



Annual Report 2009

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Report and endorsement

Company information

Company

University of Copenhagen
Nørregade 10
DK-1017 Copenhagen K
Local authority: City of Copenhagen
CVR no: 29 97 98 12

Board

Nils Strandberg Pedersen, chairperson
Claus Bræstrup
Boel Flodgren
Peter Gæmelke
Hanne Foss Hansen
Jannik Johansen
Ingrid Kryhlmand
Nils Kærgård
Jørn Lund
David Salomonsen
Laura Toftegaard Pedersen

Rector

Ralf Hemmingsen

Prorector

Vacant

University Director

Jørgen Honoré

Auditors

National Audit Office
Landgreven 4
DK-1022 Copenhagen K

Accountants

PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup

Solicitors

Kammeradvokaten
(Legal Adviser to the Danish Government)
Vester Farimagsgade 23
DK-1606 Copenhagen V

Banks

Danske Bank
Holmens Kanal 2
DK-1090 Copenhagen K

Statens Koncern Betalinger
(The Danish State Payment Bank)

Giro Strøget 1
DK-0800 Høje Tastrup

Management's Statement

The board and executive management have today considered and approved the annual report of the University of Copenhagen for 2009.

The report has been submitted in accordance with Ministerial Order no. 1373 of 10 December 2007 on funding and accounts, etc. at universities.

We hereby declare:

1. that we consider the accounting practices adopted to be appropriate and the estimates made in the accounts to be accurate. The annual report therefore provides a true picture of the University of Copenhagen's assets, liabilities and financial position as per 31 December 2009 and the results of the University's activities and cash flow for 2009, including the description of the targets set and the reporting back on those targets, are satisfactory,
2. that, in our opinion, the management report represents a true account of the conditions it describes, and covers the most important risks and elements of uncertainty faced by the University of Copenhagen
3. that all transactions subject to inclusion in the financial accounts complied with relevant acts and other regulations, as well as with agreements entered into and with custom and practice, and
4. that procedures have been introduced to guarantee sound financial management of the resources covered by the annual report.

Copenhagen, 19 April 2010

Ralf Hemmingsen
Rector

Jørgen Honoré
University Director

Board

Nils Strandberg Pedersen
Chairperson

Claus Bræstrup

Boel Flodgren

Peter Gæmelke

Hanne Foss Hansen

Jannik Johansen

Ingrid Kryhlmand

Niels Kærgård

Jørn Lund

David Salomonsen

Laura Toftegaard Pedersen

Independent Auditor's Report

The Board of the University of Copenhagen has appointed PricewaterhouseCoopers institutional auditors of the University of Copenhagen pursuant to section 28(5) of the Danish University Act. The National Auditors are responsible for the overall audit under the Danish Auditor General's Act.

To the Management of the University of Copenhagen

Auditor's Report on the Annual Report

We have audited the Financial Statements of the University of Copenhagen for the financial year 2009. The Financial Statements comprise accounting policies, income statement, assets, liabilities, statement of changes in equity, cash flow statement and notes 1-25. The Financial Statements have been prepared in accordance with Ministerial Order no. 1373 of 10 December 2007 on funding and accounts, etc. at universities. Managements Review, target reports, financial highlights and ratios are not comprised by the audit.

Management's Responsibility for the Annual Report

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with Ministerial Order no. 1373 of 10 December 2007 on funding and accounts, etc. at universities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. Moreover, Management is responsible for the transactions comprised by the Financial Statements being in accordance with grants authorised, legislation and other regulations as well as with agreements made and established practice.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with Danish Auditing Standards and good public auditing practice according to the agreement on internal audits at universities entered into by the Danish Minister for Science and the Auditor General pursuant to section 9 of the Danish Auditor General's Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

Moreover, the audit includes assessing whether the transactions comprised by the Financial Statements are in accordance with grants authorised, legislation and other regulations as well as with agreements made and established practice.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2009 of the University of Copenhagen and of the results of the University operations and cash flows for the financial year 1 January - 31 December 2009. Moreover, in our opinion, procedures and internal controls have been established to ensure, to the greatest extent possible, that the transactions comprised by the Financial Statements are in accordance with grants authorised, legislation and other regulations as well as with agreements made and established practice.

Statement on Management's Review (pp. 7–16), target reports (pp. 17–22) and financial highlights and ratios (p. 40).

Management is responsible for preparing a Management's Review, target reports, financial highlights and ratios for the Annual Report that include a true and fair account in accordance with the Ministerial Order on funding and accounts, etc. at universities.

We have, in accordance with the Ministerial Order on funding and accounts, etc., read Management's Review, target reports, financial highlights and ratios. We have not performed any procedures additional to the audit performed of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review, target reports and financial highlights and ratios is in accordance with the Financial Statements.

Report on Performance Audit Performed

In connection with the financial audit of the Financial Statements the University of Copenhagen for 2009, we have assessed whether, for selected areas, due financial consideration has been exercised in the administration of the University of Copenhagen.

Management's Responsibility

The Management of the University of Copenhagen is responsible for establishing guidelines and procedures to ensure that due financial consideration is exercised in the administration of the Institution.

Auditor's Responsibility and Performance Audit Performed

In accordance with good public auditing practice, according to Ministerial Order no. 1373 of 10 December 2007 on grants and financial statements, etc at universities, we have examined, for selected areas, whether the University of Copenhagen has established procedures ensuring financially sound administration to the greatest extent possible. Our work was performed to obtain limited assurance that the administration in the selected areas has been undertaken in a financially sound manner.

Opinion

Based on our performance audit, nothing has come to our attention that causes us to conclude that the administration in 2009 in the areas examined has not been undertaken in a financially sound manner.

Copenhagen, 19 April 2010

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Per Nørgaard Sørensen
State Authorised Public Accountant

Poul Madsen
State Authorised Public Accountant

Management and business results

Board 2009 – key decisions

20 April 2009

The Board approved and signed the Annual Report 2008.

The Board approved the report about the institution produced during the 2009 evaluation of Danish universities.

19 June 2009

The Board approved the model and level of equity.

The Board approved the extension to the new buildings at the Centre for Health and Society (CSS).

The Board decided to appoint the Director of Statens Serum Institut, Nils Strandberg Pedersen, and the Rector of Frederiksberg Gymnasium, Jannik Johansen, as new members.

15 September 2009

The Board approved the recommendation regarding the University of Copenhagen's continued participation in a Danish–Chinese research and training centre in China.

The Director of Statens Serum Institut, Nils Strandberg Pedersen, was elected as the new chairperson.

The Board approved the implementation principles for the Perspective and Investment Plan for building works at the University of Copenhagen.

29 October 2009

The Board decided to extend the Rector's fixed-term employment until 31 October 2013.

10 December 2009

The Board adopted the budget for 2010.

Strategy and organisation

To obtain an overview of the targets to which the University of Copenhagen has committed itself, a strategic action plan has been drawn up that contains targets derived from the strategy and from the development contract. Some objectives coincide, while others are designed to underpin and complement each other. The Strategic Action plan was drafted and adopted by the Board in autumn 2008. In autumn 2009, a follow-up report on all of the targets was submitted, in which the milestones for 2010 were reviewed, and some of them revised.

The following report is based on an excerpt from the targets contained in the Strategic Action Plan and along with chapter 2 Target Reporting, it provides broad insight into the many dimensions of the University's Strategic Action Plan.

In parallel with the formulation of the targets in the Strategic Action Plan, there has in the administrative field been put in motion a streamlining process to look to "more research for the money" through organisational simplification and process improvements. The administrative structure has been reorganised into seven main tracks, and work has been done to optimise the organisational structure and processes within each function.

For example, in the IT area, based on the principles outlined in the University's first global IT strategy, the focus has been on reorganising IT staff into fewer and stronger units, the formulation and implementation of governance models for IT projects and the establishment of a joint IT infrastructure that lives up to the University's requirements and needs as a university with an ambition to underpinning its administrative management with the strongest possible technological support.

On 1 January 2009, IT at the University of Copenhagen was reorganised. Five faculty IT centres were formed to service the eight faculties, and 90 employees were transferred from department to faculty level. The new faculty IT centres were launched in the first half of 2009, and were then ready to engage actively in the joint development and management of the IT area.

In terms of IT infrastructure, significant investments have been made in implementing a joint IT platform. Two new operating centres (server rooms) have been built at Panum (the Faculty of Health Sciences) and at the University of Copenhagen, Amager. They came on stream fully in the first quarter of 2010. The new server rooms replace the previous IT structure, which comprised more than 700 decentralised and only sporadically linked up servers. The operation centres also act as mutual back-ups for each other, which improves information security.

In 2009, a special IT pool was earmarked within the University's budget to start the development and implementa-

tion of a range of specified IT projects, such as the student administration system (STADS) and an intranet for internal communications between staff and students.

A more broad and directly user-oriented system has been developed to establish and administer a new digital identity for staff and students. This will enable the many users to connect more simply and securely to the University's systems, including the new intranet (from spring 2010).

Evaluation

As follow-up on the university amalgamations, and to ensure ongoing progress for the Danish universities, the Minister of Science commissioned an independent international evaluation of the Danish universities.

During this process, the University of Copenhagen submitted a major institutional report, a number of factual pieces of information, and comments about the extent of the University's autonomy.

To provide a balanced and comprehensive picture of its multi-faceted approach to the evaluation themes, the University consulted its many forums and subsequently invited staff and students to discuss relevant issues with the Rector, Prorector and specially selected panel participants. This led to an open discussion, a summary of which was included in the institutional report.

The University also hosted a meeting with the international panel, at which the panel, at its own request, met with representatives of management, students, academic staff (VIPs), technical and administrative personnel (TAPs) and the trade unions.

The evaluation report 2009 was published in December 2009. It is the University's view that the overall evaluation report reflects a significant insight into university conditions at international level and an understanding of the context in which the Danish universities operate. The University believes the report provides a significant contribution to the evaluation of the state of affairs at the Danish universities as well as the challenges they face. The report touches on and reflects the issues faced by Danish universities in many spheres. However, the University of Copenhagen would have liked the report panel to address,

analyse and comment more fully on the revised appropriations structure and its consequences. In recent years, basic research funding has fallen in relative terms, while the proportion of funding subject to competition has increased significantly. It is the view of the University of Copenhagen that this development presents an obvious risk that free and independent research – which often provides the best results – will be hampered and programmes put under pressure.

The financial framework

The University's turnover in 2009 amounted to DKK 7,033.7 million, which represents growth of 9.7% compared to 2008 (current prices).

Grant-funded research activities grew by 13.9% compared to 2008. One of the framework conditions for the University at present is the replacement of non-earmarked subsidies from the national budget with earmarked subsidies (e.g. to PhDs) and with other forms of funding that are subjected to competition. It is therefore necessary and satisfactory to note an increase in externally funded research activities. This trend was also reflected in 2009, when the financial framework was characterised by a degree of uncertainty and unclear budgetary prerequisites.

The 2009 national budget contained no major surprises, and in purely monetary terms, university funding remained at the same level as in 2008. As part of the globalisation settlement reached in November 2008, a smaller proportion than previously was allocated as free basic funding to the universities. This occurred at a relatively late date, in autumn 2008, which led to a degree of budget uncertainty in advance of 2009. On the positive side, amendments to the 2009 national budget diverted funds from the readjustment reserve to the universities. However, the increase was not large enough to offset the need for budget adjustments and job cuts in a couple of faculties at the University of Copenhagen.

The trend towards exposing funding to competition also continues. The unallocated funds from the globalisation settlement of 5 November 2009, part of the national budget 2010, were allocated as follows: approx. 23% went to the universities as free basic funding for 2010, while approx. 77% was allocated as earmarked and/or competi-

tive funding. The settlement has provided greater certainty about the University's income over the next three years (albeit at a lower level), but there remains significant uncertainty about the Danish universities' finances after 2012, when the globalisation settlement expires and new resources will be allocated.

The University therefore finds itself in a situation where, on the one hand, some areas are experiencing an increase in the level of external funding, while – because of the decrease in free funding – other areas need to make adjustments to balance the books.

The macro-economic situation and structural changes in the University's financial framework mean that the University faces a very difficult budget situation in 2010. Several parts of the University find their budgets under pressure to such an extent that significant personnel changes have been necessary.

Educational income – activities, bonuses and rates

24.4% of the University's revenue stems from educational activities. The University's programmes are funded by an output-based model, i.e. the University does not receive the revenue until the student has passed an exam. This model naturally places a focus on study performance, and in recent years, the University has launched a variety of activities to enhance student performance. In 2009, this has led to students earning an average of 0.67 FTEs, 12% up on 2008. The efforts to improve student performance are expected to have a tangible effect in the next few years, not only in terms of students' completion times, but also in terms of the University's finances. In particular, the introduction of thesis contracts between supervisor and student has reduced study time on Master's programmes.

For several years now, universities have received a so-called completion bonus for each student who completes a programme. From 2009, this bonus will be dependent on the student's completion time. In future, it will only be triggered if students complete their programmes in the prescribed time + 1 year for Bachelor students, and in the prescribed time for Master's students. The model is also framework-directed at sectoral level, which means that the individual university's bonus is also dependent on other

universities' completion times. In 2009, 3,967 of the University of Copenhagen's Bachelor and Master's students triggered completion bonuses.

As part of the globalisation agreement, the parties who coalesced to pass the national budget decided in 2009 to raise the lowest rates for social sciences and humanities by up to DKK 5,000 in 2012, providing them with a much-needed boost. The increase is partially funded through the globalisation pool, and partly through the annual 2% change that represents the universities' own contribution to the readjustment reserve. To ensure that the boost results in documented effects on the programmes, the University set up a working party in late 2009 with the aim of identifying the specific activities that will benefit from the taximeter increase. This work will be co-ordinated with the Government's national follow-up work on the rate increase.

More women in research and management

The University of Copenhagen's plan to involve more women in research and management was rolled out to all its activities in 2009. The action plan – also called the "three-point plan" – runs from 2008 until 2013. The main aim of the three-point plan is to increase the number of qualified women *applicants for research and management positions* appreciably. This increase is to be achieved by: a) *strengthening* management's motivation to identify and develop female talent, b) *improving* women's degree of internationalisation, and c) *increasing* women's motivation to apply for both research and management positions. The plan involves three types of instruments:

- 1) *Financial incentives* which reward faculties/departments that appoint female full professors by awarding an extra chair when the faculty has appointed a certain number of women professors, and a central bonus pool that triggers extra funds for faculties that achieve a 5% increase in the number of newly appointed women professors by the end of 2009.

The action plan has already accelerated the recruitment of women full professors in 2008, and this trend was reinforced in 2009. In 2009, all of the faculties met their targets on the recruitment of women professors and triggered extra chair(s). At the University of Copenhagen, the increase in the recruitment of female full professors

is 12.8% - in absolute terms, from 21 women out of a total of 134 professorial appointments to 47 out of a total of 165.

Under the action plan, bonuses are paid to the faculties that managed to increase the proportion of newly appointed women full professors by 5% in the period 2008–2009. All of the faculties have achieved this target and received the bonus.

- 2) From 2009–2013, *16 internationalisation scholarships* will be awarded annually to young women researchers (young researchers defined as postdocs, assistant professors and associate professors with max. three years of service). The scholarships will be allocated to areas in which there is a skewed gender composition, with a view to distributing funds for activities that strengthen the area's work on internationalisation.
- 3) Within *talent and management development*, an inter-sectoral mentoring programme was conducted in 2009 for 44 woman postdoctoral assistant professors. The University has also allocated some DKK 1.4 million from a *central development pool* to projects in four faculties. To receive payments from the development pool, projects must focus on talent development. Specifically, the funds are earmarked for a series of development grants; for a theme day on talent development for women; and for setting up a talent laboratory for researchers in two faculties. In 2009, a *management-development programme* was set up to focus on women in research and management in the university world. The programme will start in spring 2010, and has already attracted great interest from female academic staff.

Study environment and libraries

In 2009, as part of the work to make the University a more attractive place to study, focus has again been on improving the physical and social environment in all of the faculties and the Royal Library.

A number of large and small projects have together generated over 1,000 new study and reading spaces, complete with wireless internet access and mains sockets. The major investment in this context was the new social-science faculty library and study environment (with nearly 300

study places and longer opening hours), housed in the former botanical laboratory on Gothersgade. It was taken into use in May 2009 and was a success from the outset. Other notable initiatives included the opening of a new student house and canteen at the Faculty of Health Science (SUND); restoration of student facilities in the old University of Copenhagen, Amager (bookstore and café) and the building on Bispetorvet (including offices for student organisations, group rooms, study places and student-social functions); experiments with a range of unconventional interiors for study places in the libraries; and the opening of a thesis laboratory in the library building in Fiolstræde. The design of the study spaces and social study environments were all, in different ways, planned in collaboration with student representatives.

The University's "Student pool for a better study environment" funded a variety of student-run projects, and a new prize for special efforts to promote the international student environment was awarded (in collaboration with the Danish Bankers' Association) at the annual commemoration for the first time.

The Teaching Environment Evaluation (UMV) is ongoing. In 2009, it was followed up in the action plans, and the project as a whole was evaluated.

The University's alumni association (KUBULUS) experienced great interest and made progress in its activities in 2009. Over 30% of new students joined the alumni database during freshers' week in 2009. During the year, KUBULUS held a number of successful events for students and graduates, including an international careers fair attended by more than 600 Danish and international students. In 2009, KUBULUS expanded its commercial operations to include more than 30 Danish and international companies and organisations that are affiliated to, for example, a mentor programme for Master's students. The mentor programme has increased its number of places by 50% in 2009 to enable more students to receive career guidance and facilitate the transition to employment. At the end of the year, the alumni association had more than 5,000 members.

The improved online services in the library area are also worthy of mention. The department libraries' individual

online catalogues have been merged with the Royal Library, which enables common catalogue searches as well as joint lending functions and borrower administration. In addition, the administration of digital resources has been reorganised and inter-university access to these resources has been expanded.

Efforts to improve the supply of study places and wireless networks continues. These were supplemented in 2010 by a special effort for vulnerable students and for the virtual learning environment.

Buildings - the insulation plan, the perspective plan, new laboratories, the ideas competition

In terms of buildings, the University faced major challenges and achieved highly positive results in 2009.

In September 2009, the Board adopted the Campus Plan 2009. The plan carries forward the Board's decisions in 2008 and the objectives of the Campus Plan 2007 to bring together the University's activities and units in four campus areas in the capital, which will reduce the overall land use. When the actions and projects, particularly those related to area reduction (as described in the Campus Plan 2009) are fully implemented in 2011-2012, the University will have met an important target in its campus work.

In 2009, the University worked on more than 35 construction projects and more than 500 maintenance projects involving approx. 850,000 m² of buildings. Many of these projects were directed towards improving teaching facilities and increasing the number of study spaces, project rooms etc. for students. For example, in October 2009 a new university library opened on City Campus, and another library was inaugurated in a new building on South Campus. Both were established in collaboration with the Royal University Library.

The campus work in 2009 focused on obtaining funding to implement parts of the University's Perspective and Investment Plan for the building sector. In autumn 2008, the Board recommended that work continue in order to upgrade and modernise the physical framework of the "wet" faculties: the Faculty of Life Sciences (LIFE); the Faculty of Health Sciences (SUND); the Faculty of Phar-

maceutical Sciences (FARMA); and the Faculty of Science (SCIENCE). As part of a highly constructive collaboration, particularly with the Danish University and Property Agency (UBST) in the Ministry of Science, work continued throughout 2009 to improve the University laboratory buildings in line with modern standards. It is therefore pleasing and very satisfying that the national budget for 2010 incorporates a decision to fund the modernisation of laboratories in the Danish universities in the period 2010-2016. For the University of Copenhagen, this means that four laboratory buildings will be constructed on the North Campus and Frederiksberg Campus. It also enables the modernisation of many laboratories in the older buildings, and the sale of several large buildings that it is not financially viable appropriate to upgrade to modern standards.

Great progress was also made in 2009 with regard to the planning and design of new buildings for both the City Campus at the old Municipal Hospital and South Campus at Amager. In the period 2014-2016, the University expects all of its buildings and facilities on all four campuses to achieve a relevant and modern standard.

In June 2009, in partnership with UBST and the City of Copenhagen, and with support in the form of experience and co-funding from the Realdania Foundation, the University started a new initiative: Knowledge Neighbourhood North Campus. The aim of this project is to realise synergies between the University, business and the city of Copenhagen. The Knowledge Neighbourhood project is designed to strengthen research, teaching and communication, particularly in health, and contribute to maintaining and drawing attention to Copenhagen as an international knowledge city.

Communicating strategy

The University places emphasis on disseminating its research to the general public, upper-secondary schools and specific collaboration partners. The aim is to ensure that some of the many research findings are taken into consideration in the public debate, and that these findings are available to both the national and international media, who contact the University on a daily basis to consult its researchers and benefit from their expertise. To support this communications work, in late 2009, the University established new Danish and English news portals www.nyheder.

ku.dk and www.news.ku.dk. The portals are run by a new inter-faculty team of editors. The websites, which constitute a joint resource for stories about and knowledge from the University of Copenhagen, have about 12,000 visitors per month.

The University also launched a new magazine in 2009, the aim of which is to target specific groups in selected themes. The magazine is designed to underpin areas of strategic focus – e.g. specific research or programme areas – and to profile the University in relation to target groups with whom it is particularly important to enter into dialogue. The subject of the first issue, published in English in November 2009, was Global Health, and as such formed part of the academic profiling of the newly established Copenhagen School of Global Health. The magazine has a print run of 2,000 and is distributed to an international audience and to specific partners.

Management development

In 2009, the University's joint, intersectoral management-development programme was launched. All managers with personnel responsibilities at the University are covered by the programme. As a first step, Senior Management (rector/prorector, deans, associate deans, faculty directors and directors in the University Administration) underwent 360° management feedback and worked on a number of management themes at a two-day seminar. Every head of department subsequently took part in a nine-day management development process, supplemented with individual interviews and meetings in small learning groups. The majority of the University's other administrative managers attended a seven-day course, as well as learning group meetings and individual conversations.

The basic idea of these courses is to develop both the individual manager and the overall management system at the University. In addition to developing individual managers' skills, the course helps to clarify the roles and mandates in the management structure, and to improve communication between the different layers and units within the organisation.

The 360° feedback has provided a basis for increased and more qualified synchronisation of expectations between

senior managers and their line managers, employees and colleagues.

At the end of the first year, managers at all levels reported that they have reaped huge benefits from the programme. In particular, the course modules "Collegiate, professional management coaching across the University of Copenhagen", "New academic networks and initiatives across levels and departments", and "Handling of specific management challenges" were assessed as very positive. The programme has also helped to develop a common language and management culture, which has served as a launch pad for both personal and organisational projects that focus on, e.g. the establishment of clearer roles and divisions of responsibilities, better working environments and APV follow-up, tangible conflict resolution, etc. The programme has been evaluated satisfactorily, scoring an average of 4 on a 1–5 scale.

Further courses for administrative managers will be held in 2010. There will also be courses for heads of research groups and sections, as well as heads of studies, deputy heads of department and heads of PhD schools. At the same time, follow-up activities will be initiated for groups of managers who have successfully completed the course.

The management-development project will continue up to and throughout 2011.

In June 2009, the General Collaboration Committee (HSU) adopted a new joint personnel policy. This personnel policy helps management and staff representatives to jointly set the framework for an even better workplace.

The policy, which is outlined in the "Personnel Policy Manual", consists of two interconnected parts: "Basic Principles for the University of Copenhagen's Personnel Policy, 2008-2012", and a series of personnel-policy guidelines that set out the basic principles in areas where management and staff consider that there is a need for a tangible joint direction.

Working environment and workplace evaluation at the University of Copenhagen
Wellbeing has become an increasingly visible factor in the working environment in recent years, both at the Universi-

ty of Copenhagen and in the rest of society. Between 2008 and 2009, the University conducted a faculty-by-faculty study of wellbeing and workplace conditions (APV). These evaluations include well-being and mental health, as well as physical, chemical, ergonomic and biological factors.

All employees were asked to complete the same questionnaire. The response rates were 66.0% for the physical study and 67.5% for the wellbeing-oriented survey, which the University deems satisfactory. The collaboration committees at all three levels of the University then assessed the results of the mapping exercise in order to devise and prioritise the initiatives necessary to improve conditions.

A concurrent survey was also conducted of other working environment conditions - physical, chemical, ergonomic, etc.

All faculties have now completed the mapping exercise, and work is currently being done to draw up action plans to remedy the areas in which APV suggests that there is room for improvement. Some areas require a joint, University-wide effort – e.g. bullying, which has been shown by the psychological APV to be an area in which there is a need for action. In response, HSU set up a working group that has drafted an action plan for measures to combat bullying and harassment. HR & Organisation has also produced a practical toolkit with tools designed to help managers, union representatives, working-environment representatives and other employees to handle and prevent bullying, and contribute to improved well-being in the workplace.

For a number of years, the University has prioritised staff support in the form of psychological counselling concerning workplace matters. In 2009, this support was extended, which means that employees can now also get help with personal problems that are not directly connected to the workplace.

The overall results of APV will be evaluated by HSU and the Danish Working Environment Council, after which further joint action plans will be drawn up.

Examples of academic results 2009

In late 2009, the University of Copenhagen established new Danish and English news portals: www.nyheder.ku.dk and www.news.ku.dk, which are regularly updated with summaries of some of the latest results from the University's researchers. This annual report therefore mentions only some of the major achievements, such as climate and basic research. We see the University of Copenhagen's continued success in attracting basic research as a reflection of its professionalism, strength and originality.

Climate

The University of Copenhagen's climate initiative was launched in the second half of 2007 and concluded, as planned, in 2009. The main event was the scientific climate conference "Climate Change: Global Risks, Challenges & Decisions" in March 2009, which was organised in co-operation with the other nine institutions from the International Alliance of Research Universities (IARU). The Congress brought together 2,500 participants from some 70 countries. Sixteen plenary sessions and 58 parallel sessions were held. The congress looked at a total of around 1,400 pieces of scientific input, and came to a set of conclusions which were later presented to the Danish Prime Minister in his capacity as host of the UN Climate Change Conference (COP15). The Prime Minister presented a synthesis report along with the University of Copenhagen at a seminar in Brussels in June 2009 attended by 200 participants. In 2010, these efforts will culminate in the publication of a book on climate change by Cambridge University Press.

In addition to the conference and the scientific contributions, the University's climate work followed three main tracks: dissemination activities, education and "Green Campus".

The dissemination side included the ongoing "Copenhagen Climate Lectures". The aim is to provide broad coverage of all aspects of the climate debate and the environmental challenges we face, for the benefit of Danish and foreign politicians, academics, and other opinion-formers and analysts. Fourteen lectures were given in 2009, mostly in the Ceremonial Hall. Guest speakers in 2009 included the Oxford Professor Diana Liverman; Dr Mathew J. Burrows from the US National Intelligence Council; UN Secretary

General Ban Ki-moon; Minister for Economic and Business Affairs Lene Espersen; Dr Jane Lubchenco, Barack Obama's climate advisor; and President of the UN Panel on Climate Change, Dr Rajendra K. Pachauri. All lectures were free and open to the public, and were designed to promote discussion between presenters and listeners. This lecture series will be superseded in 2010 by the "Copenhagen Sustainability Lectures" series.

As part of the United Nations Climate Change Conference (COP15) in December, the University of Copenhagen conducted a series of activities, including:

- the "Rethink Our Energy Future" workshop, with the student organisation Energy Crossroads
- the seminar "Scientific Essentials of a COP15 Deal", with presentations by Copenhagen University climate scientists and invited international guest speakers
- workshop at COP15 on "Greening Universities" in cooperation with Yale University
- panel discussion involving the University of Copenhagen and international researchers at the alternative summit "Klimaforum09" in DGI-byen
- dissemination activities in Bella Center, in collaboration with Yale University and the Australian National University (ANU)
- the "Future Generation Climate Camp" for upper-secondary school students from across the country, the results were subsequently made available for climate teaching in upper-secondary-school climate teaching
- development of climate courses and programmes in all the University's faculties
- "Green Campus", which will help to ensure that the University of Copenhagen is one of Europe's greenest universities
- the inauguration of the "Green Lighthouse" project – Denmark's first CO₂-neutral public building
- "Copenhagen Competition" – an international negotiation contest in which law students negotiated their own version of a COP15 agreement. The first prize was presented by Prime Minister Anders Fogh Rasmussen, who also received the outcome of the students' negotiations.

New basic research centres and other external projects

The University enjoyed growth of 13.9% in external activities in 2009. The growth reflects the University's strong research position and ability to secure competitive research funding. With basic research as one of its core services, in 2009 the University proudly announced the creation of five new Centres of Excellence with support from the Danish National Research Foundation. The Faculty of SCIENCE houses the five new basic research centres, which are designed to provide insight into topics ranging from macroecology, evolution and climate change to particle physics, stars, plants, geogenetics, and the mathematics of symmetry and deformation. These new basic research centres have received over DKK 234 million from the Danish National Research Foundation for the period 2009-2013.

In addition, the new Danish–Chinese Centre for Molecular Nano-Electronics was established in 2009 with a grant of DKK 15 million from the Danish National Research Foundation. The centre supports the Ministry of Science's objective of stimulating and promoting Chinese-Danish research collaboration.

In February 2009, the University received a donation of DKK 100 million from the Nordea Foundation for the OPUS project. This money will be used to support extensive research across several faculties, the aim of which is to strengthen public health, with a special focus on children's health, welfare and well-being.

In 2009, the University received support from the national pool for research infrastructure for three projects designed to improve the research infrastructure:

At the Faculty of Humanities, the LARM (NOISE) project is designed to promote the growing field of radio- and audio-based research by establishing a national digital research bibliography. This project is anchored in a consortium, in which one partner is the Danish Broadcasting Corporation.

The LIFE and SCIENCE faculties have, along with several other universities, received support for the development of Centre for Advanced Bioimaging (CAB). This will provide researchers with a world-class research infrastructure for the

visualisation of biological processes, and as such it will support work on new groundbreaking research.

The Faculty of Health Sciences' grant to the project CPINE will lead to the creation of a national centre for pre-clinical brain imaging, the aim of which is to provide valuable new insights into the brain's basic functions. Such knowledge will potentially be of great importance for clinical medicine, psychology, pedagogy and sociology, as it will enhance our knowledge of how the brain works, particularly with regard to human interaction.

In May 2009, the Technology Foundation awarded DKK 171 million to 11 new high-tech projects in health, environment, climate, production and mobile technology. The University in partnership with SunFlake has been allocated 10 million to develop more efficient means of using solar energy.

In 2009, the University received DKK 20 million from the European Research Council to fund the NEEM ice-core-drilling project in Greenland. This project, which involves scientists from 14 different nations, aims to reconstruct the development of the climate by, among other things, studying the structure of the ice cap during different periods in Earth's history. The objective is to learn more about the formation of lakes under the ice in Antarctica, how this water flows and to predict how the ice will behave in the future as a result of global warming. This research may be a key element in understanding global climate challenges.

Financial report

The operating result for the University of Copenhagen's total activities after financial items was negative DKK 74.9 million. The University's equity excl. the government obligation was reduced to DKK 415.9 million. The solidity ratio was 13.0% in 2009.

The University's performance in 2009 lived up to expectations (deficit of DKK 78.7 million), as laid out in the budget.

The management considers the financial performance satisfactory in view of the general macro-economic slowdown and developments in the financial markets.

The University's total revenue in 2009 was DKK 7,033.7 million, an increase of 620.2 million (current prices) compared to 2008. A particularly satisfactory fact is that grant-funded research work is experiencing growth in revenue, corresponding to an increase of 13.9% compared to 2008. The increased level of revenue in 2009 is also attributable to educational income, which has evolved more favourably than expected due to improved output for the academic year 2008-2009.

Total operating costs were DKK 7,147.8 million, an increase of 657.8 million (current prices) compared to 2008. This was due mainly to an increase in personnel and building-related costs.

Personnel costs constituted DKK 4,011.1 million in 2009, representing an increase of 8.7% compared to 2008. Staff costs have risen primarily because of greater external activity, including increased recruitment of academic personnel. Overall, there has been an increase of 281 academic staff FTEs, representing growth of 7.5%, and an increase of 66 technical/administrative staff FTEs, representing growth of 1.6% compared to 2008. The increase in personnel costs can also be attributed to contractual wage increases.

Building-related costs accounted for DKK 1,706.9 million, representing an increase of 189.6 million (current prices) compared to 2008. The increase in building-related costs can be attributed to increased deposits for maintenance, increases in property taxes and rental charges (e.g. costs incurred for building hire at the former Municipal Hospital) and the implementation of "The Green Lighthouse" in order to boost the University's sustainability profile.

Financial items in 2009 were DKK 39.1 million, a decrease of 15.1 million (current prices) compared to 2008. Lower interest rates meant that the University's agreement on deposits resulted in a significantly lower profit than in 2008.

It therefore remains important to focus on financial management. Work on budgeting and monitoring finances

at all levels of the organisation will continue to be developed and improved.

Expected financial developments

The University is still facing physical, structural and administrative changes in an era of general economic slowdown, both nationally and internationally. At the same time, it needs to increase educational and research income. The University expects that the coming years will require tight financial management and increasing educational and project revenue.

The University expects total subsidies from the national budget (FL10) on the same level as 2009 at current prices. However, the conditions attached to funding have changed, with more funds subject to competition, and earmarked and free untied funding reduced. Guaranteed funding is being replaced by less certain income. The University's economic situation in 2010 and going forward is therefore more uncertain than in previous years.

The economic situation in Denmark means that the University of Copenhagen's finances are subject to a degree of uncertainty. Firstly, the University, like the rest of the public sector, may be subject to the budget restraints that the Government has flagged up from 2011. Secondly, it is possible that research funding will be reduced to 1% of GDP in the next few years, which may have a negative impact on globalisation funding when the current agreement expires in 2012. A third area of uncertainty is that the economic slowdown may mean a reduction in private and international funding for university research projects.

The Government announced a work programme on 23 February 2010 for the period 2010-2020 with the objective that at least one Danish university will be in Europe's top 10. The University of Copenhagen looks forward to this prioritisation being reflected in changes to the framework conditions for the universities.

Both the structural change to the University's economy and the general economic climate places demands on the University's organisation, and mean that the future will bring more uncertain economic conditions. Despite this

uncertainty, the University will continue working to build upon its strong position as a national and international research and educational institution. This requires that the University continues to carry out necessary investments and renew its organisation and infrastructure, in order to create a strong foundation for research and education.

The changed economic conditions also offer new opportunities to maintain and further develop the success of the University of Copenhagen in 2008-2009 in procuring large external grants for research projects and increase educational revenues through improved completion times and students intake in 2009.

The process of streamlining administrative support functions and developing more intensive IT support was launched in 2008 and will continue in 2010. The efficiency gain will be transferred to the Faculties' core activities in research and education.

Target reporting

In December 2007, the University signed a three-year development contract with the Ministry of Science, Technology and Innovation (VTU) for the period 2008 to 2010. It defines 16 targets in research, education, knowledge-dissemination and research-based, public-sector services. The section below describes progress towards a number of those targets, including ones for which VTU required detailed analysis (targets 4, 5, 6 and 7), followed by a systematic review of the individual targets.

Year/Target	2009	2008
Achieved for the year/ contract period	2, 3, 7, 8, 9, 10, 11, 12, 13, 14, 16	2, 3, 9, 10, 13, 14, 16
Partially achieved for year/ contract period	1, 4, 15	1, 6, 7, 8, 11, 12, 15
Not achieved for year/ contract period	5, 6	4, 5

Reporting on specific performance targets

Performance target no. 2: Internationalisation of research

The best ambassadors for Danish research and for the University of Copenhagen are researchers from abroad who, happy and satisfied with their stay in the country and with their work at the University, decide to stay here or return home after a fulfilling spell in Denmark.

First impressions are crucial if researchers from abroad are to enjoy a fulfilling experience in Denmark. The University of Copenhagen has set up an "International Staff Mobility" unit to improve the initial reception of employees from other countries. Approx. 750 foreign nationals are employed at the University.

In 2009, the main focus of International Staff Mobility was on drawing up effective procedures for the recruitment of researchers from other countries. It also concentrated on improving working relations with the various official bodies involved in regulating entry into and residence in Denmark. By drawing up guidelines and working closely with the appropriate authorities, the University has managed to reduce the administrative burden faced when applying for residence and work permits and obtaining a civil registration number.

An active social life is the norm in many of the University's departments, and staff from abroad often find themselves welcomed with dinner invitations that help them build up a social network relatively quickly. However, staff from other countries also have a need to meet others who are in the same situation as themselves. To this end, the University has set up a network for staff from abroad. The idea is to create a forum for them to meet and talk with others who have come to Denmark to work at the University of Copenhagen. At present, there are approx. 300 members of the network, and the University helps run social events for them. To support cultural exchange within the University, a mentoring programme has been set up that enables Danish and foreign employees to meet and improve their intercultural competences.

Research studies have highlighted family well-being as a crucial prerequisite for a successful stay, so the University is focusing also on accompanying spouses. In 2009, with funding from the Ministry of Integration and others, the University started a "spouse programme" that offers individual counselling on job hunting, study choices, etc. The University has set up a special network for spouses.

One milestone for the internationalisation of research was the target of raising the proportion of newly recruited international researchers to the equivalent of 15.9% of all academic staff appointments at the University. The actual figure was 19.4%, easily surpassing the milestone.

Performance target no. 3: Attracting external funding

In 2009, the University had a consolidated turnover of DKK 1,494.4 million, a total increase of DKK 193.9 million compared to 2008 (current prices), representing growth of 14.9%.

The target for 2009 was to achieve turnover growth of 6% in external research activity compared to the 2005-2006 baseline (DKK 907.8 million at current prices). The actual turnover of 1,494.4 million in 2009 represents an overall increase in the project portfolio of 64.6% between 2005/2006 and 2009. The target has therefore been exceeded.

The University's total project portfolio consists of 4,602 external projects, spread over the eight faculties and 52 departments. In 2009, the external research projects received DKK 814.1 million from Danish public-sector sources, 498.2 million from private Danish sources, 107.5 million from the EU, and 74.6 million from other sources abroad.

The largest increases in funding came from private Danish sources and the EU, which were up 31.1% and 17.2% respectively. The rise in income from private sources is partly due the number of donations announced in 2008–2009 that moved from the start-up phase to the operational phase, including donations from the Nordea Foundation (Protein Centre), and two large University Research Investment Capital (UNIK) grants. Donations from outside Denmark rose by DKK 10.1 million, representing growth of 15.7% compared to 2008. Grants from Danish public-sector sources increased by DKK 25.9 million compared to 2008.

The University expects an increase in external funding for external research projects in 2010. In 2010, several of the major external projects for which funds were received in 2009, including the donation from the Nordea Foundation (OPUS project) and the basic research centres, will be transferred from the start-up phase to the operational phase, which should increase the turnover figure. Globalisation funding from the Danish research councils will also boost basic research.

The EU's seventh Framework Programme (FP7) runs from 2007–2013. The University currently has contracts with the EU for a total of 138 FP7 projects. Of these, 48 projects will be co-ordinated by the University, including nine major international collaborative projects and 39 contracts with individual researchers (Marie Curie and ERC grants). The total University subsidy for the 138 FP7 projects per 1 March 2010 is €51.1 million, corresponding to approx. DKK 380.3 million. The University has set up an internal reward pool of DKK 0.5 million, which will be awarded in the form of additional grants for researchers who secure an EU grant of more than DKK 1.1 million. This scheme is highly popular and has helped raise interest in applying for EU funding. It is therefore expected that the University will attract an increasing amount of EU funding, both as a co-ordinator and as a partner, in the next few years.

The University also continues to work to attract funds from Danish and international business and industry, partly by making a series of technological upgrades to its laboratories designed to improve research environments so they meet industry's research and innovation needs. The University expects to continue to attract more funds from this sector over the next few years but the rate of growth is expected to taper off as project funding grants are reduced in the wake of the economic crisis and the expiry of globalisation funding. However, the University considers it a positive sign that the Government's work programme *Denmark 2020* (presented in February 2010) is designed to boost basic research in the longer term.

Performance target no. 4: PhD activity

The University of Copenhagen has significantly increased the number of PhD students in recent years. In the period 2005–2009 (the supplementary-contract period for PhD agreements), 3,077 new PhD students enrolled at the University, just 59 fewer than the supplementary contracts recommend. Add to this the fact that the round of university mergers in 2007 means that some PhD students at some sectoral research institutions, who were previously enrolled at the University of Copenhagen, are now enrolled at the universities that the sectoral research institutions have merged with, and the University of Copenhagen's performance actually meet the contract targets. Particularly the Danish Agricultural Research (now part of the Faculty of Agricultural Sciences, Aarhus University), the National Environmental Research Institute (also part of Aarhus University), the National Food Institute (now part of the Technical University of Denmark) and the Risø National Laboratory for Sustainable Energy (also part of the Technical University of Denmark) used to co-fund a number of PhD students at the Faculty of Life Sciences (LIFE) and the Faculty of Science (SCIENCE). Overall, these faculties report approx. 15 to 20 new PhD students per year, equivalent to a total 45 to 60 PhD students during the period 2007–2009.

To this must be added insufficient funding of the supplementary agreements and less interest in PhD funding from private sources, which in some faculties has led to a decrease in externally funded scholarships.

The University of Copenhagen has focused on the 2010 target of an intake of 863 new PhD students through a combination of central and faculty-specific initiatives.

For example, as per the 2005 agreement, the University has internally prioritised and supported PhDs in the "dry" faculties, while the supplementary agreement of 2007 primarily targets the so-called "wet" areas. DKK 10 million was allocated from the 2007 budget to increase PhD intake. This figure has since increased by a further DKK 10 million per year, so that DKK 40 million is earmarked in the 2010 budget for the "dry" areas.

In addition, several faculties have agreed targets for PhD intake with their departments. Some of them have also agreed on funding mechanisms for the purpose, e.g. that resources are devoted to increased central co-funding, and strategic resources are made available for PhD fellowships when new professors are recruited.

Finally, it is worth mentioning that infrastructure improvements have been initiated, e.g. PhD schools in the faculties to make them more widely attractive and the development of new generic PhD courses and more advanced PhD courses under the auspices of both existing and new researcher training programmes.

Performance target no.5: Intake

In 2009, the University's target was to enrol 6,100 new undergraduate students.

Given the relatively low intake in 2008, it was gratifying to note that, in 2009, a record of 20,619 people applied for admission to the University's programmes. A total of 6,268 were offered to study at the University, and when the final number of new students was calculated as per 1 October, the University had 6,084 new students. 5,978 of these are enrolled on Bachelor programmes within the Ministry of Science, Technology and Innovation's sphere of responsibility, and 106 on either dental hygienist training or professional Bachelor programmes in forestry and landscaping.

The 2010 target of 6,300 new students is considered ambitious but achievable.

A number of initiatives have been launched to increase applications and intake, e.g. "student for a day" and "internships" for lower and upper secondary school pupils and a series of theme courses for both pupils and teachers. The University also increasingly uses modern media to provide information about its programmes – e.g. via SMS, Facebook, etc.

Objective 6: Drop-out rates

The University of Copenhagen's target for 2009 was to reduce drop-out rate from Bachelor programmes to 23.8%, and from Master's programmes to 3.8%. In 2009, the actual drop-out rate on the Bachelor programmes was 29.0%, while the rate for Master's programmes was 8.0%. The targets for 2009 were therefore not met.

Despite these figures, however, progress was actually made. A proportion of the figure can be attributed to intensified efforts to withdraw the registration of inactive students. These efforts will continue throughout 2010, so the target of a lower overall drop-out rate is not expected to be achieved in the current contract period.

If these special efforts to withdraw the registration of inactive students are taken into account, the highest drop-out rate is usually seen during the first year of programmes. It is therefore gratifying to note that the drop-out rate in first year has fallen significantly, from 18.0% when the contract was entered into, to 13.2% in 2009. Even though part of the improvement in 2009 can be attributed to changes in the registration method, there has nevertheless been a real decline in the number of students who drop out or have their registrations withdrawn during their first year of study.

The University continues to work hard to reduce drop-out rates, e.g. by means of:

- integrated study-start programmes during semesters 1–3
- adapting curricula, e.g. with tests early in semesters 1 and 2
- paying more attention to first-year students' special needs
- providing counselling in the event of study delay
- improving the study environment.

Performance target no. 7: Completion

The University of Copenhagen has put considerable effort into student performance for several years, and this

is reflected in the figures for completion. The target for 2009 was that the proportion of students who completed a Bachelor programme in the prescribed time was to be 29.7% or higher. The result was that 32.0%. The target for prescribed time + one year was 54.1%, and the result 55.0%. The targets for 2009 were therefore met.

The targets for completion of Master's programmes in 2009 were 13.8% in the prescribed time and 54.1% in the prescribed time + one year. The results were 22.0% in the prescribed time and 58.0% in the prescribed time + one year. Although the figures for 2009 are influenced by changes in the registration method, there is no doubt that the improvement is the result of the many initiatives launched by the University to improve student performance:

- Establishing a more transparent academic-year and timetable structure for the whole of the University
- Increased flexibility in elective subjects

- Flexible credit practices
- More effective organisation of studies, e.g. introduction of block structure on the programmes, and the future implementation of the option to participate in single courses on the Master's programme for students who only have a small part of their Bachelor's degree to complete
- Introduction of joint rules for leave of absence at the University
- Provision of summer courses to make fuller use of the academic year
- Increased attention to the thesis process, including at the time the thesis contract is entered into.

The new and future initiatives are expected to further improve completion rates and reduce the average period of study. The targets for 2010 are therefore expected to be achieved.

Reporting on The University of Copenhagen's development contract 2008-2010

Performance target	Report back 2009
1. During the contract period, the University will work to maintain a high level of research output per academic staff member, in the form of articles in peer- and non-peer-reviewed journals, books and anthologies.	Data for research publications has been calculated for 2008, as the reporting of publications to the Ministry of Science for 2009 will not take place until early September 2010. Data for 2009 will therefore not be reported back until the annual report for 2010. In 2008, the University's research staff produced an average of 2.19 articles in peer-reviewed academic journals, 0.17 articles in academic journals that are not peer-reviewed, 0.04 academic books and monographs and 0.28 contributions to academic books/anthologies. The level was maintained.
2. During the contract period, the University will work to increase the number of newly recruited researchers whose most recent country of employment was outside Denmark, in order to strengthen the internationalisation of research.	Cf. target reporting above.
3. During the contract period, the University will continue to increase funding from external sources. The contract focuses on contributions from Danish public-sector sources, private Danish foundations etc., EU funds and other non-Danish sources.	Cf. target reporting above.
4. The globalisation agreement sets a target to significantly increase the intake of PhD students until 2010. This increase is specifically to be in the natural sciences, technical science, IT and health sciences. In order to realise this, the University will continue the trend in the uptake of PhD students and work to ensure that the completion rate is maintained. The enrolment levels are shown in the supplementary contract between the University and the Ministry, which was signed in spring 2007. Under the University Act section 16 b, the University is to set up a PhD school in every faculty.	Cf. target reporting above.

Performance target	Report back 2009
5. During the contract period, the University will maintain the current proportion of any given age group enrolled on Bachelor programmes at the University. With the known increases in the size of future cohorts, this will lead to a higher intake. It is a precondition that the externally set limits on certain programmes follow the demographic trend in the number of 20–24-year-olds.	Cf. target reporting above.
6. During the contract period, the University will reduce the drop-out rate from Bachelor programmes and maintain the low drop-out rate on Master's programmes. The target will be achieved by, e.g. enhanced supervision and improvements to the study environment, cf. target 11. As the requirements for study activity will be tightened up going forward, a temporary increase in the number of drop-outs is expected in 2007/2008, so no improvement is expected in 2008.	Cf. target reporting above.
7. During the contract period, the University will reduce student completion times on both Bachelor and Master's programmes. This result is expected to be achieved through interventions that improve student supervision and the study environment in accordance with target 11, and by imposing stricter requirements for study activity.	Cf. target reporting above.
8. During the contract period, the University will - in order to adapt the University's programmes for society's needs, and in collaboration with employer panels – discuss and analyse the programmes' labour-market orientation, identify any structural problems on the programmes, and analyse and evaluate the volume of intake on the various programmes.	The University has increased the number of employer panels to 43, with a total of approx. 415 members. The programmes' labour-market orientation was discussed by a number of panels during 2009, while others have advised that it will be discussed in spring 2010. At the end of the contract period, a report will be submitted on which actions have been undertaken and which are planned. In 2009, a total of 28 entrepreneurship courses were run. The 2009 target to provide 15 ECTS credit-awarding entrepreneurship courses has therefore been met.
9. During the contract period, the University will increase the provision of entrepreneurship courses that award ECTS credits.	The number of outgoing students in 2009 was 1,306, of whom 1,073 students triggered internationalisation grants. The target of at least 976 outgoing students in 2009 was therefore met. The number of incoming students was 2,021, of whom 1,657 triggered internationalisation grants. The target of 1,776 incoming students in 2009 was therefore met.
10. During the contract period, the University will increase the number of incoming and outgoing students and the number of whole programmes with English as the language of instruction in order to strengthen the internationalisation of the university environment.	In 2009, the University ran 29 courses with English as the language of instruction. The targets for 2009 and 2010 are 19 and 24 courses in English, respectively. The targets for 2009 and 2010 have therefore been met.
11. During the contract period, the University will work to improve the quality of teaching, e.g. by including new forms of instruction and training of teachers. The focus will also be on student-supervision activities and interventions designed to improve the study environment. Finally, the teaching evaluations conducted during the contract period will be published on the Internet.	<p>Quality-assurance model The University has adopted a policy for quality assurance of programmes, including policies and guidelines for the management and organisational structure of the quality work; key quality work for existing programmes; and key quality work for new programmes. Minimum requirements have also been stipulated for the faculties' work on quality assurance and enhancement. The target will be met.</p> <p>Teaching evaluation A joint procedure has been drawn up for teaching evaluation and the publication of evaluation reports. All faculties have implemented the new procedure. Seven faculties have published evaluation reports. LIFE will publish evaluation reports in April 2010. A single portal for the faculties' evaluation reports has been set up at: www.ku.dk/uddannelser/.</p> <p>Parallel languages centre The Centre for Internationalisation and Parallel Language Use (CIP) has, in its start-up phase, focused on courses for academic staff and technical and</p>

Performance target	Report back 2009
	<p>administrative staff. In autumn 2009, CIP has run five courses in academic English for international students.</p> <p>Several tailor-made courses in academic English for both technical and administrative staff and academic staff have been developed and implemented in autumn 2009, including several study-administrative terminology courses for technical and administrative staff; several courses for academic staff, which include observation, individual coaching and group teaching; individual courses for academic staff, which include teaching observation and individual coaching; and individual coaching in connection with writing articles. In addition, a course on writing articles for PhD students was conducted in collaboration with the PhD school. Tailor-made courses in academic Danish are being developed, and the first course was launched in autumn 2009. In addition, a number of Danish courses are being provided for staff at the University, in collaboration with Studeskolen.</p> <p>Finally, CIP has implemented a number of certifications for the language skills of academic staff.</p> <p>Supervision of students in danger of dropping out</p> <p>The statutory guidance on students in danger of dropping out made a good start in 2008 and this continued into 2009. The University's target of providing them all with direct supervision has been met.</p> <p>Study places</p> <p>The University has set up 1,171 places, including 140 thesis places in Fiolstræde 1 and 272 in the Faculty of Social Sciences (SAMF) library. The target of setting up 400 additional study places in 2009 has therefore been met.</p>
<p>12. During the contract period, the University will work to formalise co-operation with the new university colleges for the benefit of both academic development at the university colleges, and didactic and pedagogic development at the University.</p>	<p>The University has signed partnership agreements with two university colleges in the Copenhagen area.</p> <p>Credit agreements have also been agreed for students at the University who have completed the first year of the Bachelor programme in Danish. The targets have been met.</p>
<p>13. During the contract period, the University will increase the number of paying students in continuing and further education (part-time education) at the University, as well as the total of fees paid.</p>	<p>The target for 2009 of 4,011 fee-paying students was met, with a total of 4,127 students.</p> <p>The target for 2009 of total tuition fees of DKK 29.6 million was exceeded, with a total of DKK 30.7 million paid (including 4.0 million from students from abroad paying their own fees).</p>
<p>14. Under the University Act, the University of Copenhagen is obligated to participate in public debates, etc., and thereby contribute to ensuring high-quality research communications and knowledge sharing with the world outside the University, both nationally and internationally. During the contract period, the University will try to increase its activities in this regard.</p>	<p>The target for 2009 of 2,533 citations in Infomedia and Lexis Nexis was met, with a total of 7,923 citations.</p>
<p>15. During the contract period, the University will increase its commercialisation activities in the form of more co-operation agreements and increased licensing of patents.</p>	<p>In 2009, 573 co-operation agreements were signed, which exceeds the final target of 453 in 2010.</p> <p>In 2009, the University entered into 13 license agreements, which is slightly below the final target for 2010.</p> <p>License revenue in 2009 was DKK 5.1 million, which is well above the final target for 2010.</p>
<p>16. During the contract period, the University will deliver research-based advice to the authorities by renewing the existing performance contracts with the Ministry of Food, Agriculture and Fisheries, the Ministry of Family and Consumer Affairs and the Ministry of the Environment.</p>	<p>The renewal of contracts for 2009 means the current activity level will be maintained. There have also been developments in the portfolio of externally funded projects that involve public-sector services. The target has been reached.</p> <p>The contract target for renewal of LIFE's contracts with the Ministry of Foreign Affairs (Danida) was also met.</p>

Financial Statements

Accounting policies

Basis of preparation

The Annual Report of the University of Copenhagen has been prepared in accordance with the Danish Act on Public Accounts, the Ministry of Finance's Financial Administrative Guidelines (ØAV), Ministerial Order No. 1373 of 10 December 2007 on funding and accounts, etc. of universities, the Universities Act of 7 December 2007, and the guidance and instructions for financial statements issued by the Ministry of Science.

On 1 January 2007, the University received a DKK 290 million government obligation from the Ministry of Science, which has been recognised in the balance sheet. This constitutes a guarantee, and would be paid out in the event that the University were declared bankrupt. The government obligation expires at the end of 2011. In accordance with the instructions from the Ministry of Science, the government obligation has been recognised as a separate item under equity.

The accounting policies are unchanged from last year.

Recognition and measurement

The Financial Statements have been prepared on the basis of the historic cost convention.

Revenues are recognised in the income statement as earned. All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates.

Assets and liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset and the liability will flow to and out of the University, and the value of the asset and liability, respectively, can be measured reliably.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Intercompany revenue between University entities and transfers between types of activities (i.e. sub-accounts) have been eliminated from the income statement.

Translation policies

Payments in foreign currencies are effected at the exchange rates at the date of transaction. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Taxation

The University of Copenhagen is not liable to pay taxes.

Income statement

Revenues

Funding for basic research and education which is paid out via the national state budget is recognised as revenue in the years for which the funding is earmarked.

Funding for education is allocated as "taximeter funding" per unit and also includes funding for general management, administration and estates. The University also receives significant external revenues in the form of donations and grants from external funding bodies. These grants and subsidies are recognised as revenues as they are spent.

Revenues from forensic services provided are recognised at the time of delivery of the service. At the end of the year, the net profit from forensic services is transferred to deferred income in order for that profit not to affect the University's net profit for the year. The profit – or loss – is instead transferred back to the purchaser of the services by means of a price adjustment.

Revenues also include student fees from part-time programmes, sales activities, takings from museums, the subletting of premises and interest income. These are recognised as revenues in the period in which they occur.

Funds received from the Danish University and Property Agency (UBST) to cover expenses incurred on the indoor maintenance of buildings are stated on an accrual basis as they are spent. Unutilised funds are recognised in liabilities as "prepaid restricted contributions".

Grants for PhD programmes are stated on an accrual basis to the effect that the grants are recognised as and when the programmes are run. Unused grants are recognised as a deferred income item in “prepaid restricted contributions”.

Financial income and expenses are recognised based on the time when banks add interest as regards demand deposits, while interest on fixed-term deposits is accrued over the term of the deposit.

Expenses

Expenses comprise all expenses incurred during the year's activities.

In the University's Financial Statements, expenses are divided according to type – i.e. VIP and TAP salaries, estates, miscellaneous operating expenses and depreciation/amortisation.

Depreciation/amortisation for the year is calculated over the life expectancy of the assets.

Balance sheet

Fixed assets

Fixed assets are valued at cost. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Fixed assets costing less than DKK 100,000 are expensed in the year of acquisition.

Intangible assets

Software

Software costing more than DKK 100,000 and with a useful life of at least three years is included in the fixed assets register. The cost of proprietary software is expensed as incurred as the basis of preparation does not allow for sufficiently accurate statement and measurement.

Inventions and patents

Only inventions that are clearly defined and identifiable, and in respect of which contracts with external partners are expected to be made, are recognised as intangible assets.

Inventions, patent applications and patents are measured at the external expenses incurred for research and for registration of the patents. Ongoing assessments of the potential application of the inventions form the basis for deter-

mining the value of the rights and their useful life. In the event of impairment of the value, the necessary impairment losses will be recognised in the income statement.

Amortisation of intangible assets is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Software	3 years
Inventions and patents	5 years

Property, plant and equipment

Land and buildings

In accordance with the provisions contained in the Ministerial Order on funding and accounts, etc. of universities, properties are measured on the basis of an estimated replacement cost determined by an external valuer and approved by the Ministry of Science. Land is measured at cost. Land is not depreciated. Buildings, leasehold improvements, machinery, fixtures and fittings, IT equipment, means of transport and research equipment are measured at cost less accumulated depreciation.

Scientific equipment, machinery, fixtures and fittings, IT equipment and vehicles, etc.

Fixed assets costing more than DKK 100,000 and with a useful life of at least three years are included in the fixed assets register.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
Greenhouses	30 years
Leasehold improvements	10 years
Scientific equipment	10 years
Ships	40 years
Production and other special technical equipment	15 years
Machinery	10 years
Fixtures and fittings	5 years
IT hardware	3 years
Other IT equipment (photocopiers, etc.)	5 years
Other means of transport	5 years

Subject to a specific assessment of the individual asset concerned, shorter useful lives than those listed above may be applied to the asset.

Fixed assets received as donations

When the University receives fixed assets as donations (e.g. buildings, scientific equipment, machinery, fixtures and fittings, IT hardware or vehicles), the donated assets are recognised at estimated cost. Standard accounting policies apply to the depreciation of fixed assets received as donations.

A long-term and short-term donation liability, known as “accrued donations”, is recognised as a counter-item to the recognised values of the fixed assets received as donations. As the donated assets are depreciated, the donation liability is recognised as income in the income statement.

Works of art and collections

The University has received significant bequests of works of art and collections over the years. As per state accounting rules, their value has not been recognised in the Financial Statements.

Fixed asset investments

Government obligation

On 1 January 2007, the University received a DKK 290 million government obligation from the Ministry of Science. This constitutes a guarantee, and would be paid out in the event that the University were declared bankrupt. The government obligation expires at the end of 2011. In accordance with the instructions from the Ministry of Science, the government obligation has been recognised as a special item in “fixed asset investments”, with a counter-item recognised in “equity”.

Securities

Securities comprise minor investments in companies. As the University does not exercise control or have significant influence in these companies, these investments are measured at cost. The investments are written down in the event of a permanently impaired value.

Current assets

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the amount expected to be generated by sales in the process of normal operations less sales and completion expenses.

Net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Deposits

Deposits mainly comprise rent deposits measured at cost.

Receivables

Trade receivables etc are measured at nominal value in the balance sheet less any provision for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Receivables from grant activities in progress

The University of Copenhagen regularly enters into agreements with companies, public institutions and private organisations regarding research activities, etc. These agreements determine which activities are paid for by the funding body concerned. To the extent that the University incurs expenses for activities that are funded by grants under these agreements, but for which grants have not yet been received, the amount due to the University of Copenhagen is recognised as “receivables from grant activities in progress”.

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Prepaid expenses include prepaid salaries etc.

Deferred income includes payments received in respect of income in subsequent years.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the University has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

When vacating premises leased from UBST, the University of Copenhagen has a duty to restore the premises to their former condition. For lease agreements of indefinite duration, the estimated costs of restoration are calculated on a straight-line basis over 10 years. Provision is therefore made for the restoration of these leased premises.

Provision is made for commitments to fixed-term employees. Provision for severance pay for fixed-term employees is accumulated over the duration of the fixed term. This provision is recognised at an estimated amount, based on a statistical assessment of the number of employees likely to receive severance payments.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Holiday pay obligation

Holiday pay obligations are calculated on the basis of all paid holidays not yet taken in 2009 and previous years. The obligation is calculated on VIP and TAP salaries.

Prepaid restricted contributions

Contributions received concerning grant activities covering expenses not yet incurred are recognised as prepaid restricted contributions.

The University of Copenhagen charges a fee to cover overhead costs relating to grant activities. The fee is recognised as income as the grants are spent.

Moreover, prepaid restricted contributions include unused funds for PhD programmes etc., unused funds received from UBST for maintenance and other public sector funds for specially earmarked purposes as well as activities that are not paid for and carried out until subsequent financial years.

Cash-flow statement

The cash flow statement shows the cash flows for the year broken down by operating activities, investing activities and financing activities, as well as how these cash flows have effected cash and cash equivalents for the year.

Cash flows from operating activities

Cash flows from operating activities are presented indirectly and are calculated as the net profit/loss adjusted for non-cash operating items, e.g. depreciation, amortisation and impairment, provisions and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from the acquisition and disposal of intangible assets, property, plant and equipment and fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term loans.

Cash and cash equivalents

Cash and cash equivalents comprise demand deposits or fixed-term deposits with a maximum fixed term of 12 months.

Income Statement

1 January - 31 December

Note	2009 DKK '000	2008 DKK '000
Education	1,714,836	1,597,539
Research	2,395,323	2,198,604
External grants and contributions	1,836,968	1,613,504
Grants towards current expenses	621,189	612,591
Building related revenues	312,319	218,629
Other revenues	153,050	172,605
1 Total revenues	7,033,685	6,413,471
Salaries - scientific staff	2,263,218	2,064,288
Salaries - technical/administrative staff	1,747,910	1,626,035
Operation of buildings	1,706,905	1,517,265
Other operating expenses	1,377,365	1,228,468
Depreciation and amortisation	52,354	53,926
2 Total ordinary operating expenses	7,147,753	6,489,982
Profit/(loss) before financial income and expenses	(114,069)	(76,511)
Financial income	43,490	57,724
Financial expenses	4,359	3,475
Profit/(loss) for the year	(74,938)	(22,262)
Proposed distribution of profit/(loss) for the year		
Retained earnings	(89,138)	(64,662)
Interest compensation transferred to compulsory savings	14,200	0
1 % compulsory savings	0	42,400
Total	(74,938)	(22,262)

Balance Sheet at 31 December

Assets

Note	2009 DKK '000	2008 DKK '000
3 Software	4,357	7,468
3 Inventions and patents	9,359	8,249
Intangible assets	13,717	15,717
4 Land and buildings	134,589	137,344
4 Leasehold improvements	77,631	77,526
4 Scientific equipment, fixtures and fittings, tools, and equipment	408,628	334,619
4 Assets in course of construction	22,314	9,021
4 Prepayments for assets	19,682	0
Property, plant and equipment	662,844	558,510
5 Government obligation expiring at year end 2011	290,000	290,000
6 Securities	643	643
Fixed asset investments	290,643	290,643
Fixed assets	967,204	864,870
Inventories	5,664	5,760
7 Deposits	45,852	41,713
Trade receivables	389,754	231,114
8 Receivables from grant activities in progress	638,812	621,677
9 Other receivables	166,498	169,580
Prepayments	23,424	25,225
Receivables	1,264,341	1,089,309
16 Cash at bank and in hand	1,260,663	1,320,155
Current assets	2,530,668	2,415,224
Total assets	3,497,872	3,280,094

Balance Sheet at 31 December

Liabilities and equity

Note	2009 DKK '000	2008 DKK '000
Equity (excluding government obligation)	448,418	513,080
Retained earnings	(89,138)	(64,662)
	359,280	448,418
Compulsory savings	56,600	42,400
Equity (excluding government obligation)	415,880	490,818
Government obligation expiring at year end 2011	290,000	290,000
Equity	705,880	780,818
Provisions	24,106	24,443
Provisions	24,106	24,443
10 Donation of software	100	13
11 Donation of buildings	1,991	2,040
11 Donation of leasehold improvements	17,447	19,592
11 Donation of scientific equipment, fixtures and fittings, tools, and equipment	192,652	155,431
- Transferred to current part	(30,202)	(36,600)
Prepayment for donated assets	7,612	0
Non-current liabilities	189,600	140,476
Trade payables	304,152	315,710
12 Grants administered by the University	622	722
Holiday pay obligations	523,536	475,381
Prepaid government grants	413,337	396,802
8 Prepaid restricted contributions	1,025,265	893,731
Accrued donations (current part)	30,202	36,600
Settlement account for forensic medicine services	28,924	14,991
13 Deferred income	69,713	9,625
14 Other payables	182,535	190,795
Current liabilities	2,578,285	2,334,357
Liabilities	2,767,885	2,474,833
Total liabilities and equity	3,497,872	3,280,094
15 Staff	22 Utilisation of resources for open places and scholarships	
16 Financial instruments	23 Separate account for ordinary activities, commercial activities, forensic medicine services, research activities financed by grants and other activities financed by grants	
17 Contingent assets	24 Asset account	
18 Contingent liabilities	25 Key ratios	
19 Contractual obligations		
20 Related parties		
21 Separate activity accounts pursuant to Danish Act No 483 on technology transfer		

Statement of Changes in Equity excluding government obligation

1 January - 31 December

Note	2009 DKK '000	2008 DKK '000
Equity at 1/1 (excluding government obligation)	448,418	522,995
Adjustment to opening balance, investment CHIP	0	(9,915)
Equity (excluding government obligation)	448,418	513,080
Retained earnings	(89,138)	(64,662)
	359,280	448,418
Compulsory savings	56,600	42,400
Equity at 31/12 (excluding government obligation)	415,880	490,818

Cash flow Statement

1 January - 31 December

Note	2009 DKK '000	2008 DKK '000
Retained earnings	(89,138)	(22,262)
Interest compensation transferred to compulsory savings	14,200	0
Profit/(loss) for the year	(74,938)	(22,262)
Depreciation, amortisation and non-cash operating items	96,542	94,532
Depreciation of donations	(30,084)	(40,606)
Net impairment - fixed assets and donations	12,124	580
Changes in provisions	(336)	5,170
Changes in receivables	(175,033)	(321,932)
Changes in inventories	97	(852)
Changes in short-term debt	250,327	117,758
Cash flows from operating activities	78,699	(167,612)
Acquisition of intangible assets	(6,049)	(9,371)
Acquisition of property, plant and equipment	(193,350)	(119,957)
Prepayments for assets	(19,682)	0
Cash flows from investing activities	(219,082)	(129,328)
Increase in obligations from donations - intangible assets	0	0
Increase in obligations from donations - property, plant and equipment	73,194	46,563
Prepayments for obligations from donations	7,612	0
Adjustment to opening balance, investment CHIP	86	(9,915)
Cash flows from financing activities	80,891	36,648
Change in cash flow for the year	(59,491)	(260,292)
Specified as:		
Cash and cash equivalent at beginning of year	1,320,155	1,580,447
Cash and cash equivalent at year end	1,260,663	1,320,155
Change in cash and cash equivalent	(59,492)	(260,292)

Notes

1. Revenues

	2009	2008
	DKK '000	DKK '000
Full time education - State appropriations	1,530,459	1,437,798
Part time education - State appropriations	21,158	19,865
Exchange students - State appropriations	13,650	12,030
Development (globalisation funds for education) - State appropriations	34,036	18,700
Participation payment from part time education	27,311	24,312
Self-payers (foreign/capitalised)	6,979	7,044
Educational grants - State appropriations (Ministry of Education)	81,244	77,790
Education	1,714,836	1,597,539
Grants towards current expenses	2,395,323	2,198,604
Research	2,395,323	2,198,604
Research activities financed by grants	1,494,407	1,300,492
Other activities financed by grants	102,305	99,177
Contribution towards forensic medicine	179,311	163,903
Revenue from commercial activities	60,944	49,932
External grants and contributions	1,836,968	1,613,504
Funding allocations	40,803	63,602
Additional purposes	572,171	540,991
Servicing of authorities	8,215	7,998
Contributions to operations	621,189	612,591
Maintenance - State appropriations	144,622	53,932
Subletting, operational reimbursement, etc.	167,696	164,698
Building related revenues	312,319	218,629
Other revenues	153,050	172,605
Total revenues	7,033,685	6,413,472

The classification of revenues has changed from 2008 to 2009, but comparative figures have been restated to the new classification.

2. Total ordinary operating expenses

Expenses are classified by nature in the income statement. The expenses classified by purpose are disclosed in this note.

Cost allocation base

The purposes follow the principles set out by Universities Denmark in connection with the preparation of statistical key ratios and correspond to the purposes determined in the Danish Executive Order on grants and financial statements.

Allocation keys have been used in the cases where it is not possible to directly attribute expenses to purposes. The allocation keys have been developed by the departments of the University etc. The allocation keys have been developed by the individual units on the basis of their decentralised knowledge about the expenses broken down on purposes of the individual staff categories. The allocation keys are based on estimates and are, thus, uncertain.

	2009	2008
	DKK '000	DKK '000
Education:		
Staff expenses	1,166,846	1,100,382
Other expenses	326,611	302,174
Depreciation	7,944	7,777
Total educational expenses	1,501,401	1,410,333
Research:		
Staff expenses	1,353,050	1,248,591
Other expenses	187,716	167,952
Depreciation	19,848	17,769
External research funds:		
Staff expenses	702,799	637,124
Other expenses	547,145	441,467
Depreciation (VT30)	47	66
Total research expenses	2,810,605	2,512,969
Dissemination and knowledge exchange:		
Staff expenses	180,817	165,009
Other expenses	90,369	88,234
Depreciation	2,373	1,076
Total dissemination and knowledge exchange expenses	273,559	254,319

continued...

...note 2 continued

Servicing of authorities:		
Staff expenses	134,513	129,834
Other expenses	73,325	69,554
Depreciation	4,146	10,537
Total servicing of authorities expenses	211,984	209,925
General management, adm. and services		
Staff expenses	323,984	258,808
Other expenses	202,229	203,990
Depreciation	8,536	6,094
Total general management, adm. and services expenses	534,749	468,892
Operation of buildings:		
Staff expenses	149,120	150,575
Rent, maintenance, tax on real property, etc.	1,656,876	1,472,361
Depreciation and amortisation	9,459	10,607
Total operation of buildings expenses	1,815,455	1,633,543
Total ordinary operating expenses	7,147,753	6,489,982

Overheads for general management, adm. and services, operation of buildings, and dissemination and knowledge exchange, are allocated proportionally according to the previously described allocation keys for education, research, servicing of authorities and other purposes, which are the purposes specified in the Danish Executive Order on grants and financial statements.

Classified by Purpose		
Education	2,270,903	2,120,099
Research	4,251,103	3,777,649
Servicing of authorities	211,984	209,925
Other purposes	413,764	382,309
Total expenses	7,147,753	6,489,982

3. Intangible assets

DKK '000	Software	Inventions	Total
	and patents		
Acquisition Cost			
Cost at 1/1 2009	18,205	10,312	28,517
Additions	700	5,349	6,049
Disposals	(215)	0	(215)
Adjustment to acquisition cost	0	(2,736)	(2,736)
Cost at 31/12 2009	18,691	12,925	31,615
Amortisation and impairment			
Balance at 1/1 2009	10,737	2,062	12,799
Amortisation and impairment for the year	3,811	1,503	5,314
Amortisation on disposals for the year	(215)	0	(215)
Amortisation and impairment at 31/12 2009	14,333	3,565	17,898
Carrying amount at 31/12 2009	4,357	9,359	13,717

4. Property, plant and equipment

	Land and buildings	Leasehold improvements	Scientific equipment, fixtures and fittings, tools, and equipment	Assets in course of construction	Total
DKK '000					
Acquisition cost					
Cost at 1/1 2009	148,532	111,876	848,116	9,020	1,117,544
Additions	0	12,955	154,147	26,248	193,350
Disposals	0	(2,831)	(9,581)	(12,955)	(25,367)
Adjustment to acquisition cost	1	1	3,505	0	3,506
Cost at 31/12 2009	148,533	122,001	996,187	22,313	1,289,033
Depreciation and impairment					
Balance at 1/1 2009	11,188	34,350	513,497	(1)	559,034
Depreciation and impairment for the year	2,755	12,094	76,380	0	91,229
Depreciation on disposals for the years	0	(2,073)	(2,318)	0	(4,392)
Depreciation and impairment at 31/12 2009	13,944	44,370	587,558	(1)	645,871
Carrying amount at 31/12 2009	134,589	77,631	408,628	22,314	643,162

Note 2 discloses how depreciation/amortisation is included in the ordinary operating expenses.

Total amortisation of intangible assets	5,314
Total depreciation of property, plant and equipment	91,229
Total depreciation/amortisation on all activities	96,542

Depreciation of donations obligation and external grants and contributions (VT50/60)	(30,084)
Total depreciation/amortisation	66,458

Other operational impacts from fixed asset adjustment, loss/gain, etc.	(14,105)
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Distribution of depreciation/amortisation on ordinary operations	52,354
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5. Government obligation

Current conditions of the government obligation of DKK 290 million allocated to the University of Copenhagen

"The government obligation can be paid by the Ministry of Science, Technology and Development if the University of Copenhagen is declared bankrupt, to the extent that the claims of the creditors cannot be met by the other assets of the University." The government obligation expires in 2011.

6. Securities

The University of Copenhagen has ownership shares in three companies. The acquired shares are recognised at acquisition cost for Symbion A/S. The shares in Hytronics A/S and Mobile Fitness A/S have been written down to DKK 0, due to liquidation and negative equity respectively. No shareholder agreements for further acquisition of shares have been made.

	2009 DKK '000	2008 DKK '000
Symbion A/S, acquired in 2000	643	643
Hytronics A/S, acquired in 2006	0	0
Mobile Fitness A/S, acquired in 2005	0	0
Total securities	643	643

7. Deposits

Deposits mainly concern rent deposits for leasehold premises.

8. Receivables from grant activities in progress and prepaid restricted contributions

2009	Receivables from	Prepaid restricted	Total
DKK '000	grant activities	contributions etc.	
Receivable- and prepaid grants	653,314	(901,146)	(247,832)
Provision for loss and grant activities	(14,502)		(14,502)
Accrued grants towards advertisement of education		(10,000)	(10,000)
Unused grants for educational research programmes		(114,120)	(114,120)
Total at 31/12-2009	638,812	(1,025,265)	(386,453)

The total provisions for loss on receivable grant activities of DKK 14.5m covers the estimated risk of loss.

Provisions accounted for DKK 17.2m in 2008.

2008	Receivables from	Prepaid restricted	Total
DKK '000	grant activities	contributions etc.	
Receivable- and prepaid grants	638,877	(814,468)	(175,591)
Provision for loss on grant activities	(12,200)		(12,200)
Provisions for general uncertainty concerning non-reporting of co-/self -financing of external research projects	(5,000)		(5,000)
Unused grants for educational research programmes		(79,263)	(79,263)
Total at 31/12-2008	621,677	(893,731)	(272,054)

Prepaid restricted contributions etc. have from 1 January to 31 December 2009 increased by DKK 131.5m. Educational research programmes contribute with an increase of DKK 86.7m.

9. Other receivables

Other receivables have from 1 January to 31 December 2009 decreased by DKK 3.1m. The primary reason for the decrease, is that the receivable of DKK 42.4m concerning the compulsory savings from the financial budget (1% of financial budget 2008) at year end 2008 has been paid to the University of Copenhagen in 2009 and that the receivable VAT reimbursement from the state has increased by DKK 22m.

10. Donations of intangible assets

DKK '000	Software
Acquisition cost	
Cost at 1/1 2009	120
Additions	347
Disposals	(215)
Adjustment to acquisition cost	1
Cost at 31/12 2009	253
Amortisation and impairment	
Balance at 1/1 2009	107
Amortisation and impairment for the year	261
Amortisation on disposals for the year	(215)
Amortisation and impairment 31/12 2009	154
Carrying amount at 31/12 2009	100

11. Donations of property, plant and equipment

DKK '000	Land and buildings	Leasehold improvements	Scientific equipment, fixtures and fittings, tools, and equipment	Total
Acquisition cost				
Cost at 1/1 2009	2,398	22,294	431,358	456,049
Additions	0	0	73,194	73,194
Disposals	0	0	(10,033)	(10,033)
Adjustments to acquisition cost	0	145	(5,618)	(5,473)
Cost at 31/12 2009	2,398	22,439	488,900	513,737
Depreciation and impairment				
Balance at 1/1 2009	358	2,702	275,927	278,987
Depreciation for the year	48	2,290	27,746	30,084
Depreciation on disposals for the year	0	0	(7,425)	(7,425)
Depreciations and impairment at 31/12 2009	406	4,992	296,248	301,646
Carrying amount at 31/12 2009	1,991	17,447	192,652	212,090

12. Grants administered by the University

	2009 DKK '000	2008 DKK '000
Current account of grants at 31/12	622	722

The University of Copenhagen, or more precisely its employees, administer a combined grant portfolio of DKK 155.8m. Danske Forvaltning manages the grant portfolio. The total number of grants is 174.

13. Deferred income

Deferred income has increased by DKK 60.1m compared to 2008. The increase is mainly due to accrued maintenance projects of DKK 42.1m, prepayments of educational taximeter revenue from the Ministry of Education of approximately DKK 6.4m, and special accruing circumstances for certain projects of approximately DKK 11.9m.

14. Other Payables

Other payables have from 1 January to 31 December 2009 decreased by DKK 8.3m, which comprises various accounts with opposite developments concerning current payables.

15. Staff

	2009 DKK '000	2008 DKK '000
Actual salaries	3,595,040	3,308,665
Pensions	510,323	441,954
Reimbursements and grants	(143,375)	(102,310)
Change in holiday pay obligations	49,141	42,014
Total	4,011,128	3,690,323

Remunerations to management team and University Board:

	2009 DKK '000	2008 DKK '000
Management team	14,723	14,569
Board of directors	1,047	1,031
Total	15,770	15,600

The management team comprises the chancellor, the rector, prorector, university director, and 8 deans. The board of directors comprises a chairman and 10 members.

16. Financial instruments

Agreements have been made concerning short-term commitments of part of the liquid assets in fixed-term deposits and temporary investments in a low risk bond portfolio. No investments have been made in shares, and no agreements have been made on warrants or options.

Financial instruments	Conditions	2009 DKK '000	2008 DKK '000
Bank deposits and cash in hand	Primarily in DKK and small holdings of foreign currencies	490,663	520,155
Fixed deposits	Maximum 365 days	770,000	800,000
Total		1,260,663	1,320,155

17. Contingent assets

The University of Copenhagen is, with high probability, expecting to receive a total energy tax compensation of approximately DKK 10m plus interest regarding the years 1998-2001. The compensation has been recorded as income and accrued. The amount of interest will be clarified in connection with the closing of the case, which is expected to happen in 2010.

In 1992 and 1997 the Faculty of Life Science (LIFE, formerly KVL) received private gifts from the Villum Kann Rasmussen foundation to partly finance the construction in Hørsholm. From 2005 the The Danish University and Property Agency (UBST) took full ownership of the property. It has been confirmed by UBST that an amount corresponding to the donation of DKK 18 m will be included as LIFE's co-financing in connection with a compensation building in Frederiksberg with a resulting lower rent for LIFE, cf. document 165 of 2 June 2008. The compensation building in Frederiksberg is expected to be completed in 2010.

18. Contingent liabilities

Two liability insurance policies have been taken out, product and professional liability insurance and liability insurance for the University Board and the management. The University is covered by the state's industrial injury insurance and the state's principles concerning self-insurance.

The University of Copenhagen has a contingent liability towards officials who have been given notice. Officials are entitled to up to 3 years' availability pay if they cannot be hired for other positions within the state system. By year end 2009 the University of Copenhagen employed 184

officials. The maximum liability from this amounts to DKK 313.9m and there are no plans of further recruiting on terms applying to officials. Thus, the liabilities will continue to decrease in the coming years.

Leases for office and transportation equipment have been entered into; however, only to a minor degree. This level will continuously be reduced through self-financing.

19. Contractual obligations

The University of Copenhagen has contracts with 41% of its PhD. students, under which the University is responsible for the students' pay in a 3-year period. The contracts can in most cases not be cancelled by the University. The liability may be relevant if the costs are not covered by companies or institutions that have signed education agreements.

20. Related parties

Related parties	Basis
Ministry of Science, Technology and Development (VTU)	Grants for education, research and dissemination. Authority according to the University Act and the Danish Executive Order on grants and financial statements
Ministry of Education	Grants for educational purposes.
University Board and day-to-day management	Management control
Student associations	Grants towards student organisations and physical education. Furthermore, premises are made available by the University at Studenterhuset and the college, Studentergården, is supported by the University.

Transactions

In 2009 the University of Copenhagen has received grants of DKK 4.692,9m from the Ministry of Science, Technology and Development. From the Ministry of Education the University has received grants of DKK 81.2m concerning the School of Oral Health Care, the School of Forest and Landscape Engineering and the farrier education. The Forest Agency, under the University of Copenhagen, is responsible for the Nature Guidance Education under the Danish Ministry of the Environment. In 2009 the University of Copenhagen has contributed support corresponding to DKK 4.1m towards student associations.

No loans have been granted to related parties.

21. Separate activity accounts pursuant to Danish Act No 483 of 9 June 2004 on technology transfer etc.

There have been no activities according to Act No. 483 of 9 June 2004 on technology transfer etc.

22. Utilisation of resources for open places and scholarships

Utilisation of open places in the period 1/9 2008 - 30/8 2009

	Enrolled students on fully and partly open places	Open places as full time equivalents (FTE)
Rate 1	38	26.9
Rate 2	8	6.8
Rate 3	47	29.8

As FTE is reported from the period 1 October 2008 - 30 September 2009, this periodic delimitation is applied for the FTE in this account.

Resources used for payments of scholarships

Received scholarships	93
Total payments of scholarships in DKK	7,279,713

23. Separate account for ordinary activities, commercial activities, forensic medicine services, research activities financed by grants and other activities financed by grants

	2009 DKK '000	2008 DKK '000
Ordinary activities (VT10)		
Revenue	5,239,875	4,857,685
Internal net transfer of overhead	216,900	202,664
Staff expenses	(3,127,186)	(2,884,139)
Operating costs	(2,407,123)	(2,199,266)
Profit/(loss) for the year	(77,533)	(23,056)

Commercial activities (VT30)

Revenue	60,944	49,932
Staff expenses	(20,456)	(19,990)
Operating costs	(36,541)	(29,148)
Internal net transfer of overhead	(1,351)	0
Profit/(loss) for the year	2,596	795

Forensic medicine services (VT40)

Revenue	179,311	163,903
Staff expenses	(103,155)	(93,792)
Operating costs	(76,156)	(70,110)
Profit/(loss) for the year	0	0

Research activities financed by grants (VT50)

Revenue	1,494,739	1,300,499
Staff expenses	(725,539)	(658,424)
Operating costs	(559,675)	(446,691)
Internal net transfer of overhead	(209,526)	(195,384)
Profit/(loss) for the year	0	0

Other activities financed by grants (VT60)

Revenue	102,305	99,177
Staff expenses	(34,792)	(33,978)
Operating costs	(61,490)	(57,919)
Internal net transfer of overhead	(6,023)	(7,281)
Profit/(loss) for the year	0	0

Total

Revenue	7,077,175	6,471,195
Total institutional transfers	216,900	202,664
Staff expenses	(4,011,128)	(3,690,323)
Operating costs	(3,140,984)	(2,803,134)
Total institutional transfers	(216,900)	(202,664)
Profit/(loss) for the year	(74,938)	(22,262)

Profit from forensic medicine services (VT 40) of DKK 13.9m is set off in revenues and transferred to the settlement account in the balance sheet.

24. Asset account

Enterprises having asset appropriations must report on both concluded and ongoing projects.

For concluded projects the time and financial progress must be described and analysed while it is estimated if the quality of the project is as expected.

DKK '000	Authority	Construction start	Estimated end time	Total costs	Costs 2009	Estimated residual cost	Index
Ongoing projects:							
The Lundbeck Auditorium	Document 22 2001	Q4 2004	Q1 2010	25,000	1,100	339	120.5

The construction was delivered in 2007 for use according to AB92. In 2009 DKK 1.1m has been incurred for minor adjustments.

In addition to this, a residual cost of DKK 0.33m is expected to be incurred in connection with the completion of a 5-year inspection in 2012

25. Key ratios

According to the Danish Agency for Governmental Management's guidelines for preparation of annual reports for 2009 of 18 December 2009, a statement of key ratios must be calculated and enclosed. The mandatory key ratios are the profit margin, average yearly salary, and salary cost share. Certain key ratios are not included as they are not possible to calculate. The University of Copenhagen is, for example, not a state institution operating with a framework for borrowing. Only key ratios within resource administration, are included. For the included key ratios it is defined how the calculations have been made in relation to the figures in the annual report.

Definition:		2009	2008	2007
Profit margin ¹⁾	<u>Profit/(loss) for the year</u>	(74,938)		
	Total revenue	7,033,684	(1.1)%	(0.3)%
Average yearly salary (DKK '000)	<u>Total staff expenses</u>	4,011,128		
	Yearly salary	8,600	466	447
Salary cost share	<u>Total staff expenses</u>	4,011,128		
	Total ordinary operating revenues	5,239,875	76.6%	76.0%
Capital share ¹⁾	<u>Financial expenses + depreciation</u>	70,817		
	Revenues	7,033,684	1.0%	0.9%
Maintenance ratio ¹⁾	<u>Net annual additions, Fixed assets</u>	145,888		
	Annual depreciation of fixed assets	66,458	219.5%	153.5%
Solvency ratio (excl. government obligation)	<u>Total equity excluding government obligation</u>	415,880		
	Total liabilities excluding government obligation	3,207,872	13.0%	16.6%

¹⁾ Key ratios are based on ordinary activities (VT10), commercial activities (VT30) and forensic medicine services (VT40)

Key ratios for the University of Copenhagen

	2009	2008	2007	2006	2005
Staff, Yearly salary:					
Academic staff	4,012	3,731	3,481	3,295	3,156
Part-time academic staff	394	404	404	405	428
Technical-administrative staff etc	4,194	4,128	3,951	3,884	3,878
Balance sheet:					
Equity (DKK m), excl. government obligation	416	491	523	-	-
Balance sheet (DKK m)	3,498	3,242	3,151	-	-
Buildings m ² Total ¹⁾	929,689	973,468	962,120	930,693	803,715
Activity and production information					
Students					
Admitted total at 1/10	5,978	5,175	5,844	5,546	5,624
Total students at 1/10	38,010	37,712	37,796	37,511	36,769
Total FTE ²⁾	21,397	20,671	20,252	20,387	19,663
Graduates:					
Total BA's ³⁾	3,801	3,461	3,367	3,313	3,034
Total MA's	3,736	3,590	3,694	3,615	3,403
Open and part time educations:					
Total fee-paying students	-	4,026	4,746	4,245	3,323
Total yearly students	804	816	938	877	1,344
Graduates on full educations (master, diploma)	152	170	239	192	140
Internationalisation					
Outbound exchange students	1,306	984	993	921	872
Inbound exchange students	1,657	1,471	1,400	1,337	1,184
Total international students on full time educations ⁴⁾	3,463	3,237	2,655	2,615	1,795
Research educations:					
Total students in research educations, registered	2,476	2,233	2,168	2,036	1,822
Total admitted PhD students	700	688	653	568	468
Total approved treatises	440	439	347	353	395
Research and knowledge exchange results:					
Research publications ^{5) 7)}	n.a	7,532	n.a.	5,057	5,178
Knowledge exchange publications ^{6) 7)}	n.a	n.a.	n.a.	n.a.	n.a.
Educational publications	n.a	185	45	339	129
Registered patents	22	21	16	14	10
Registered inventions	45	74	72	71	46
Number of projects in the the business community (private sources)	2,572	1,659	1,862	2,190	2,353
Number of external projects ⁸⁾	4,602	4,100	4,343	4,734	5,058
Financial span of co-operation with the business community (DKK million)	498	356	274	315	272

1) Adjusted from net area in 2005 to gross area in 2006

2) 1 FTE = 1 student's yearly workload = 60 ECTS-point. The number of FTEs is calculated with the UBST, moreover the FTE at the School of Oral Health Care and Forest- and Landscape Engineering Education is financed by the Ministry of Education.

3) The bachelor education is a 3-year education. The bachelor education has not yet been fully implemented in all of the faculties of the University.

4) The majority of foreign students are from the other Nordic countries. The definition was changed in 2006. The figur in 2005 contained exchange students.

5) The figur for 2007 has been omitted due to insufficient data.

6) Universities Denmark are currently working to ensure uniform calculation methods in the university sector. The University of Copenhagen is awaiting the result of this.

7) Research, knowledge exchange, and educational publications from 2009 are reported at the end of August 2010 due to changes in the pace in relation to VTU. The figures for 2009 are published in the annual report 2010.

8) Defined according to the Universities Denmark's key ratio definitions. Only applies to externally financed research activities (VT50).

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