**

In 2023, Aarhus University recognised a total of DKK 12.9 million in startup and investment funding for the veterinary medicine programme in AU Viborg (DKK 10.5 million) and increased admissions to the dentistry degree programme (DKK 2.4 million). The funding primarily comes from the Finance Act for 2021 and 2022, respectively. By agreement with the Ministry of Higher Education and Science, Aarhus University will recognise this funding over a number of years in step with expected investments in the programmes.

### **Subsidies for a linguistic boost**

In the period 2022-2024, Aarhus University received a grant from the Ministry of Higher Education and Science totalling DKK 7.5 million for language-related supplementary competencies. The aim of the grant is to help more students gain language competencies as a supplement to their core academic competencies and to improve foreign language competencies for students on German and French degree programmes. In 2023, Arts offered supplementary competency courses at two levels in German, French and Spanish, respectively, as well as beginner courses in Russian and Chinese with a total of 430 places. There has been great interest in the courses among students across all five faculties, where a total of 1,361 applied for places.

## 2.4 PERFORMANCE REPORTING

In 2021, Aarhus University entered into a strategic framework contract with the Minister for Higher Education and Science. The framework contract is valid from 1 January 2022 to 31 December 2025. The framework contract consists of eight strategic goals. The following reports on the performance for 2023. The goals are evaluated using the scale: unsatisfactory, acceptable and satisfactory.

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

### Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal.

Aarhus University is working strategically to strengthen recruitment, development and retention of research talent, among other things through implementation of the *Action Plan for Gender Equality, Diversity and Inclusion 2023-2025*, which was adopted by the senior management team in January 2023. Data shows that the gender balance in senior academic positions has improved. The same applies for the proportion of advertised academic positions, with a minimum of three qualified applicants, although the increase is modest compared with 2020 (baseline year).

There is also a positive development in the annual utilisation of external funding per senior member of academic staff, both in relation to the baseline year and 2022. The university still maintains a high level of external funding. In 2023, Aarhus University also contributed significantly to an agreement between the universities and a number of large Danish research funding foundations to improve cover for project-related indirect costs.

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

### Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal. In 2023, the three interdisciplinary research initiatives that each addressed a major societal challenge consolidated their position. The three centres, which each has received a grant of DKK 20 million for the period 2022-25, are:

- START (Centre for Sustainable Agrifood Systems) contributes to the sustainable transition of agriculture and food production.
- PIREAU (Platform for Inequality Research at Aarhus University) generates new knowledge about inequality and suggests initiatives to combat inequality.
- SHAPE (Shaping Digital Citizenship) promotes democracy and active citizenship in a world that is increasingly characterised by data and algorithms.

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

### Aarhus University's assessment of the strategic goal

Overall, Aarhus University assesses that there is satisfactory progress towards the goal, as there has been a slight increase of 2 percentage points from 2022 in the proportion of PhD graduates employed in the private sector. The planned activities have been completed, and the participants are satisfied with the quality of the career-clarifying activities. Data stems from PhD graduate classes between 2019 and 2021.

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

### Aarhus University's assessment of the strategic goal

Aarhus University assesses that progress towards the goal is acceptable. This is because the supporting activities have been carried out as planned, and there was a slight increase in the first-year drop-out rate from 18.3 per cent in 2022 to 18.9 per cent, while students' self-reported time spent on studying has stabilised at 36 hours per week, marginally below the baseline year of 37 hours per week. However, there are differences between the faculties, and there is consensus at Aarhus University that initiatives to increase time on task are still necessary. Finally, students are still very satisfied with the academic and social environments. The themes and indicators are also discussed under the auspices of Universities Denmark, as similar trends are seen across the sector.

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

#### Aarhus University's assessment of the strategic goal

Aarhus University assesses that progress towards the goal is highly satisfactory. All five faculties are developing the digital competencies in degree programmes in selected academic environments. In 2023, a total of 27 degree programmes were reviewed to introduce new digital elements, such as new courses or the inclusion of digital methods, and 755 teaching staff have undergone competency development. This is a significant increase over 2022 (baseline year). The project is thus well anchored organisationally and there is great interest in participating. Six extracurricular coding camps were also held for students across the faculties.

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

#### Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal.

The assessment is based on the record-high number of engineering study places offered in the summer 2023 admissions, corresponding to an increase of 8 per cent from summer 2022. However, the highly satisfactory admissions should be seen in light of the limitations imposed by the phase-in cap in connection with the implementation of the relocation agreement. The fixed phase-in cap means that, for the first time, qualified applicants have received a rejection to their application to study engineering at Aarhus University.

Efforts to strengthen education and research in the field of engineering will continue, and in 2023, 37 new members of academic staff were employed. This is a significant increase on the 19 in 2022. External funding also continues to increase and grew from DKK 208 million in 2022 to a minimum of DKK 275 million in 2023.

The development in general graduate unemployment across Aarhus University, which fell from 9.3 per cent in 2022 to 6.5 per cent in 2023, is also satisfactory. It reflects that the university's graduates are very sought after in the labour market.

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

#### Aarhus University's assessment of the strategic goal

Aarhus University assesses that progress towards the goal is

highly satisfactory. A high number of students are participating in programmes in the university's innovation hubs, and researchers are increasingly taking part in programmes in The Kitchen, both compared with the baseline year 2021 and 2022. The university's academic environments, particularly within biomedicine, are setting up spinouts, and these are attracting external funding.

In 2023, the university further developed and strengthened the entrepreneurial environment for researchers and students – including through the entrepreneurship hub The Kitchen. In 2023, The Kitchen offered and held a wide range of activities and provided professional business development consultancy for students and researchers.

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

#### Aarhus University's assessment of the strategic goal

Aarhus University assesses that there is satisfactory progress towards the goal. Aarhus University has strengthened relations with key players in the business ecosystem, among other things through increased external funding for research and collaboration projects from Horizon Europe's Pillar II. The university continued work to create an even greater contribution to society through more collaborations and projects to benefit companies, local authorities, students and researchers. This is reflected in the number of research agreements, which increased significantly to 673 agreements in 2023 compared with 474 agreements in 2022 and 486 agreements in the baseline year 2021. In 2023, there was a marginal decrease in the number of students in project placement, but the level is still considered high.

In addition, the university has nurtured its relationship with its alumni by developing a number of membership benefits to ensure that they maintain a good connection with the university.

## 2.5 OUTLOOK FOR THE COMING YEAR

In 2024, several important steps will be taken regarding the reform of Master's degree programmes. The committee on the reform of the Master's degree programmes will publish its recommendations for implementation in autumn 2024, after which a political decision on the final implementation will be made. This will have a crucial impact on the future educational landscape of the university.

In close collaboration with the Aarhus University Research Foundation, Aarhus University has established a new course provider, which will utilise the university's academic strengths to offer a wide range of short courses on topics such as digitalisation, technology, sustainability, the green transition and management. The new course provider will offer short research-based courses without ECTS credits with flexible structure and they will reflect the professional needs of public and private sector employees. With the new initiative, Aarhus University and the Aarhus University Research Foundation aim to make it easier for researchers and departments/schools to offer courses, thereby strengthening the foundation for lifelong learning. First courses are expected to be offered during autumn 2024.

From summer 2024, the three new Bachelor's degree programmes will also be offered at AU Viborg: plant and food science, animal science and veterinary medicine. In the long term, a fully-fledged campus is expected to be able to accommodate 800-900 students.

In spring 2024, a decision will be made regarding a 10-year master plan for AU Aarhus. Efforts will then continue to integrate the university's other campus areas into an overall master plan, including AU Viborg, AU Herning and AU Emdrup.

In 2024-2025, AU will evaluate the quality of the research conducted at all departments and schools. The purpose of the evaluation is to promote research quality and uncover potentials for new excellent research. The evaluation process will be decentral and will focus on collective learning and development in the university's research programmes. Cross-university learning and development points will be collated in faculty reports and then in a summary by AU. The process will be completed in 2025.



## 3. FINANCIAL STATEMENTS

### 3.1 ACCOUNTING POLICIES

#### 3.1.1 BASIS OF ACCOUNTING

These financial statements of Aarhus University have been prepared in accordance with the Danish Audit of State Accounts etc. Act, Ministerial Order no.116 of 19 February 2018 on State Accounting, the Ministry of Finance's Economic Administrative Guidelines, Danish (Consolidation) Act No. 778 of 7 August 2019 on Universities (University Act), Ministerial Order No. 1611 of 28 December 2022 on the Funding, Accounting and Audit etc. of Universities, as well as the Ministry of Higher Education and Science's guidelines for the preparation of annual reports.

The financial statements are presented in DKK '000.

#### Recognition and measurement in general

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

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

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

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

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

Financial assets and liabilities are measured at amortised cost. On recognition and measurement, account is taken of foreseeable risks and losses arising before the presentation of the annual report that prove or disprove matters existing on the balance sheet date. Danish kroner (DKK) is used as the currency

of measurement. All other currencies are regarded as foreign currency.

#### Income taxes and deferred tax

Aarhus University is not subject to taxation.

#### Revenues

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

#### Costs

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

#### Financial items

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

#### Receivables

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

#### Prepayments

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

### Securities

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

### Provisions

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

### Long-term debt

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

### Liabilities

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

### Other deferred income

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

### 3.1.2 STANDARDISED CHART OF ACCOUNTS AND PURPOSE ALLOCATION

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

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

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

For the initial posting of costs not directly related to a single main

purpose, AU has applied method three as found in chapter six of the accounting and distribution guidelines. This means that the costs are temporarily posted under main purpose 8. Main purpose eight is periodically emptied using allocation keys.

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

### 3.1.3 ANNUAL REPORT TEMPLATE

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

### 3.1.4 EXEMPTIONS

The Danish Agency for Higher Education and Science has granted the universities an exemption from the standardised annual report template regarding disclosure of costs in the income statement to ensure that the universities can report costs in the income statement according to type. The exemption means that, in a note to the income statement, the universities must also include the institution's costs by purpose according to the same principles as the disclosure of costs in the income statement stated in the standardised annual report template and associated guidelines. The Danish Agency for Higher Education and Science has allowed Aarhus University to derogate from using account 20.10 to neutralise depreciation of donations and instead maintain AU's current accounting policy, in which donations are recognised as income in step with depreciation charges on assets financed by the donations on account 20.30.

The Danish Agency for Higher Education and Science has allowed Aarhus University to accrue startup and investment funding received concerning the veterinary medicine programme, the dentistry degree programme and strategic research environments.

### 3.1.5 SPECIAL AREAS

#### Foreign currency translation

Throughout the year, foreign currency transactions are translated using the rate of exchange at the date of transaction. Gains and losses that arise due to differences between the rate

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

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

### **Intangible assets**

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

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

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

### **Property, plant and equipment**

Land is measured at cost. No depreciation is provided on land.

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

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

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

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

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

Assets are normally depreciated over their expected useful life (see next page for table).

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

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

### **Non-current assets received as donations**

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

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

### **Equity investments and share certificates**

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

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

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

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

### **Prepaid tied-up funds**

Funds received for ongoing funding activities that cover costs not yet incurred, are recognised as prepaid tied-up funds.

Received subsidies will be reduced on an ongoing basis, corresponding to the costs incurred for the grant activities.

### **Holiday pay liability**

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

**Cash flow statement**

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

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

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

## 3.2 INCOME STATEMENT 1 JANUARY - 31 DECEMBER

DKK '000			
Note	Income statement	2023	2022
3.6.1	Government subsidies	4,421,318	4,234,471
3.6.2	Other subsidies	2,763,122	2,574,654
3.6.3	Sales of goods and services	409,855	412,455
3.6.4	Other revenues	99,630	94,367
	<b>Total operating income</b>	<b>7,693,925</b>	<b>7,315,946</b>
	Staff costs	5,039,113	4,854,175
	Rent	693,599	669,365
	Depreciation, amortisation, write-downs and impairment losses	176,833	169,570
	Losses in connection with sales of land and property, plant and equipment and impairment on buildings for sale	1,910	59
	Other operating costs	1,706,870	1,658,649
3.6.5	<b>Operating costs, total</b>	<b>7,618,324</b>	<b>7,351,818</b>
	<b>Profit/loss before financial items</b>	<b>75,601</b>	<b>-35,872</b>
3.6.6	Financial income	227,521	198,097
3.6.6	Financial costs	40,849	454,629
	<b>Profit/loss for the year</b>	<b>262,273</b>	<b>-292,404</b>

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



## 3.3 BALANCE SHEET AS AT 31 DECEMBER

DKK '000				
Note	Assets	2023	2022	
	<b>Non-current assets</b>			
	<b>Intangible assets</b>			
	Acquired concessions, patents, licences, software etc.	51	630	
3.6.7	<b>Total intangible assets</b>	<b>51</b>	<b>630</b>	
	<b>Property, plant and equipment</b>			
	Land and buildings	443,148	448,553	
	Work in progress at own expense	204,582	111,851	
	Installations	5,403	9,437	
	Leasehold improvements	75,767	87,628	
	Transport equipment, including ships	41,939	41,836	
	Plant and machinery	552,982	576,399	
	IT equipment	39,160	26,203	
	Furniture and equipment	1,191	967	
3.6.8	<b>Total property, plant and equipment</b>	<b>1,364,172</b>	<b>1,302,874</b>	
	<b>Investments</b>			
3.6.9	Share certificates	2,633	2,657	
3.6.11	Deposits	70,246	69,226	
	<b>Total investments</b>	<b>72,879</b>	<b>71,883</b>	
	<b>Total non-current assets</b>	<b>1,437,102</b>	<b>1,375,387</b>	
	<b>Current assets</b>			
	<b>Inventories</b>	<b>4,971</b>	<b>5,997</b>	
	<b>Receivables</b>			
3.6.12	Trade receivables	180,334	264,514	
3.6.13	Receivables from ongoing funding activities	1,312,690	1,305,849	
3.6.14	Other receivables	63,666	55,180	
3.6.15	Other prepayments	47,990	41,407	
	<b>Total receivables</b>	<b>1,604,680</b>	<b>1,666,950</b>	
3.6.16	<b>Securities</b>	<b>2,237,349</b>	<b>2,307,527</b>	
	Cash	511,755	343,360	
	<b>Total current assets</b>	<b>4,358,755</b>	<b>4,323,834</b>	
	<b>Total assets</b>	<b>5,795,857</b>	<b>5,699,221</b>	

DKK '000				
Note	Equity and liabilities		2023	2022
	Equity		68,292	68,292
	Retained profit		388,030	125,757
	Other equity		437,406	437,403
	<b>Total equity</b>		<b>893,728</b>	<b>631,452</b>
3.6.17	<b>Provisions</b>		<b>36,882</b>	<b>38,162</b>
3.6.18	Accrued donations		451,638	423,478
	<b>Total long-term debt</b>		<b>451,638</b>	<b>423,478</b>
	Short-term share of accrued donations		89,658	83,708
3.6.19	Short-term share of long-term debt to mortgage credit institutions		0	10,341
	Holiday pay liabilities		295,023	296,849
	Salaries payable		19,750	19,482
	Prepaid tied-up funds		2,770,017	2,912,671
	Current account with the Danish Ministry of Higher Education and Science		357,487	336,182
	Current account with the Ministry of Children and Education		2,675	3,749
3.6.20	Other prepayments		428,758	475,535
	Suppliers of goods and services		328,201	365,761
3.6.21	Other short-term debt		122,040	121,333
	<b>Total short-term debt</b>		<b>4,413,609</b>	<b>4,606,129</b>
	<b>Total liabilities</b>		<b>4,865,247</b>	<b>5,067,766</b>
	<b>Total equity and liabilities</b>		<b>5,795,857</b>	<b>5,699,221</b>

Holiday pay payable (holiday card scheme) was in 2022 classified as "Holiday pay liabilities", but were moved *Salaries payable* in 2023 following instructions from the ministry. Comparative figures for 2022 have been corrected.

In 2022, accrued special subsidies were listed under "prepaid tied-up funds" at DKK 434.9 million. Following guidelines from the ministry, the subsidies were listed under *Other deferred income* at DKK 363.7 million in 2023. Comparative figures for 2022 have been corrected.

### 3.4 CASH FLOW STATEMENT

DKK '000	2023	2022
<b>Surplus/deficit</b>	<b>262,273</b>	<b>-292,404</b>
Adjustment of equity	3	0
Depreciation, amortisation and impairment losses on non-current assets	176,833	169,570
Profit/loss from disposal of non-current assets	1,501	-605
Other non-cash operating items	-92,306	-85,878
<b>Reversal of items with no cash effect</b>	<b>86,031</b>	<b>83,087</b>
<b>Change in</b>		
inventories	1,026	165
Receivables excl. ongoing funding activities	69,111	-151,617
Ongoing funding activities	-6,841	-166,565
Provisions	-1,280	4,009
Short-term debt excl. prepaid tied-up funds	-49,865	-105,826
Prepaid tied-up funds	-142,654	772,749
<b>Changes in operating capital</b>	<b>-130,503</b>	<b>352,915</b>
<b>Total cash flows from operating activities</b>	<b>217,801</b>	<b>143,598</b>
Purchases of property, plant and equipment	-240,261	-179,455
Disposal of property, plant and equipment	1,208	2,609
Change in financial investments	-996	-3,196
<b>Total cash flows from investment activities</b>	<b>-240,049</b>	<b>-180,042</b>
Change in donation obligation	120,465	83,610
Change in other long-term liabilities	0	-10,337
<b>Total cash flows from investment activities</b>	<b>120,465</b>	<b>73,273</b>
<b>Cash flows for the year</b>	<b>98,217</b>	<b>36,829</b>
<b>Cash, including total securities, brought forward</b>	<b>2,650,887</b>	<b>2,614,058</b>
<b>Cash, including total securities, carried forward</b>	<b>2,749,104</b>	<b>2,650,887</b>

### 3.5 STATEMENT OF CHANGES IN EQUITY

Equity (DKK '000)	2023	2022
<b>Equity brought forward</b>	<b>631,452</b>	<b>923,856</b>
<b>Equity as at 1 January 2005</b>	<b>68,292</b>	<b>68,292</b>
<b>Retained profit</b>		
Balance brought forward	125,757	418,161
Changes for the year	262,273	-292,404
<b>Retained surplus carried forward</b>	<b>388,030</b>	<b>125,757</b>
<b>Other equity</b>		
Balance brought forward	437,403	437,403
Changes for the year	3	0
<b>Other equity carried forward</b>	<b>437,406</b>	<b>437,403</b>
<i><b>Of these, merger corrections stem from</b></i>		
Balance brought forward	437,403	437,403
Changes for the year	0	0
<b>Merger corrections carried forward</b>	<b>437,403</b>	<b>437,403</b>
<i><b>Of this, other equity corrections</b></i>		
Balance brought forward	0	0
Changes for the year	3	0
<b>Other equity corrections carried forward</b>	<b>3</b>	<b>0</b>
<b>Equity carried forward</b>	<b>893,728</b>	<b>631,452</b>

## 3.6 NOTES TO THE FINANCIAL STATEMENTS

### Note 3.6.1. Government subsidies

DKK '000	2023	2022
Education grants, full-time degree programmes	1,832,629	1,764,875
Education grants, part-time degree programmes/open education	9,077	9,619
Education grants from other ministries	17,741	18,394
Subsidies for other purposes	96,536	91,373
Subsidies for research and development	2,082,634	1,983,509
Subsidies for research-based public sector consultancy	369,800	365,400
Subsidies for the housing department	0	0
Special subsidies	12,900	1,301
<b>Total</b>	<b>4,421,318</b>	<b>4,234,471</b>

### Note 3.6.2. Other subsidies

DKK '000	2023	2022
Subsidies for research from public Danish sources, etc.	987,574	958,917
Subsidies for research from private Danish sources, etc.	1,101,231	975,470
Subsidies for research from the EU	327,257	314,577
Subsidies for research from sources abroad etc.	136,181	111,459
Other grant-financed activities	118,591	126,790
Donations spread over several years	92,305	85,878
Payments from external commissions	-16	1,563
<b>Total</b>	<b>2,763,122</b>	<b>2,574,654</b>

\* In 2023, there are DKK -57,000 on divisional financial statement 1 General activities and 21,000 on divisional financial statement 2 Income-generating activities. These are both corrections to external grants from previous years and are included in the table under *Subsidies for research from public Danish sources*.

### Note 3.6.3. Sales of goods and services

DKK '000	2023	2022
Course activities (income-generating activities)	61,496	51,248
Forensic services	54,185	54,880
Administration, host institution	0	0
Other sales of goods and services	294,175	306,327
<b>Total</b>	<b>409,855</b>	<b>412,455</b>

### Note 3.6.4. Other revenues

DKK '000	2023	2022
Tuition fees, full-time degree programmes	16,960	13,345
Tuition fees, part-time degree programmes/open education	52,045	51,631
Letting of premises and equipment	9,735	8,597
Sales of buildings, land and property, plant and equipment	409	665
Housing department and residence halls	0	0
Other income	20,480	20,128
<b>Total</b>	<b>99,630</b>	<b>94,367</b>



**Note 3.6.5 Figures by purpose**

DKK '000	2023	2022
Education	1,726,594	1,652,854
Research and development	3,541,965	3,411,008
Dissemination and knowledge transfer	151,160	144,992
Public sector services, consultancy and other services	247,235	237,644
Housing department and residence halls	978	685
General joint costs	660,418	624,872
Buildings and building operations	1,289,974	1,279,763
<b>Total</b>	<b>7,618,324</b>	<b>7,351,818</b>

**Note 3.6.6 Financial items**

DKK '000	2023	2022
Interest income and other financial income	8,425	144
Capital gains on securities	219,097	197,953
<b>Total financial income</b>	<b>227,521</b>	<b>198,097</b>
Interest expenses and other financial expenses	171	6,730
Capital losses on securities	40,678	447,899
<b>Total financial expenses</b>	<b>40,849</b>	<b>454,629</b>
<b>Profit/loss of financial items</b>	<b>186,672</b>	<b>-256,532</b>

**Note 3.6.7 Intangible assets**

DKK '000	Finished development projects	Total
Cost as at 1 December 2023	11,282	11,282
Additions according to fixed-assets module	0	0
Transfer	0	0
Additions during the year	0	0
Disposals	0	0
<b>Cost as at 31 December 2023</b>	<b>11,282</b>	<b>11,282</b>
	10,652	10,652
Amortisation as at 1 January 2023	-10,652	-10,652
Amortisation for the year	-579	-579
Amortisation of assets sold	0	0
<b>Amortisation as at 31 December 2023</b>	<b>-11,231</b>	<b>-11,231</b>
<b>Book value as at 31 December 2023</b>	<b>51</b>	<b>51</b>
Amortisation period/years	20	20

**Note 3.6.8 Property, plant and equipment**

DKK '000	Land and buildings	Installations	Leasehold improvements	Plant and machinery	Transport equipment, including ships	IT equipment	Furniture and equipment	Work in progress at own expense	Total property, plant and equipment
Acquisition price as at 1 January 2023	555,394	45,216	222,507	1,879,905	103,762	252,112	30,119	111,851	<b>3,200,866</b>
Additions during the year	58,641	2,836	7,134	129,097	5,832	35,866	855	0	<b>240,261</b>
Note 3.6.8 Transferred to/from work in progress at own expense	-52,995	-1,930	-3,910	-33,155	81	-821	0	92,730	<b>0</b>
Disposals during of the year	-998	0	-574	-14,560	-2,538	-14,687	-509	0	<b>-33,866</b>
<b>Acquisition price as at 31 December 2023</b>	<b>560,042</b>	<b>46,122</b>	<b>225,157</b>	<b>1,961,287</b>	<b>107,137</b>	<b>272,470</b>	<b>30,465</b>	<b>204,581</b>	<b>3,407,261</b>
Accumulated depreciation and impairment losses as at 1 January 2023	106,842	35,779	134,879	1,303,506	61,926	225,909	29,152	0	<b>1,897,993</b>
Depreciation and impairment losses for the year	11,050	4,940	14,626	117,574	5,346	22,087	630	0	<b>176,253</b>
Reversal of depreciation and impairment losses	-998	0	-115	12,774	-2,074	-14,687	-509	0	<b>-31,157</b>
<b>Accumulated depreciation and impairment losses as at 31 December 2023</b>	<b>116,894</b>	<b>40,719</b>	<b>149,390</b>	<b>1,408,306</b>	<b>65,198</b>	<b>233,309</b>	<b>29,273</b>	<b>0</b>	<b>2,043,089</b>
<b>Book value as at 31 December 2023</b>	<b>443,148</b>	<b>5,403</b>	<b>75,767</b>	<b>552,981</b>	<b>41,939</b>	<b>39,161</b>	<b>1,192</b>	<b>204,581</b>	<b>1,364,172</b>
Depreciation period/years	10-50 years	10 years	10 years	5-20 years	5-30 years	3 years	3 years	-	
Cash value of land and buildings as at 21 December 2023									<b>425,050</b>

**Note 3.6.9 Share certificates**

Name of cooperative	Carrying amount at the end of the year DKK '000
Arla Food	968
DLG	1,000
Kopenhagen Fur	559
Danish Crown	47
AKM Midtjylland, Borris	25
AKV Langholt Amba	18
OK andelskapital	16
<b>Total</b>	<b>2,633</b>

**Note 3.6.10 Other equity investments**

DKK '000				
Aarhus University has ownership interests in the following companies:	<b>Investment and acquisition</b>			
Company:	2023	Accumulated	Total company share capital (nominal amount in DKK)	AU's ownership share in %
SIMHERD A/S	0	145	500	29.00
Pleuratech ApS*	0	0	0	0
Cercare Medical A/S	0	640	202,000	0.31
Methyl Detect	0	13	50	25.40
Cenexum	838	838	3,352	25.00

\* AU sold its ownership interests in Pleuratech ApS in 2023

The legal basis for this is section 16(2) of the Act on Inventions at Public Research Institutions.

AU has not recognised a value of the equity investments in the balance sheet, as there is not sufficient guarantee that the acquired equity investments have a value.

**Note 3.6.11 Deposits**

DKK '000	2023	2022
Deposits on tenancies, recognised as financial non-current assets	69,342	68,495
Other deposits, listed as current assets	904	731
<b>Total</b>	<b>70,246</b>	<b>69,226</b>

**Note 3.6.12 Trade receivables**

DKK '000	2023	2022
Trade receivables etc.	183,424	267,681
Reserved for losses on trade receivables etc.	-3,090	-3,167
<b>Total</b>	<b>180,334</b>	<b>264,514</b>

**Note 3.6.13 Receivables from ongoing funding activities**

DKK '000	2023	2022
Receivables from ongoing funding activities	1,312,690	1,305,849
<b>Total</b>	<b>1,312,690</b>	<b>1,305,849</b>

**Note 3.6.14 Other receivables**

DKK '000	2023	2022
Reimbursements from funds regarding salaries, maternity/paternity leave and flexi jobs etc.	11,581	11,256
Accrued income	49,868	35,163
Other receivables	2,217	8,761
<b>Total</b>	<b>63,666</b>	<b>55,180</b>

**Note 3.6.15 Other prepayments**

DKK '000	2023	2022
Prepayments	47,990	41,407
<b>Total</b>	<b>47,990</b>	<b>41,407</b>

**Note 3.6.16 Securities**

DKK '000	2023	2022
Bonds	2,183,278	1,724,629
Other securities	54,071	582,898
<b>Total securities</b>	<b>2,237,349</b>	<b>2,307,527</b>

**Note 3.6.17 Provisions**

DKK '000	2023	2022
Reestablishment of tenancies	3,272	3,272
Salary – limited tenure	22,610	21,329
Other provisions	11,000	13,561
<b>Total provisions</b>	<b>36,882</b>	<b>38,162</b>

**Note 3.6.18 Accrued donations**

Distribution of accrued donations by asset types:

DKK '000	Acquired concessions, patents, licences etc.	Land and buildings	Installations	Leasehold improvements	Plant and machinery	Transport equipment, including ships	IT equipment	Work in progress at own expense	Total donated non-current assets
Cost as at 1 December 2023	3,540	58,505	2,014	46,768	1,097,661	33,075	79,440	31,498	1,352,501
Additions during the year	0	191	0	0	102,088	819	23,813	0	126,911
Transferred to/from work in progress at own expense	0	-191	320	0	-28,595	-206	-559	29,231	0
Disposals during of the year	0	0	-37	-574	-824	0	0	0	-1,435
<b>Cost as at 31 December 2023</b>	<b>3,540</b>	<b>58,505</b>	<b>2,297</b>	<b>46,194</b>	<b>1,170,330</b>	<b>33,688</b>	<b>102,694</b>	<b>60,729</b>	<b>1,477,977</b>
Accumulated depreciation and impairment losses as at 1 January 2023	-3,540	-21,059	-321	-16,225	-722,807	-10,424	-70,939	0	-845,315
Depreciation and impairment losses for the year	0	-1,170	-251	-4,677	-76,694	-1,181	-8,332	0	-92,305
Reversal of depreciation and impairment losses	0	0	0	115	824	0	0	0	939
<b>Accumulated depreciation and impairment losses as at 31 December 2023</b>	<b>-3,540</b>	<b>-22,229</b>	<b>-572</b>	<b>-20,787</b>	<b>-798,677</b>	<b>-11,605</b>	<b>-79,271</b>	<b>0</b>	<b>-936,681</b>
<b>Book value as at 31 December 2023</b>	<b>0</b>	<b>36,276</b>	<b>1,725</b>	<b>25,407</b>	<b>371,653</b>	<b>22,083</b>	<b>23,423</b>	<b>60,729</b>	<b>541,296</b>
Accrued donations recognised as revenues in the following periods:									
Within one year									89,658
Between one and five years									245,244
After five years									206,394
<b>Total accrued donations as at 31 December 2023</b>									<b>541,296</b>

**Note 3.6.19 Short-term portion of long-term debt to mortgage credit institutions**

DKK '000	2023	2022
Within one year	0	10,341
Between two and five years	0	0
After five years	0	0
<b>Total long-term debt to mortgage credit institutions</b>	<b>0</b>	<b>10,341</b>

**Note 3.6.20 Other prepayments**

DKK '000	2023	2022
Accrual of continuing and further education	20,626	23,080
Accrued special subsidies from the Ministry of Higher Education and Science	363,655	434,884
Accrual of income-generating activities etc.	44,477	17,571
<b>Total other prepayments</b>	<b>428,758</b>	<b>475,535</b>

**Note 3.6.21 Other short-term debt**

DKK '000	2023	2022
Salary transfers, income tax, labour market contributions, Labour Market Supplementary Pension	81,937	80,570
Deponents	18,366	18,370
Expenses payable	19,905	22,366
Other short-term debt	1,832	27
<b>Total other short-term debt</b>	<b>122,040</b>	<b>121,333</b>

**Note 3.6.22 Contractual obligations**

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

The rental commitments are as follows:

DKK '000	Rental commitments
Within one year	189,289
Between one and five years	274,812
After five years	263,677
<b>Total rental commitments</b>	<b>727,778</b>

**Note 3.6.23 Contingent assets and liabilities**

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

Some employees have civil servant status, which means that Aarhus University is obligated to provide redundancy pay for up to 36 months if they are dismissed. The total maximum liability is TDKK 41,181. The pension liability for civil servants has been covered by the ongoing payment of pension contributions to pension funds.

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

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

If the university chooses to discontinue the Institute of Business and Technology in Herning (AU Herning) or to discontinue the programmes offered at the centre, the Ministry of Higher Education and Science will be entitled to an amount of TDKK 52,449, equivalent to the net transfer price at the time of the centre's amalgamation with the university on 1 January 2006, adjusted according to specific guidelines, including the difference in the market value of the buildings and the carrying amount. Partial discontinuation of the programmes would mean that the Ministry of Higher Education and Science would have a pro rata claim. The Ministry of Higher Education and Science may approve changes made to the programmes covered by the amalgamation on 1 January 2006 without the university being fully or partly liable to pay the adjusted net transfer price to the Ministry of Higher Education and Science.

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

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



## 3.7 SPECIAL SPECIFICATIONS

### 3.7.1. Revenues and costs by company types

DKK '000	2023	2022	2021	2020
<b>General activities*</b>				
Revenues	4,913,351	4,705,197	4,638,491	4,624,057
Costs	4,666,973	5,012,466	4,635,608	4,637,180
<b>Surplus/deficit</b>	<b>246,378</b>	<b>-307,269</b>	<b>2,883</b>	<b>-13,123</b>
<b>Grant-financed research activities</b>				
Revenues	2,654,538	2,453,759	2,121,938	1,884,450
Costs	2,654,433	2,453,292	2,121,938	1,884,450
<b>Surplus/deficit</b>	<b>105</b>	<b>467</b>	<b>0</b>	<b>0</b>
<b>Other grant-financed activities</b>				
Revenues	120,429	128,441	130,300	115,459
Costs	120,583	128,441	130,279	115,459
<b>Surplus/deficit</b>	<b>-154</b>	<b>0</b>	<b>22</b>	<b>0</b>
<b>Income-generating activities</b>				
Revenues	178,943	172,100	113,473	126,134
Costs	162,999	157,702	101,970	113,251
<b>Surplus/deficit</b>	<b>15,944</b>	<b>14,398</b>	<b>11,503</b>	<b>12,883</b>
<i>Accumulated profit/loss for income-generating activities (equity)**</i>	<i>184,512</i>	<i>168,568</i>	<i>154,170</i>	<i>142,666</i>
<b>Forensic examinations</b>				
Revenues	54,185	54,545	51,334	51,443
Costs	54,185	54,545	51,334	51,443
<b>Surplus/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

\*\* Aggregate result includes the results from 2007 onwards. The source of the information for 2007 is the merged institutions' individual annual reports.

The National Environmental Research Institute (NERI) had one set of divisional financial statements in 2007. Consequently, the figures for 2007 do not include any revenues from income-generating activities in the National Environmental Research Institute.

### 3.7.2. Management salaries

DKK '000	2023	2022
<b>Board</b>		
Number of external board members	7	6
Remuneration paid to the chair	272	266
Total remuneration paid to other external members	460	444
<b>Managers in general</b>		
Number of management FTEs	31	35
Total payroll costs for managers, incl. pension	37,300	37,900

### 3.7.3. Student political activities

DKK '000	2023	2022
<b>Student sports activities and other student activities</b>		
Student sports activities	845	845
Other student activities	4,296	3,400
<b>Total student activities</b>	<b>5,141</b>	<b>4,245</b>
<b>Student political activities</b>		
Student Council/Studenterlauget/Joint Student Council	1,703	1,580
Konservative Studenter	131	85
Free Forum	0	151
<b>Total student political activities</b>	<b>1,834</b>	<b>1,816</b>
<b>Total</b>	<b>6,975</b>	<b>6,061</b>

### 3.7.4. Free places and scholarship funds for the universities

	Number of students enrolled on fully or partly free places	Number of scholarship recipients	Use of free places DKK '000	Use of scholarships DKK '000	
Rate 1	30	27	1,343	2,934	
Rate 2	4	2	70	221	
Rate 3	57	5	4,692	411	
<b>Total</b>	<b>91</b>	<b>34</b>	<b>6,105</b>	<b>3,567</b>	
	Transferred from the Danish Agency for Higher Education and Science DKK '000	Retained earnings from international fee-paying students DKK '000	Use in the financial year DKK '000	Profit for the year DKK '000	Accumulated results
2022	10,008	204	7,759	2,454	8,016
2023	10,400	265	9,699	966	8,982

### 3.7.5. Staff full-time equivalents

	2023	2022
Number of FTEs, incl. employees on special terms	8,490	8,417

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

China's borders have reopened after the Covid-19 lockdown, and in 2023, students, PhD students, researchers and teaching staff could return to the SDC in Huairou, Beijing. In the spring, one of the Danish employees moved back to China, and the office on campus is thus once again staffed by both Danish and Chinese employees. Teaching in the spring semester continued online, but students, teaching staff and PhD students began to travel to China as soon as it was possible.

In August 2023, a new group of Master's degree students began their degree in China. They gathered before their commencement of studies to prepare for the next two years. The preparations culminated in a seminar in Denmark in August before departure. In this connection, a graduation ceremony was also held for the class of 2021, who had previously been celebrated at a graduation ceremony at the SDC in China in June. In August, the new students moved into the student halls on the campus in China, and from October, teaching staff, researchers and PhD student could move into flats in the SDC building.

Even though the physical framework is now in place, considerable efforts were made during the year to reestablish relationships with SDC partners in China. These included the Danish embassy, Innovation Centre Denmark, Shanghai (ICDK), the Danish Chamber of Commerce in Beijing as well as companies and organisations.

During the year, SDC held a wide range of events. In October, Danish and Chinese researchers and students gathered for the 11th Neuroscience and Neuroimaging Symposium. That same month, around 100 experts from life science companies, universities and institutions participated in Life Science Day. Participants from Lundbeck, Novo Nordisk, Fudan University, Aalborg University and Aarhus University, among others, shared their research results. The Life Science Day is organised jointly by SDC and Innovation Centre Denmark, Shanghai, and is just one example of the close collaboration between the Danish institutions in China.

In November, CICALICS, China Innovation Circles and Academy – Learning, Innovation and Competence Systems, attracted researchers and business people for five days to focus on innovation research and sustainability. Finally, the year was rounded off with the annual SDC Corporate Innovation

Days, where 150 researchers, business people and students gathered. The event emphasised the importance of collaboration between research, industry and public authorities.

In Denmark, there has been focus on strengthening the relationship between SDC and the universities. In August, the SDC's pedagogical unit, SMIL, held a seminar for SDC teaching staff in Denmark. More than 30 teaching staff from Danish universities were gathered across universities and disciplines for the first time. PhD students from different fields, nationalities and universities also meet at the half-yearly writing retreats.

In 2023, the Danish SDC secretariat continued work on improving the visibility of SDC's degree programmes at Danish universities. The goal is to increase the number of applications to the seven Master's degree programmes. Efforts were also made to raise awareness among Danish university students of the possibility of taking a semester at SDC. This was in close collaboration with the international offices at the universities.

Director of the Danish Agency for Higher Education and Science Mikkel Leihardt took over a chair for the Danish part of SDC's supreme authority, the Joint Managerial Committee, from Hans Müller Pedersen. In China, Professor Hu Zhengyi, the University of Chinese Academy of Sciences, took over as dean of the Sino-Danish College and the University of Chinese Academy of Sciences (UCAS) from Wu Desheng.

The Danish universities are all represented on the Danish SDC board. In 2023, Vice-dean for education at Natural Sciences Kristine Kilså, Aarhus University, replaced Kristian Pedersen as AU's representative on the board. Dean at the Department of Social Sciences and Business Morten Frederiksen, Roskilde University, replaced Peter Kragelund.

# SINO-DANISH CENTER FOR EDUCATION AND RESEARCH

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2023

## BALANCE SHEET AS AT 31 DECEMBER 2023

DKK '000			
	Income statement	FS2023	FS2022
	<b>Ordinary operating income</b>		
	Grants for own operation from the Danish Finance Act	30,067	33,827
	External funding*	0	31,000
	<b>Total ordinary operating income</b>	<b>30,067</b>	<b>64,827</b>
	Subsidies transferred to Danish universities	39,332	43,431
	Subsidies transferred to China	2,441	0
	<b>Total funds transferred</b>	<b>41,773</b>	<b>43,431</b>
	<b>Ordinary operating costs</b>		
	Consumption costs, rent	425	417
	Staff costs	8,072	8,084
	Other ordinary operating costs	1,824	5,305
	<b>Total ordinary operating costs</b>	<b>52,094</b>	<b>57,237</b>
	<b>Profit/loss for the year</b>	<b>-22,027</b>	<b>7,590</b>

\* For 2023, it has been decided that contributions from universities were not necessary due to large savings.

<b>Balance sheet</b>		
<b>Assets</b>		
Current account with AU	42,016	64,043
<b>Total assets</b>	<b>42,016</b>	<b>64,043</b>
<b>Equity and liabilities</b>		
Balance carried forward 2022	64,043	56,453
Funds paid by partners 2023	30,067	64,827
Use of funds paid by partners 2023	-52,094	-57,237
Funds available for future activities carried forward 2023	42,016	64,043
<b>Total equity and liabilities</b>	<b>42,016</b>	<b>64,043</b>

## COLOPHON

**Annual Report 2023**

[www.au.dk/om/profil/publikationer](http://www.au.dk/om/profil/publikationer)

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Aarhus University

Editors: The Rector's Office and AU Finance

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

All publications are available at [www.au.dk](http://www.au.dk) – see the menu item “About AU/Strategy”.

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