

annual report 2013

CBS



COPENHAGEN BUSINESS SCHOOL
HÅNDELSHØJSKOLEN



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PROFILE

CBS is a government-financed self-governing educational and research institution under the Ministry of Higher Education and Science.

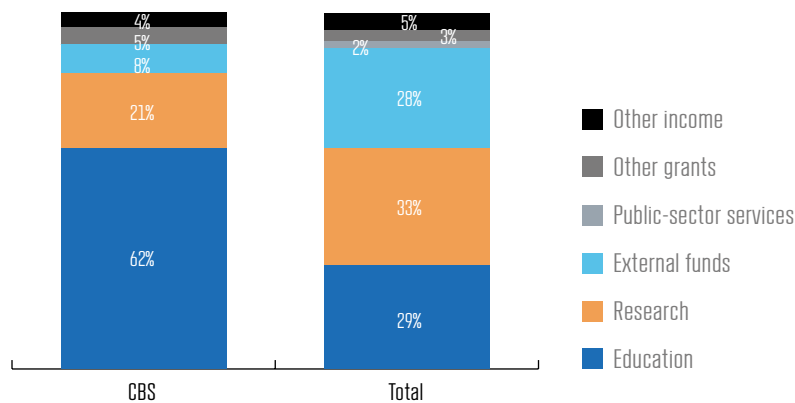
CBS is Denmark's largest educational institution within business economics in a wide sense. The university is committed to providing business-related degree programmes and continuing education programmes for the public and, in particular, the private sector. Programmes are based on a strong and internationally renowned research base that CBS works continuously to strengthen. CBS has a Center of Excellence, funded by the Danish National Research Foundation, as

well as a number of European Research Council Grants.

The university is committed to communicating knowledge and new ideas to tomorrow's business leaders and society in general. Its main contribution in this field is research-based education and investment in research and high academic standards is therefore crucial to CBS' contribution to society. CBS is a government-financed institution and thus receives most of its

funding from the government. Grants to the university sector mainly consist of an activity-based educational grant and a basic research grant that is essentially historically determined for each individual university. The output and contributions to society that the individual universities are able to deliver are largely determined by the government's inclination to invest in the university sector as such and its allocation of grants among the universities.

FIG. 1: INCOME SOURCES, 2013



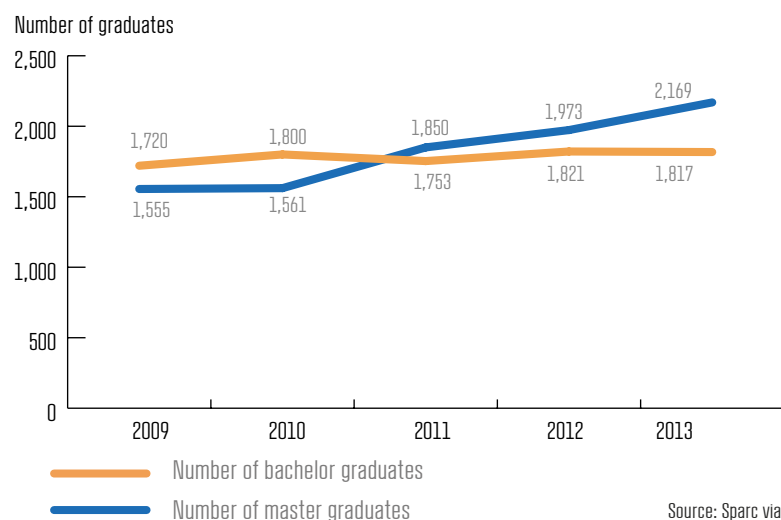
Sources: Navision (CBS) and Universities Denmark

Unlike other Danish universities, CBS generates the major part of its income from educational activities. In 2013, educational activities contributed 62 % of total income, compared with 29 % for Danish universities taken together.

The income distribution for universities taken together is based on 2012 numbers.

The number of bachelor graduates and the number of master graduates have both increased since 2009. The number of bachelor graduates has grown by 6 %, while the number of master graduates has surged by 39 % since 2009. The numbers reflect CBS' growing position as a master university.

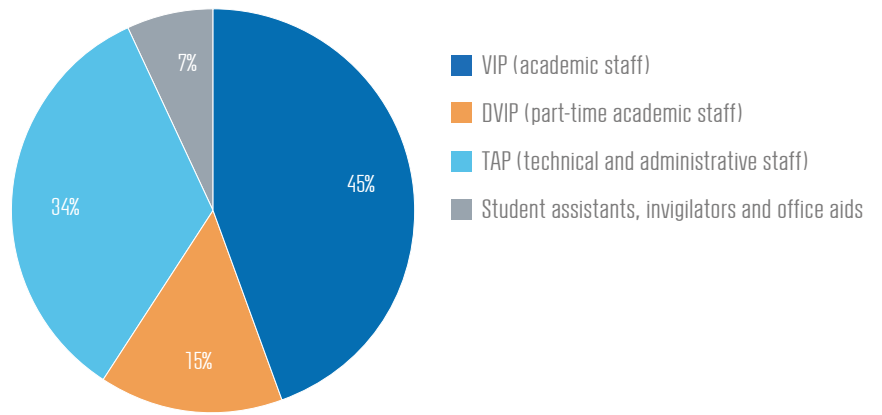
FIG. 2: FULL-TIME PROGRAMME GRADUATES



Source: Sparc via Targit

The chart shows FTEs distributed on staff categories in 2013.

FIG. 3: FTEs BY STAFF CATEGORY, 2013



Source: SLS via Targit

MANAGEMENT'S REVIEW

Result for the year

CBS realised a loss of DKK 20 million for 2013. Keeping within the expenditure framework laid down by the Board of Directors for the year - a maximum loss of DKK 50 million - and mirroring the implementation of most of the activity expansion decided in 2011, the result is considered satisfactory. In delivering this result, CBS, as planned, drew upon its equity as the current level of activity cannot be financed from current grants. The objective of increasing the share of full-time academic staff relative to the share of part-time academic staff was fulfilled, as was the target of increasing the number of teaching hours per student by 10% over 2011. Moreover, the additional 45 PhD scholarships established in 2011 have been filled.

CBS' contribution to society

CBS contributes to society mainly by producing graduates from full-time and continuing education programmes which are capable of putting the research-based knowledge they have gained in the course of their studies into practice. In 2013, CBS produced 2,169 graduates. Assuming that

the new graduates will copy the employment pattern established by CBS' graduates over the past few years, 83 % will obtain employment in the private sector, as illustrated by table 1.

However, researchers contribute to society in other ways than through research-based education. They participate in research projects in collaboration with enterprises and organisations, in the public debate – giving expert evidence - and in public commission, committee and investigation work (including, in 2013, the Rangvid Committee and the Productivity Commission).

CBS also makes a valuable contribution to the entrepreneurial area. Copenhagen School of Entrepreneurship (CSE), which resides in the university, is among Denmark's leading new business incubators. In collaboration with its 21 corporate partners, private as well as public, CSE helps students across educational fields realise their business ideas. At the end of 2013, CSE worked together with 101 active entrepreneurial teams. Some of the best CSE teams won prestigious entrepreneurial prizes in 2013, including the 'Guldæg'

awarded by Danish business daily Børsen and the IVÆKST prize.

Quality and relevance of CBS programmes

National and international accreditations and a development-oriented quality assurance system help to ensure an unwavering focus on the quality and relevance of programmes. Based on the input of external experts, the quality assurance system includes data for satisfaction, programme results and employment. In addition, CBS' senior management is in current dialogue with key employers to ensure that programmes are aligned with the requirements of the corporate sector and society in general.

CBS remains a popular choice among prospective students, and the university could admit far more students than are taken in today without materially compromising the quality of graduates. Given that most of CBS' graduates obtain employment in the private sector, a larger graduate output ought to be in the public interest. However, campus and teaching capacities are insufficient to take in more students. Both staff

TABLE 1: PRIVATE AND PUBLIC SECTOR EMPLOYMENT OF CBS GRADUATES

	Public sector %	Private sector %
Humanities	23	77
Business language	23	77
Social Sciences	16	84
Business economics	16	84
Administration, etc.	46	54
Total	17	83

The table shows the shares of CBS students having graduated in the past ten years who are employed by the private and the public sector, respectively, in 2013, specified by academic area and selected programmes.

Source: Ministry of Higher Education and Science

and teaching facilities are strained to their limits and CBS' financial situation rules out additional expansion.

Performance Contract goals

In cooperation with the Ministry of Higher Education and Science, CBS has drawn up a Performance Contract containing 15 goals. Ten of these goals were fulfilled in 2013, including the goal for the number of CBS graduates obtaining employment in private businesses with 20-100 employees. This goal is based on studies showing that innovation is chiefly created by small and medium-sized businesses taking on a university graduate. And CBS is committed to promoting innovation.

By contrast, the goal concerning revenue of DKK 100 million from externally funded projects was not met. This calls for stronger focus on this area. While in the past few years increased research activity has primarily been driven by enhanced government grants, higher research activity in the years ahead hinges on additional external funding.

The goal concerning the number of students completing their education within the prescribed period plus one year was not met either. However, CBS devoted strong efforts in 2013 to identifying additional measures to lower study periods without compromising other key goals such as practical training and studies abroad.

The student satisfaction result was two percentage points below the target. Student satisfaction is discussed separately in the section on 'Satisfaction with CBS'.

CBS' employment goals were partially met. One percentage point above the national count, the employment target for social science graduates, who make up around 90 % of CBS' graduates, was met. The employment rate for humanities graduates was five percentage points below the national count and so this goal was not met. CBS has increased the business content of its humanities programmes and limited the intake, but these measures have yet to filter through to employment rates.

Active student environment

Characterised by highly committed and motivated students, the student environ-

ment at CBS is very active. The student organisation CBS Students coordinates more than 70 voluntary organisations offering extracurricular programmes such as CBS Art and MarketingLab. These organisations help to create a vital social and extracurricular environment. CBS Students has some 100 student representatives across study boards, the Academic Council and the Board of Directors. Again in 2013, the organisation, through its election campaign, successfully mobilised students to run and vote for the university election, which, again, scored the highest turnout in the country at 27.6 %. CBS' efforts to increase the number of student jobs in 2013 are greatly to the credit of CBS Students.

Programmes and research bolstered by external funds

CBS pursues an ambitious target of doubling external grants over the next ten years. Since 2011, external grants have grown by around 14 %. CBS maintains a strong strategic focus on high-profile and prestigious national and international research funds, including grants from Sapere Aude, the Danish National Research Foundation and European Research Council, while at the same time the results generated by these research projects are quickly channelled into classrooms.

In December, CBS was able to announce that the Danish Maritime Foundation had undertaken to establish and co-fund a major research programme at CBS, targeting specific requirements of the Danish maritime industry. In 2013, CBS was also awarded a 5-year VELUX professorship in Corporate Sustainability by the Villum Foundation. The professorship, and the accompanying DKK 15 million, went to the distinguished researcher Jeremy Moon.

Business in Society

CBS pursues the Business in Society strategy developed in 2011. The flagships of the Business in Society strategy are the so-called Business in Society platforms that organise and develop research and degree programmes focused on issues of significant societal relevance. In 2013, an additional two platforms were established: Competitiveness and Entrepreneurship, and a decision was made to establish yet another platform, CBS Maritime, effective

1 January 2014, to address the competitiveness of the maritime industry in an increasingly globalised world.

Details are provided by cbs.dk/bis.

Business model review

In 2013, the Board of Directors reviewed the university's business model, focusing on its future sustainability. In the past few years, the required research-anchoring of degree programmes has been made possible by programme funding, in particular the funding relating to bachelor programmes. However, this model does not support an increase in the number of students. As illustrated by figures 4 and 5, CBS is facing a double funding squeeze insofar as the university receives the lowest level of taximeter funds and the lowest level of basic research funds compared with the rest of the sector. This means that for every additional student CBS takes in, its loss is augmented.

Against this background, the Board of Directors concluded that the existing business model is unable to finance policy makers' and CBS' long-term ambition of more research-based programmes, higher programme quality and an improved study and campus environment unless general funding and, in particular, research funding is increased. If the current level of investment is maintained, CBS will reach a point where there is no equity left to realise ambitions.

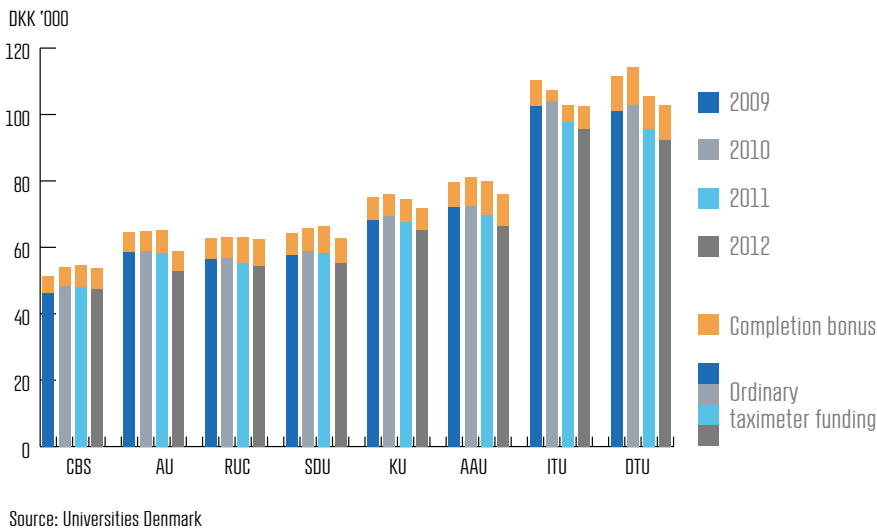
The Board of Directors has commissioned an investigation of the potential provided by a number of new business areas, but there are no indications that these areas will be able to solve the abovementioned funding challenges or even maintain the current level of quality.

The minutes of September and December's board discussions concerning the business model and long-term funding challenges are available at www.cbs.dk/cbs/organisation/bestyrelse/moeder.

ICT and educational development

Increasing the use of information and communications technology (ICT) for purposes of enhancing student learning and developing the educational tools of lecturers is part of CBS' strategy. Against this background, 2013 saw the formation of

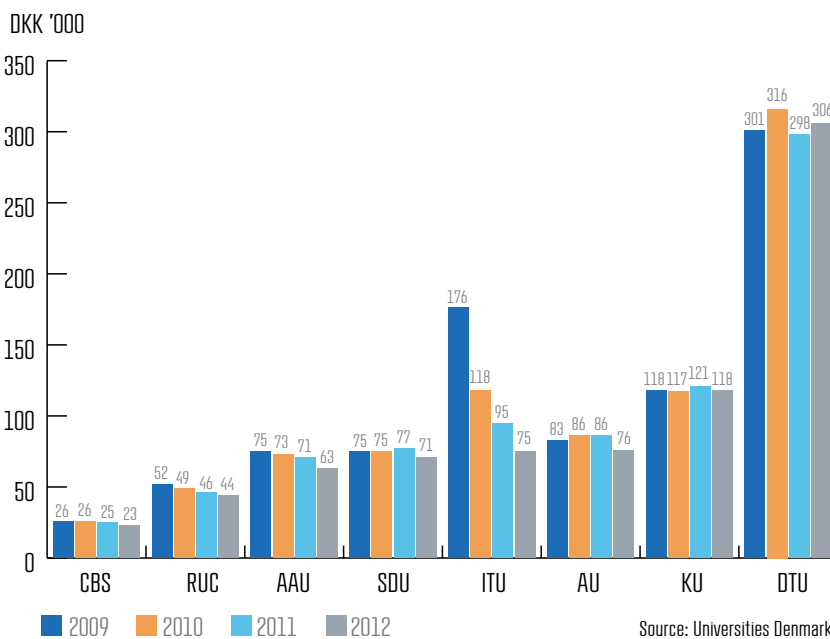
FIG. 4: TAXIMETER FUNDING PER STUDENT FTE (DKK THOUSANDS)



CBS receives the lowest level of taximeter funding per student FTE among the Danish universities.

One student FTE reflects study activity corresponding to one year's prescribed period of study, equivalent to 60 ECTS points. Student FTEs are earned by students passing their exams. A student who does not earn any ECTS credits in a given year (for instance by being inactive) does not count in the number of FTEs.

FIG. 5: BASIC RESEARCH GRANT PER STUDENT FTE RELATIVE TO OTHER UNIVERSITIES (DKK THOUSANDS/FTE)



The basic research grant per student FTE is significantly lower at CBS than at other Danish universities. CBS' basic research grant per student FTE is almost half the level at Roskilde University (RUC), which receives the second lowest level.

a partnership with Coursera, the education portal which, in collaboration with universities from across the globe, offers free online courses. The first courses will be provided in the course of 2014. With a view to strengthening the link between the use of ICT in education and the development of educational tools, a new associate dean for learning was appointed in 2013.

Digitalising the programme administration

STADS, the programme administration system, was put into service in November 2013, as planned. While the system is new to CBS, most other Danish universities already use it, and so CBS should be able to harvest economies of scale and efficiency gains while further developing programme administration IT solutions. The STADS implementation required training of a

substantial number of employees and some routines are currently taking a little bit longer than they used to. This has been inconvenient for both students and employees but strong efforts are being made to reduce nuisances. The migration to the STADS system was necessary and will, looking ahead, provide more and easier self-service solutions for students. While efforts in the spring of 2014 will focus on implementing basic STADS functions

across the organisation, the autumn and 2015 will see the gradual roll-out of more self-service solutions.

Outlook for 2014

Bringing down the budget deficit

The 2014 budget adopted by the Board of Directors projects a deficit of DKK 35 million. Provided that a structural increase of future income is secured in 2014, the Board of Directors will accept a deficit of up to DKK 50 million.

As a consequence of the Board of Directors' resolution to balance the budget by 2016, a decision has been made not to increase the

student intake in 2014 over 2013. Even if the intake remains unchanged, the student population will be slightly up due to prior years' intake growth. Moreover, campus expenses will go up in the years ahead as prior year shortfalls need to be made up. This means that cutbacks beyond those indicated by the DKK 35 million budget deficit must be identified ahead of 2016. The Board's contemplations as to how the budget can be balanced and the material implications this will have for CBS are detailed in 'Financial Outlook 2015'. The paper was discussed at the board meeting in December 2013 and may be found on <http://www.cbs.dk/cbs/organisation/bestyrelse/moeder>.

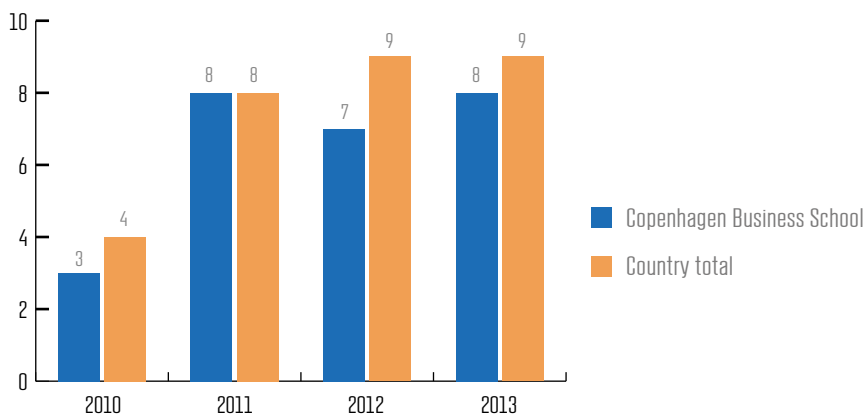
Against this background, Senior Management and the Board of Directors face a huge challenge in the years ahead balancing finances while at the same time delivering world-class teaching and research. This calls for strong focus on financial management going forward.

New programmes

2014 will see the enrolment of students on two new programmes. In direct response to recommendations from the government's growth teams and requests by the Danish shipping industry, a bachelor programme in shipping will be set up. At the same time, the first students will be enrolled in the new bachelor programme in entrepreneurship. The winter intake for the master

FIG. 6: CURRENT UNEMPLOYMENT RATES FOR GRADUATES

Unemployment rate, graduates



Source: Ministry of Higher Education and Science

The chart shows graduate unemployment rates. Unemployed persons are defined as persons without a job who are fully available for work and are looking for work. The numbers for 2013 reflect 2011 graduates gauged in 2013.

programme in business administration and information systems – E-business started already in 2013. CBS evaluates on a current basis whether admission to certain programmes needs to be reduced and whether programmes need to be terminated. No programmes were terminated in 2013.

Corporate liaison

With delivery of the research and education requested by the surrounding world being one of CBS' key objectives, the President visits a number of major Danish enterprises every year. In 2013, the President paid visits to 15 CEOs from Denmark's leading businesses.

2013 witnessed the kick-off of a project to render the effects of CBS' research more visible. A number of research projects with clear and measurable business impact has been identified and will be included in a publication to be issued in the first half of 2014.

A new concept for CBS' corporate partnerships will be implemented in 2014 with the objective of broadening the presence of business at CBS and extending cooperation to more businesses, large and small. The new concept will facilitate businesses' establishment of projects with students and their recruiting of potential colleagues.

TABLE 2: FINANCIAL HIGHLIGHTS

	2011	2012	2013	Change between 2012 and 2013 in %
Income (DKKm)				
1 Education	735	755	763	1 %
2 Research	250	243	255	5 %
3 External funding (1)	110	103	105	1 %
4 Research-based public-sector services	0	0	0	
5 Basic grants (2)	77	73	59	-19 %
6 Other income (3)	89	62	52	-17 %
Costs by purpose (DKKm) (4)				
7 Education	615	639	642	0 %
8 Research	387	476	491	3 %
9 Dissemination and knowledge exchange	48	37	40	7 %
10 Research-based public-sector services	0	0	0	0 %
11 General management, administration and services	94	80	81	2 %
Staff, FTEs				
12 VIP	556	613	681	11 %
13 DVIP	217	227	225	-1 %
14 TAP	622	605	621	3 %
Number of staff (headcount) (5)	2,380	2,359	2437	3 %
Number of VIP (academic staff)	614	690	748	8 %
Number of DVIP (part-time academic staff)	792	730	712	-2 %
Number of TAP (technical and administrative staff)	617	549	586	7 %
Number of student assistants and invigilators	357	392	391	0 %
Number of permanent foreign researchers at CBS	78	96	125	30 %
Balance sheet (DKKm)				
15 Equity	316	270	250	-7 %
16 Balance sheet total	1,522	1,482	1,419	-4 %
Buildings				
17 Total building space (gross area in m ²)	118,306	117,688	122,754	4 %

(1) External funding includes income relating to income-generating activities (UK90), externally funded research projects (UK95) and other externally funded projects (UK97). The item is therefore not consistent with the basis of computation applied in the performance reporting.

(2) Basic grants relate to other purposes.

(3) Other income is inclusive of net financial income and exclusive of mortgage expenses.

(4) See also B1 under Supplementary Information.

The method applied to allocate costs by purpose was changed in 2013, implying that the numbers are not directly comparable with prior years. If the old method had been applied, educational activities would have shown an increase, while research activities would not.

(5) Please note that the sum of VIP, DVIP and TAP may exceed the total as some employees are counted as both TAP and DVIP.

FINANCIAL HIGHLIGHTS

	2011	2012	2013	Change between 2012 and 2013 in %	
Activity and output information					
Students, full-time programmes					
18	No. of students admitted to bachelor programmes	2,759	2,672	2,744	3 %
19	No. of students admitted to master programmes	2,922	2,995	3,233	8 %
20	No. of students enrolled	15,408	15,887	16,659	5 %
21	Student FTE count (6)	10,117	10,481	10,821	3 %
	No. of undergraduate students (7)	6,973	7,074	7,333	4 %
	No. of graduate students	8,400	8,813	9,326	6 %
Graduates					
22	No. of graduated bachelors	1,753	1,821	1,817	-0,2 %
23	No. of graduated masters	1,850	1,973	2,169	10 %
Open and part-time programmes					
24	Student FTEs	1,650	1,595	1,640	3 %
25	No. of Master/MBA and Diploma graduates	1,307	1,390	1,468	6 %
	No. of Diploma students	2,986	2,994	3,125	4 %
	No. of Master/MBA students	905	1,118	1,035	-7 %
Internationalisering					
26	Antal udgående studerende (udvekslingsstuderende)	1,288	1,437	1,416	-1 %
27	Antal indgående studerende (udvekslingsstuderende) (8)	1,148	1,100	1,039	-6 %
28	Antal udenlandske studerende (9) på hele uddannelser	2,942	3,106	3,474	12 %
	Antal samarbejds- og udviklingsaftaler for udvekslingsstuderende	335	333	338	2 %
PhD programmes					
29	No. of PhD students enrolled (10)	210	247	239	-3 %
30	No. of PhD students admitted (11)	46	90	42	-53 %
31	No. of approved PhD theses	36	37	44	19 %
Research and dissemination output					
32	No. of publications (12)	1,617	1,762	1,811	3 %
33	No. of patents pending	0	0	2	0 %
34	No. of inventions pending	0	0	0	0 %
35	No. of corporate projects (13)	82	95	80	-16 %
36	No. of external projects (14)	269	290	248	-14 %
37	Amount of corporate cooperation (DKKm) (15)	18.9	26.0	25.0	-4 %
	No. of corporate partners	20	28	27	-4 %
<p>(6) The number of students enrolled and the number of student FTEs are not fully consistent as not all students pass their exams within the period of computation.</p> <p>(7) The population is exclusive of Japanese propaedeutic course students (1 year's introductory language training before start of real programme).</p> <p>(8) The decline in the number of foreign exchange students relates to the termination of exchange agreements with a number of universities from which CBS has received a disproportionate number of students relative to the number of CBS students staying there.</p> <p>(9) Ordinary students with other nationalities than Danish (exchange students are not included).</p> <p>(10) The number of PhD students enrolled in 2012 has been corrected relative to the annual report for 2012 as this included an error. The number for 2012 has been corrected from 258 to 247.</p> <p>(11) The significant decrease from 2012 to 2013 in the number of PhD students admitted relates to the extraordinary establishment of an additional 45 PhD scholarships in 2012.</p> <p>(12) The computation of the number of research publications has been changed as from 2011 to include a greater variety of research publications.</p> <p>(13) The number of externally funded research projects (UK95) subsidised by non-governmental donors or international institutions. While the number of corporate projects went down by 16 % from 2012 to 2013, the amount of such projects only decreased by 4 %. This is due to an increase in individual project amounts relative to 2012.</p> <p>(14) The number of subsidised research projects (UK95).</p> <p>(15) Grants received for subsidised research activities (UK 95) from non-governmental donors or international institutions.</p>					

SATISFACTION WITH CBS

Students' satisfaction with CBS has been measured for a number of years. Eventually, employee satisfaction surveys will also be conducted to render comparisons with previous years possible. In addition, an index of external environment satisfaction is being developed.

Visit [cbs.dk](http://www.cbs.dk) to see the following studies:

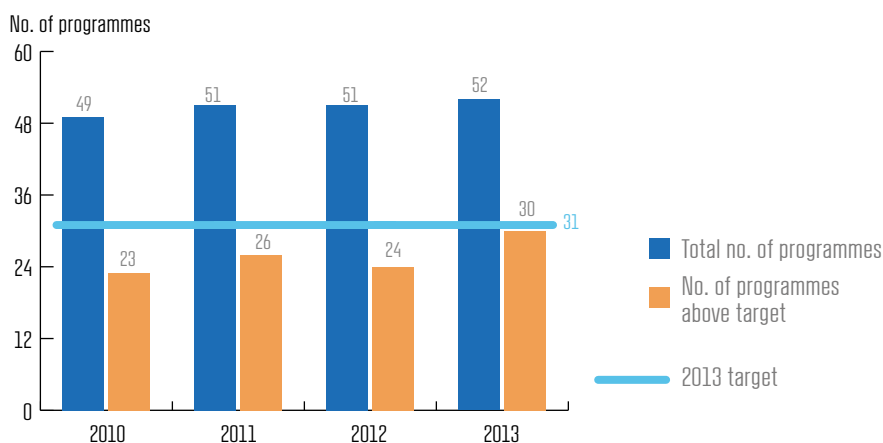
Annual evaluations of undergraduate and graduate programmes

http://www.cbs.dk/files/cbs.dk/evaluering_af_studieaaret_paa_cbs_-_rapport_til_offentliggørelse_-_2012-2013_1.pdf

Evaluations of department lecturers

http://www.cbs.dk/files/cbs.dk/department_performance_0.gif

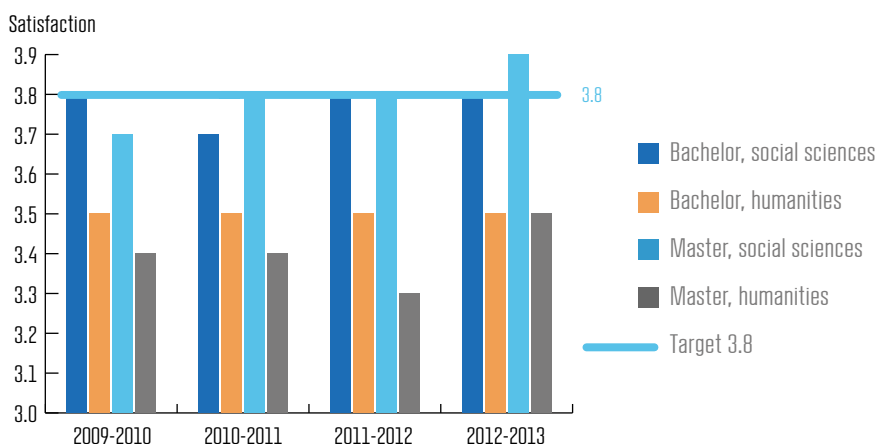
FIG. 7: STUDENT SATISFACTION



Source: CBS' evaluation unit

One of the goals in CBS' Performance Contract is a satisfaction rate of 3.8 or more (on a scale of 1 to 5 where 5 is very satisfied) for 61% of CBS' programmes. In order to meet this goal, 31 programmes had to score more than 3.8 in 2013. The actual number of programmes scoring more than 3.8 was 30. So, while satisfaction has gone up, the increase is not sufficient to meet the 61% target.

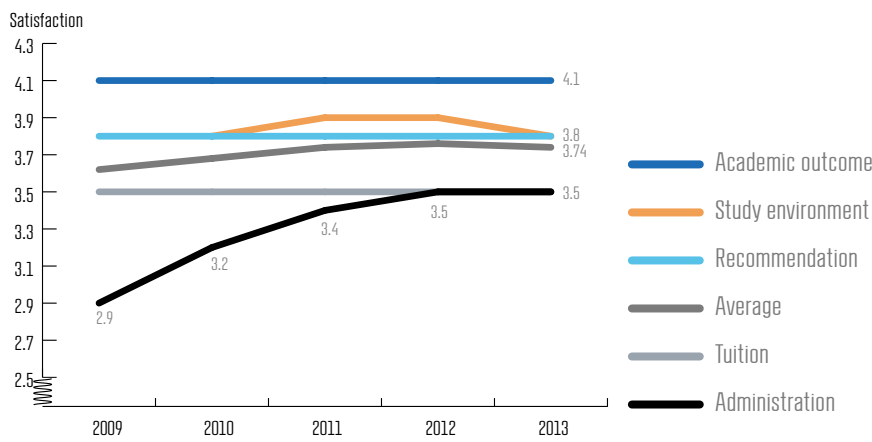
FIG. 8: DEVELOPMENTS IN STUDENT SATISFACTION WITH PROGRAMMES SPECIFIED BY ACADEMIC AREAS



Source: CBS' evaluation unit

CBS' Performance Contract targets a student satisfaction rate of 3.8 for bachelor and master programmes within both the social science and the humanities areas. The 2012-2014 Performance Contract reports a simple average of the degree of satisfaction expressed in relation to five questions in the annual evaluations. The five questions relate to general satisfaction, academic outcome, tuition, administration and student environment.

FIG. 9: OVERALL STUDENT SATISFACTION ACROSS ALL CBS PROGRAMMES



Source: CBS' evaluation unit

Annual evaluations across full-time programmes show that average student satisfaction has remained broadly unchanged compared with 2012. Satisfaction with the student environment has slightly deteriorated, but overall satisfaction is largely unchanged.

INTERNATIONAL ACCREDITATIONS AND RANKINGS

International accreditations

CBS is still among the only around 60 business schools in the world to have obtained accreditations from all three of the most recognised accreditation institutes: European EQUIS, US AACSB and UK AMBA. In 2013, CBS submitted a mid-term report to EQUIS and received very positive feedback – in relation to the quality and breadth of the programme portfolio, the administrative changes carried out over the past few years and, not least, research quality.

National institutional accreditation

In 2013, CBS commenced the work to obtain the national institutional accreditation that will replace the individual programme accreditations that have existed since 2007. CBS anticipates a positive process, not least in the light of the numerous quality improvements implemented over the past few years.

More ranking successes

Currently ranked seventh, CBS' CEMS Master in International Management programme is still ranked among the ten best programmes in the world by the Financial Times. The fall from third to seventh position can partially be put down to developments in graduate salaries and a growing number of providers. For the sixth consecutive year, Eduniversal ranked CBS third best provider in the world, trailing only Harvard Business School and London Business School. CBS came in 34th in the Financial Times' ranking of European business schools, up five places compared with last year, while in the Webometrics ranking, which measures web visibility, CBS had to surrender its leading position to Wharton Business School at the University of Philadelphia to take up second position, followed by Harvard Business School.

TABLE 3: CBS ON RANKING LISTS

	2008	2009	2010	2011	2012	2013
Financial Times						
CEMS Master in International Management	3	1	2	2	3	7
Master in General Management	22	22	22	38	43	40
Executive MBA world	69	58	47	76	92	79
Executive MBA Europe	26	18	21	29	32	27
European Business Schools	37	31	23	40	39	34
QS Top Business Schools in Europe						
Full-time MBA Europe			17	11	11	9
University of Texas at Dallas - Top 100 Business School Research Rankings*						
World				94	81	-
Europe				6	6	-
Global Green MBA Survey - Corporate Knights						
World						10
Europe						3
Eduniversal						
World	2	3	3	3	3	3
Europe	1	2	2	2	2	2
Webometrics						
World	2	3	5	5	1	2
Europe	1	1	1	2	1	1

* Rankings not available yet.

The new EMBA programme advanced a full 13 places in the FT ranking to be ranked 79th best in the world and 27th best in Europe.

The Global Green MBA Survey published by Corporate Knights is a new ranking of full-time MBA programmes focusing on corporate social responsibility and sustainability. It ranks CBS fourth in the world among small programmes with less than 50 participants. Among all MBA programmes in the world, CBS is ranked tenth and number one in Europe.

At the same time, CBS has been appointed Global Champion by UN PRME for its work in implementing the UN Principles of Responsible Management Education. This title has been awarded to only 20 of the more than 500 members of PRME, and CBS is currently witnessing growing interest from other universities in how the implementation was carried out. The ambition is to integrate responsible management education into CBS' core research and educational activities.

EDUCATION

Students flocking to CBS

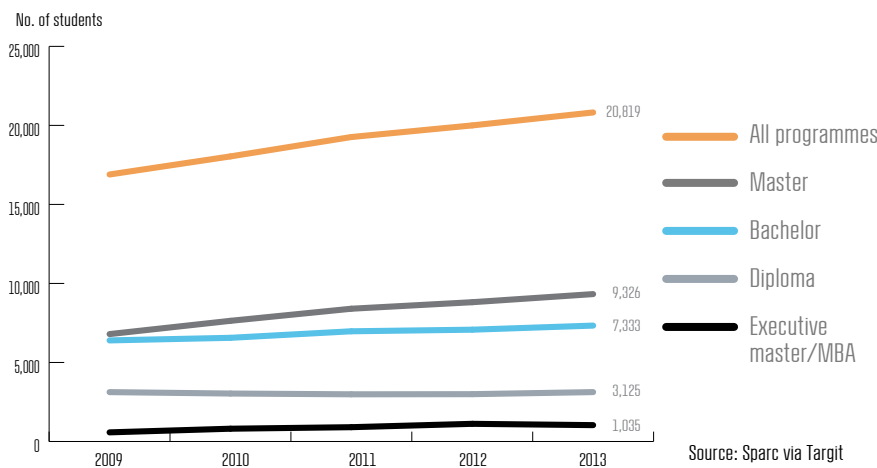
CBS' programmes are more popular than ever before. Even though the number of study places was raised again in 2013, the number of rejected applicants grew even more, and both the highest and the third highest minimum grade point average in

Denmark in 2013 were accounted for by CBS programmes.

While CBS welcomes the keen interest in its programmes, the university is committed to not only admitting top-grade students. In the past two years, CBS has doubled

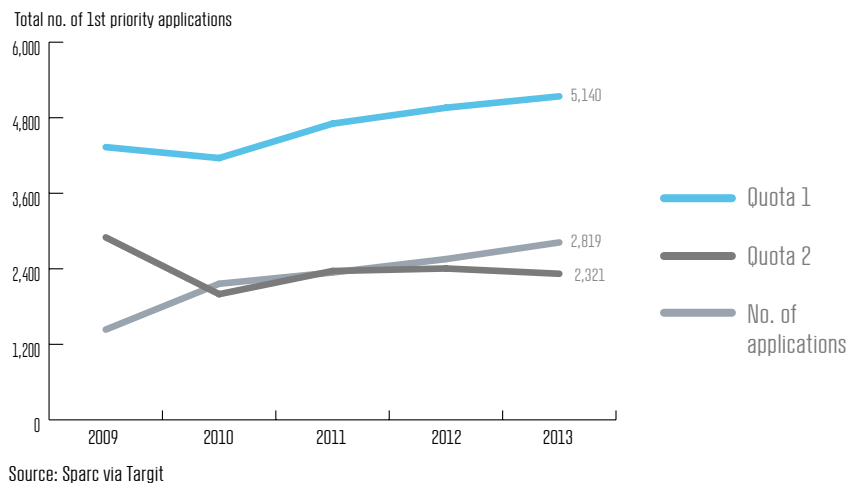
the intake of quota 2 applicants, for whom other criteria than grades are taken into account. 25 % of the total CBS intake is accounted for by quota 2 applicants. In 2013, it was decided to change the quota 2 selection to evaluate applicants more individually. For several programmes,

FIG. 10: DEVELOPMENTS IN STUDENT POPULATION



The chart shows that the number of students at CBS increased further in 2013, although the number of students on executive master programmes was slightly down.

FIG. 11: 1ST PRIORITY APPLICATIONS FOR BACHELOR PROGRAMMES SPECIFIED BY QUOTA 1 AND QUOTA 2



The number of 1st priority applications went up again in 2013, driven by a higher number of quota 2 applications. The number of quota 1 applications was marginally down in 2013.

motivated applications are requested. Experience tells us that this makes the best and most motivated students. Surveys show that CBS' quota 2 students have lower than average dropout rates.

The growing student population is putting heavy pressure on CBS' premises. Over the past six years, the number of students has grown by more than 30% while campus facilities have remained practically the same, forcing CBS to lease temporary facilities. Looking ahead, CBS would like to expand campus facilities at Solbjerg Plads but has had to lease off-campus premises to cope with the immediate pressure. Facilities have been found at Flintholm, just one metro station away, where three auditoriums accommodating around 600 students have been established.

Focus on bringing down programme duration

The government has decided that universities must bring down average programme duration significantly by 2020. While CBS' students are fast on average, a substantial number of students, especially graduate students, fail to complete their studies within the prescribed period. Efforts have therefore been initiated to bring down programme duration. One reason why so many students are delayed is that they take a semester abroad, causing them to fall behind despite their good intentions. Some courses may not match the requested number of ETCS points, or students prioritise other skills, such as language skills, than those included in their programmes. Moreover, it generally takes some time to reach full speed after returning home. CBS does not want to

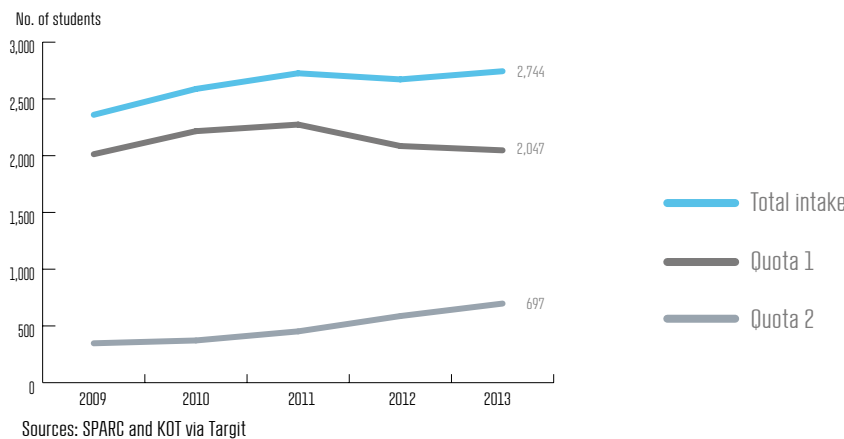
put the brake on internationalisation, so duration will not be reduced at the expense of study periods abroad.

Efforts are being made on several fronts to bring down programme duration, including deadline optimisation, more efficient assignment of supervisors, earlier selection of thesis subjects, etc. Another initiative is a graduate house bringing together all students on MSc in Business Administration programmes and all their study activities, designed to promote programme cohesion to encourage timely thesis commencement. The graduate house is scheduled to open in 2015.

Rethinking tuition methods

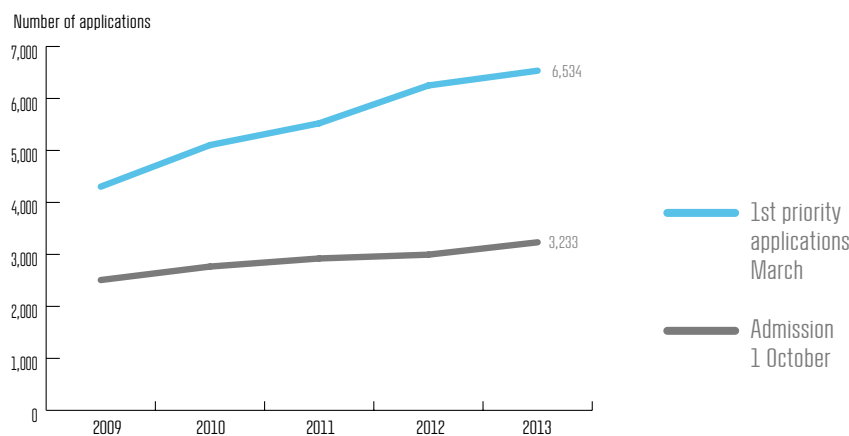
CBS is committed to applying the newest technology in developing the best possible

FIG. 12: BACHELOR INTAKE SPECIFIED BY QUOTA 1 AND QUOTA 2



CBS admits more quota 1 than quota 2 students, but the intake of quota 2 applicants is increasing. Up 3 % in 2012, the total intake in 2013 was back at the 2011 level.

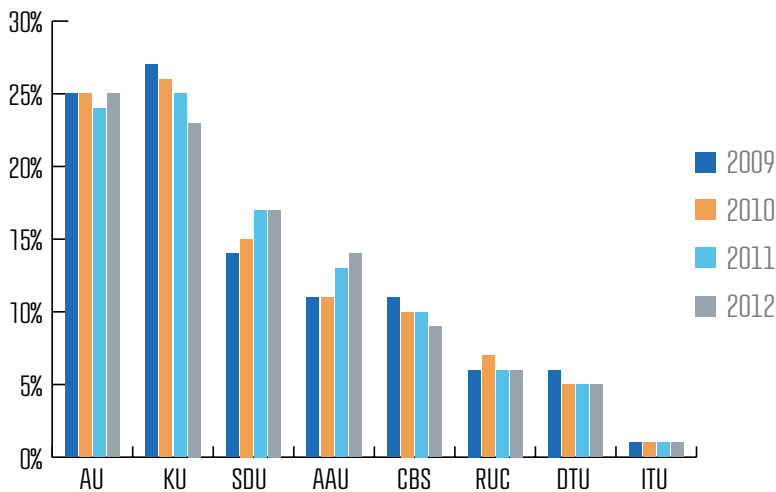
FIG. 13: APPLICATIONS (1ST PRIORITY) FOR AND ADMISSION TO MASTER PROGRAMMES



Source: CBS' admission system based on data from March and CBS' programme administration system. Please note that admissions are stated at 1 October after early dropouts.

While the past few years have seen a growing number of 1st priority applications, only half the 1st priority applicants are admitted to CBS programmes.

FIG. 14: DANISH UNIVERSITIES' SHARES OF TOTAL BACHELOR INTAKE



Source: Universities Denmark

CBS' share of the total bachelor intake has declined in recent years despite ample numbers of qualified applicants. CBS has made a deliberate choice not to raise the intake in order to sustain the quality of programmes.

teaching methods. With a view to strengthening this area in terms of organisation and management, 2013 saw the appointment of an associate dean for learning, Associate Professor Annette Kjærgaard. Her job is to fuse new technology and educational development. Thanks to new teaching technologies, the reading and revision of academic subjects or complicated examples may be taken out of class to facilitate the reflective dialogue demanded by students. Throughout a number of years, CBS has tested new learning tools, including simulations, games, video transmissions, clickers and online platforms for discussion of academic content. In 2013, CBS' video team produced more than 600 videos including lectures, instructions, reading of difficult passages, etc., and an agreement has been made with the world's largest online graduate teaching portal, Coursera, with a view to offering open online courses – so-called MOOCs.

Feedback from external examiners

Substantial resources are spent on external examiners, which contributes to underpinning students' legal rights. In 2013, external examiners were assigned another function in that they were asked to provide broader feedback for purposes of improving programmes. Pilot projects have been carried out to provide systematic feedback from external examiners on how to achieve

learnings targets. In addition to having students graded, CBS gains insights into which parts of specific learning targets are causing the most difficulty. Those insights have proved so valuable that the method has been made permanent. In addition, efforts are being made to involve external examiners more closely in employer panels.

New programmes in 2013

While all CBS' programmes are firmly rooted in business economics, CBS works continuously to mirror evolving labour market requirements and student interests in its programmes by developing new programmes and terminating others.

Bachelor of Science (BSc) in Business Administration and Project Management

Introduced in 2013, the programme was an unexpectedly huge success with almost 20 applicants for each place. Never before has a CBS programme attracted so many applications in its first year.

Master of Science (MSc) in Business Administration and Information Systems, E-business

While in the past few years the e-business programme has been offered in association with the IT University of Copenhagen (ITU), it is now back at CBS to provide an attractive offer to, in particular, pro-

fessional bachelors who wish to continue their studies. To meet the requirements of this group of students, of whom many complete their studies during the winter, the programme is also offered with winter intake.

Bachelor of Arts (BA) in European Business

The new programme in European Business is the last step in the transformation of the old language programmes into business-relevant programmes. All language programmes are now combined with business economics. The large number of applications for the programme confirms its justification.

Denmark's leading continuing education provider

CBS has a strong international business administration profile embracing many of the challenges currently facing businesses and organisations. CBS remains the leading provider of continuing education programmes to managers in the private and public sectors. CBS' most extensive continuing education programmes are the diploma programmes encompassing around 3,000 students.

Successful MBA programmes

CBS remains among the leading providers of research-based continuing education

in Denmark. The university's executive master programmes continued to attract a great number of participants in 2013. The Master of Public Governance programme had an enrolment of more than 600 students in 2013. In terms of the total number of executive master programme students, CBS is the leading provider of public and specialised continuing education programmes in Denmark.

All CBS' executive master programmes have been through the Danish Accreditation Institution's accreditation round, and all have obtained accreditations. In addition, the Master of Public Administration programme is the only public management programme in Denmark to have obtained the accreditation of the Association of MBAs (AMBA).

MBA programmes attract international interest

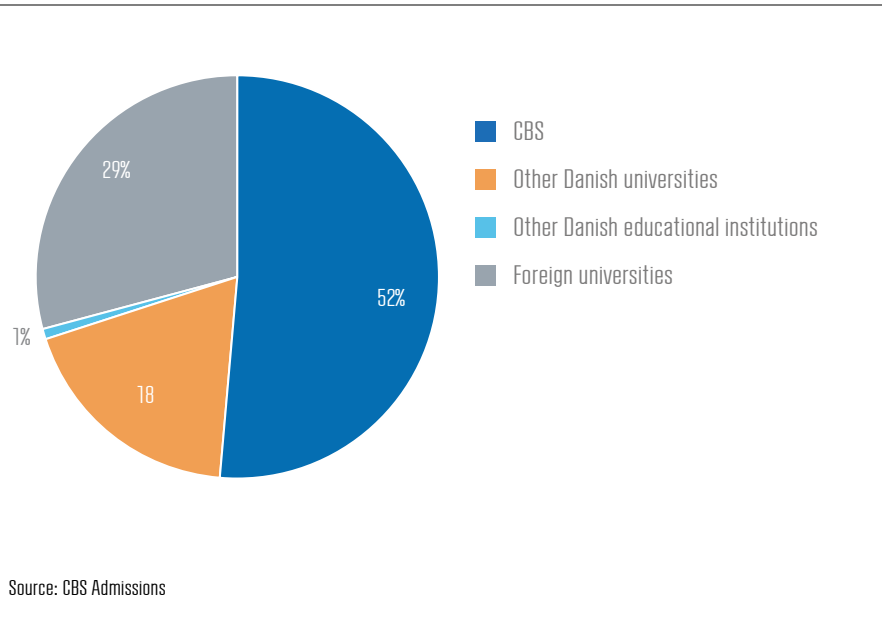
Not only Danes apply for enrolment in executive master programmes and subsequently get jobs in Denmark. The Blue MBA programme specialising in shipping and logistics admits new students every other year, and a new class started in September with a record 42 students from across the world. 90 % of full-time MBA programme participants are from other countries than Denmark. In the past five years, despite the financial crisis, the programme has had an average enrolment of 40, of whom more than 30 % have chosen to stay and work in Denmark after completing the programme. In an effort to smooth the way for MBA students into the Danish labour market, CBS offered career counselling services in 2013.

Flexible diploma programmes

CBS has offered a virtual diploma programme in business administration for a number of years. 2013 saw a strengthening of the virtual platform and with tuition methods leveraging the possibilities offered by virtual teaching, the programme is now a real alternative for any diploma student working in Denmark or abroad.

CBS has developed a new fast track diploma programme where the first, general, part only takes one year, following which students can proceed to the second, specialised, part.

FIG. 15: GRADUATE STUDENT BACKGROUNDS



The chart shows the educational origin of CBS' graduate students in 2013.

Of the total number of students from other Danish universities, students from the University of Southern Denmark account for 40 %, Roskilde University and Aarhus University students for around 20 % each and students from the University of Copenhagen and Aalborg University for 9 % each.

PROGRAMMES

Bachelor

BSc in Economics and Business Administration
 BSc in Business Administration and Philosophy
 BSc in Business Administration and Information Systems
 BSc in Business Administration and Commercial law
 BSc in Business Administration and Organisational Communication
 BSc in Business Administration and Management Science
 BSc in Business Administration and Psychology
 BSc in International Business
 BSc in Business Administration and Service Management
 BSc in Business Administration and Sociology
 BSc in International Business and Politics
 BSc in Business, Language and Culture
 BSc in Business, Asian Language and Culture
 BA in Intercultural Market Communication
 BA in English and Organizational Communication
 BA in Information Management

Master

MSc in Economics and Business Administration - 13 profiles
 MSc in Social Science - Human Resource Management
 MSc in Social Science – Political Communication and Management
 MSc in Social Science - Management of Creative Business Processes
 MSc in Social Science - Organizational Innovation and Entrepreneurship
 MSc in Social Science - Service Management
 MSc in Social Science - Public Management and Social Development (offered at SDC – campus in Beijing)
 MSc in Business Economics and Auditing
 MSc in Business Administration and Philosophy
 MSc in Business Administration and Commercial Law
 MSc in Business Administration and Organizational Communication
 MSc in Business Administration and Management Science
 MSc in Business Administration and Psychology
 MSc in Business, Language and Culture - two profiles
 MSc in International Business and Politics
 MSc in Business Administration and Information Systems – three profiles
 MSc in Advanced Economics and Finance
 CEMS - Master in International Management
 MSc in Business Administration and Bioentrepreneurship
 MA in International Business Communication - three profiles
 MA in International Business Communication - Multicultural Communication in Organizations

Continuing education

Full-time MBA
 Executive MBA
 Flexible Executive MBA
 Executive MBA in Shipping & Logistics
 Master of Public Governance
 Master of Public Administration
 Master of Management Development
 Master of Tax
 Master in Leadership and Innovation in Complex Systems

(HD) Graduate Certificate in Business Administration
 (HD) Graduate Diploma in Business Administration
 - Financial Planning
 (HD) Graduate Diploma in Business Administration
 - Financial Advice
 (HD) Graduate Diploma in Business Administration
 - International Business
 (HD) Graduate Diploma in Business Administration
 - Marketing Management
 (HD) Graduate Diploma in Business Administration
 - Organisation and Management
 (HD) Graduate Diploma in Business Administration
 - Accounting and Economic Management
 (HD) Graduate Diploma in Business Administration
 - Supply Chain Management
 (HD) Graduate Diploma in Business Administration
 - Economic and Process Management

Programmes under termination

BA in International Organizational Communication

RESEARCH

Massive recruiting efforts

CBS aspires to be a world-class international business university focusing on research and education. With a view to strengthening research and research-based education, CBS has grown its academic staff in the past few years, and 2013 saw massive recruiting efforts. As appears from Figure 16, the number of academic staff FTEs, including PhDs, has increased considerably.

In a typical year, CBS recruits 80 new academic staff, but 2012 and 2013 both saw around 100 new academic staff hires at CBS.

At the same time, the ratio of permanent to part-time academic staff on full-time programmes has improved so that it is now above target. See goal 1.3 in the Performance Contract.

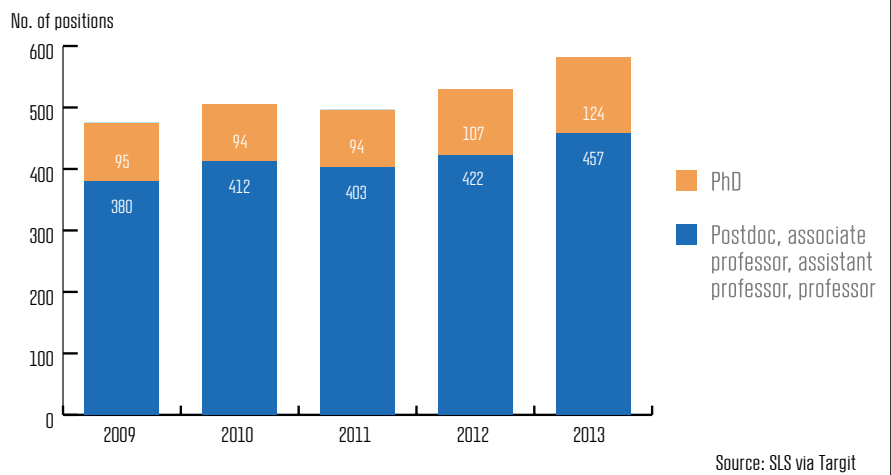
Focus on internationalisation and diversity

CBS sees growing internationalisation and diversity of its staff as a natural and necessary development and a key element in the strategy to create a leading international research and educational environment.

The proportion of academic staff with foreign nationality has gone up from 27 % in 2009 to 37 % in 2013. The share is expected to grow further in the years ahead as the share of new academic staff hires with foreign nationalities is significantly above the share of the total population, as shown by Figure 18. The share of new academic staff with non-Danish nationalities is above 50 % for every year in the 2009-2013 period but 2011.

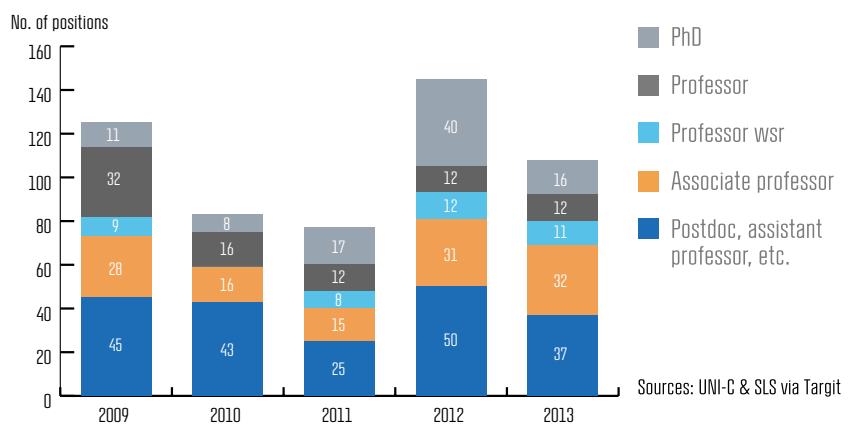
Since 2011, the number of female staff has increased slightly in all job categories but assistant professor. Displaying another conspicuous trend, the proportion of women goes down along the career path.

FIG. 16: FTE GROWTH FOR PROFESSORS, ASSOCIATE PROFESSORS, ASSISTANT PROFESSORS, POSTDOCS AND PHDS



The number of FTEs increased in 2013 over 2012 for PhDs, postdocs, assistant professors, associate professors and professors.

FIG. 17: WHO IS THE NEW ACADEMIC STAFF?



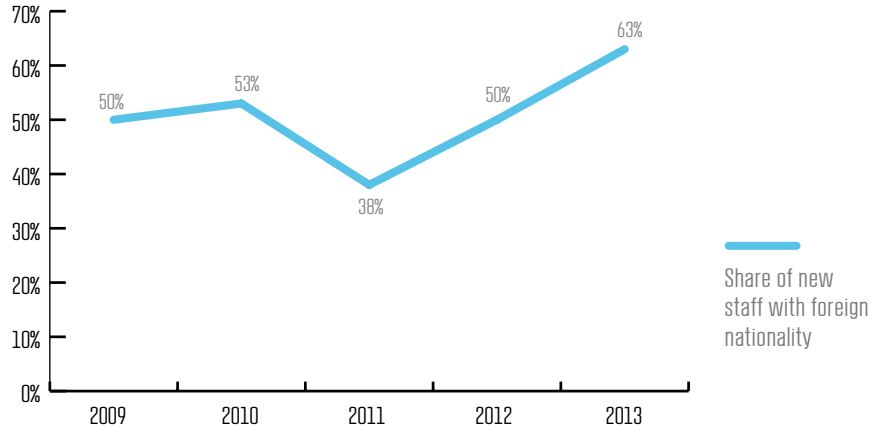
The chart shows new academic staff hires broken down in job categories. As PhDs are stated based on salary data, the number includes PhDs employed by CBS but not PhDs who are not paid by CBS.

In 2013, the share of female PhD students was 57 %, while women accounted for 46 % of assistant professors/postdocs, 36 % of associate professors and 17 % of professors. Baby steps are being made, but management is acutely aware that this area calls for persistent efforts and attention.

The work to implement the three-phase action plan for gender equality among the academic staff continued in 2013. The first phase, including one intranet entry point to information about recruiting, hiring and promotion, has been implemented. In 2013, focus was on recruiting and promotion criteria, career counselling for PhD students and start-up of a mentoring programme for young researchers to bring together young and more experienced researchers across disciplines and departments.

2013 also saw growing focus on the legal aspects of gender equality, including as-

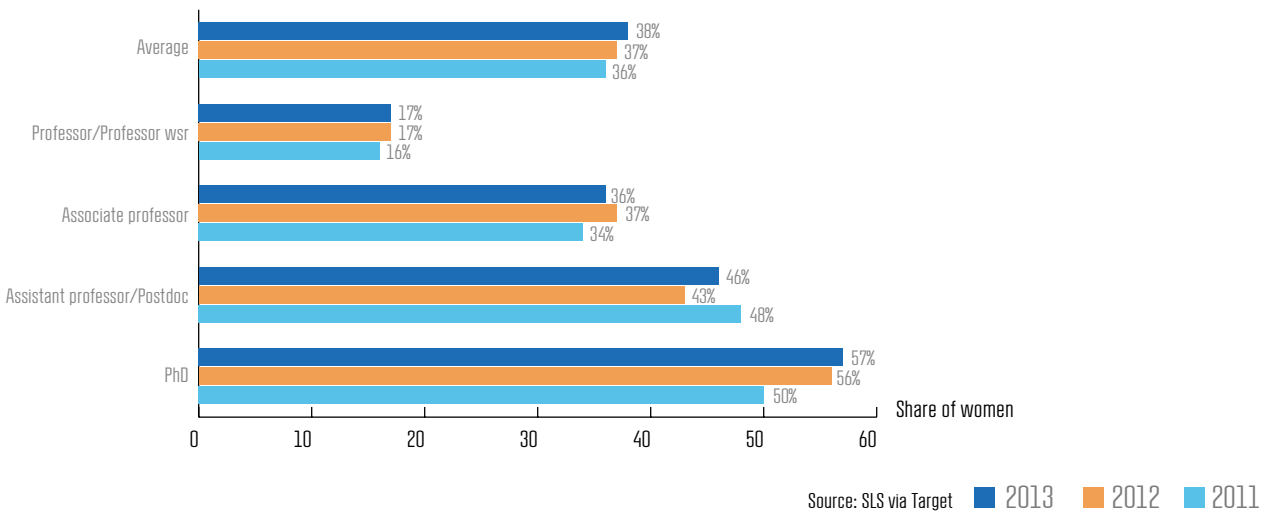
FIG. 18: SHARE OF NEW ACADEMIC STAFF WITH FOREIGN BACKGROUND, 2009 - 2013



The share of new academic staff with non-Danish nationalities has gone up since 2011.

Source: SLS via Target

FIG. 19: SHARE OF FEMALE RESEARCHERS (2011- 2013)



The average share of female researchers increased slightly in 2013 over 2012. As appears from the figure, the average covers differences between individual job categories.

assessment processes, salary scales and staff policy. In response to the latest amendment of the Danish Gender Equality Act, CBS has drawn up a 2013-2017 plan of action for gender diversity in CBS' management, targeting more equal gender distribution at all managerial levels.

External grants for research and education activities

September saw the announcement that Mirjam van Praag from the University of Amsterdam had been appointed Mærsk Mc-Kinney Møller professor in entrepreneurship at CBS. This was rendered possible by a DKK 40 million grant from the A.P. Møller Foundation. The grant also covers a number of PhD and postdoc positions to be advertised in 2014.

In 2013, the Villum Foundation donated around DKK 15 million for a 5-year VELUX professorship in Corporate Sustainability. The professorship went

to Jeremy Moon, the internationally renowned researcher, who will contribute to profiling and strengthening CBS' research in corporate sustainability, thus underpinning CBS' strategic sustainability efforts. The professorship also paves the way for collaboration with other researchers across disciplines and contributes to an inspiring student environment.

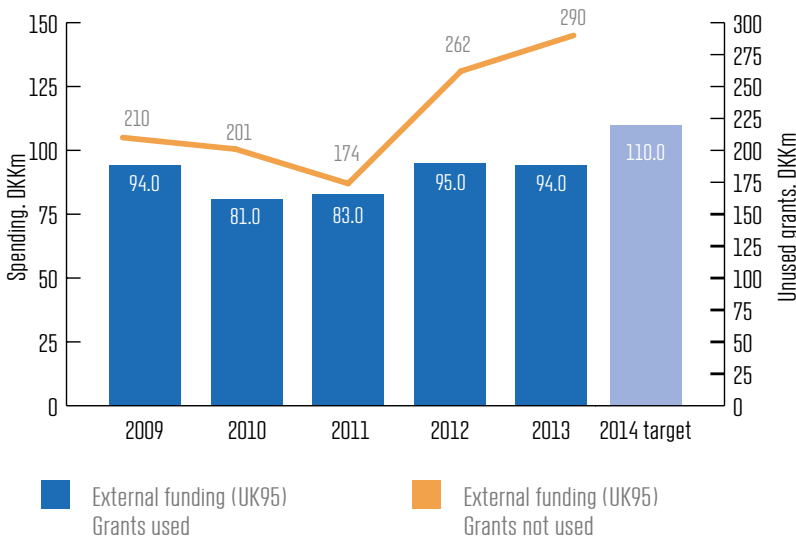
In December, the Maritime BiS platform received a DKK 20 million grant for its four-year research programme entitled 'The Blue Denmark's competitive challenges and strategic development potential'. The programme is funded by the Danish Maritime Foundation and five CBS departments. In bringing together and developing its maritime research and educational activities in CBS Maritime, CBS has been in close dialogue with the maritime industries in Denmark through, among other things, a major study of how CBS' research can contribute to developing

the sector's competitiveness in an increasingly globalised world. The research programme includes seven three-year PhD projects and five mapping projects.

Lastly, CBS' applications for the Danish Council for Independent Research produced a success rate of 22 % in 2013. The grants received include one of the coveted Sapere Aude grants. In the coming years, a total of DKK 6.7 million will be spent on researching how the financial markets are affected by mass behaviour. The grant was awarded under the career programme of the Council for Independent Research targeted at top researchers, typically at associate professor level, and development of their research management skills.

As indicated by Figure 20, CBS did not reach its target of spending DKK 100 million on externally funded research projects. This calls for increased focus on how external funds are used. The figure also

FIG. 20: EXTERNAL FUNDING: GRANTS USED AND NOT USED



Source: Navision via Targit

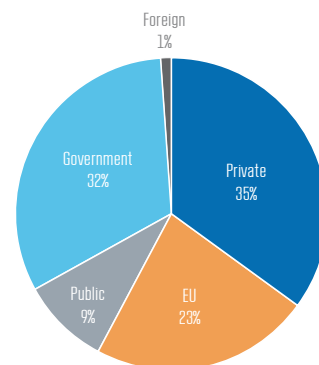
The chart shows funds spent on externally funded projects (UK95) and donations and UK95 grants not yet used. Reflecting the part of already received grants that has not yet been used, unused UK95 grants indicate the level of externally funded project activity that can be carried out without receiving any additional external funding.

The development in unused grants from 2012 to 2013 cannot be directly compared with developments in spending on externally funded projects and new grants received in 2013. Any residual grants relating to projects that were closed in 2013 are not included.

Unused grants for 2009-2012 are estimated and have consequently not been audited. The data for 2013 has been audited based on the financial statements, cf. note 8 to the financial statements.

FIG. 21: GRANTS DONATED IN 2013 FOR EXTERNALLY FUNDED PROJECTS

Grant provider	Grants received in 2013	Share
Private	43,520,019	35%
EU	29,118,124	23%
Public	11,196,930	9%
Government	40,093,930	32%
Foreign	1,335,708	1%
	125,264,711	100%



Source: Navision Sag

The table shows grants recorded in CBS' accounting system, specified by grant providers.

shows that CBS has been very successful in securing new grants, growing the pool of granted but not yet used external funds for specific research projects to DKK 290 million.

Funding: from the EU to CBS

Applications for the current EU research programme (FP7) were equally successful. Based on a total of 37 applications, CBS scored a success rate of 27%. Applications were equally distributed between social science and more technical programmes, but social science obtained the largest grants.

With the next research programme being launched in 2014, CBS in September 2013 hosted a Horizon 2020 conference on the role of social sciences and humanities in the new programme. In organising the conference, CBS received considerable assistance from Britta Thomsen, Adjunct Professor and member of the European Parliament.

Networks paving the way for external research funding

Following negotiations in 2013, CBS will become a member of the creoDK network in 2014. CreoDK is the University of Copenhagen (KU), the Technical University of Denmark (DTU) and the Capital Region of Denmark's joint EU research office in Brussels. The office works to gain a bigger say over EU research activities. Network participation will increase CBS' chances of securing a share of the EU's

considerable funds and strengthen the regional partnership between CBS, DTU, KU and the Capital Region of Denmark.

Efforts are also being made to internationalise research support through the US-based network organisation Society of Research Administrators International. The organisation has 4,500 paying members, most of them from North America and Canada. Having been appointed a member of the incoming presidency (3-year term) for the international section, CBS will be able to expand its network to research institutions across the globe. Moreover, the presidency will expose CBS to research support environments all over the world.

International evaluation of PhD schools

The summer of 2013 witnessed the start-up of an international PhD school evaluation. The three schools were established in 2008, the reorganisation targeting to create critical mass and strengthen the quality assurance of PhD programmes. This evaluation presents an obvious opportunity for self-reflection and for obtaining feedback on strengths and weaknesses of CBS' research training. The first part of the evaluation, which is a self-evaluation report, will be completed in early 2014 and the entire process by the end of the year. The final evaluation report is expected to look into admission, completion times, internationalisation, courses, supervision, assessment criteria and procedures and study conditions.

PhD career counselling

The implementation of the EU Charter for Researchers has ensured better career counselling for young researchers. CBS has been recognised by the European Commission for its positive working and career development conditions for researchers. A three-year trial period has started and a PhD Placement Officer hired to improve career counselling for researchers. Young researchers will also be offered dissemination courses and employment counselling.

Building strong international research environments

Since 2008, CBS has earmarked a total of DKK 30 million of its own funds for development of strong research environments within six disciplines, aiming to strengthen the university's international reputation through long-term, focused investments in promising, dynamic and cooperative environments capable of producing internationally recognised research results.

The six environments are:

- > Financial Risk Management
- > Strategic Management and Globalization
- > Open Innovation Search and Entrepreneurship
- > Sources of National Institutional Competitiveness
- > Design and Governance of Economic Institutions
- > Translation Processes and Translation Systems

In 2013, efforts were initiated to broaden the dissemination of the research results of these environments.

After five years, the development support for the six environments has been used up and the environments embedded in the activities of the respective growth departments. Based on this successful programme, management has decided to continue the work to produce high-quality research in selected areas through a new programme.

Based on a lengthy selection process in 2013, a decision was made in December to allocate additional funds to two new environments with a view to delivering

high-quality research. The two selected research areas are:

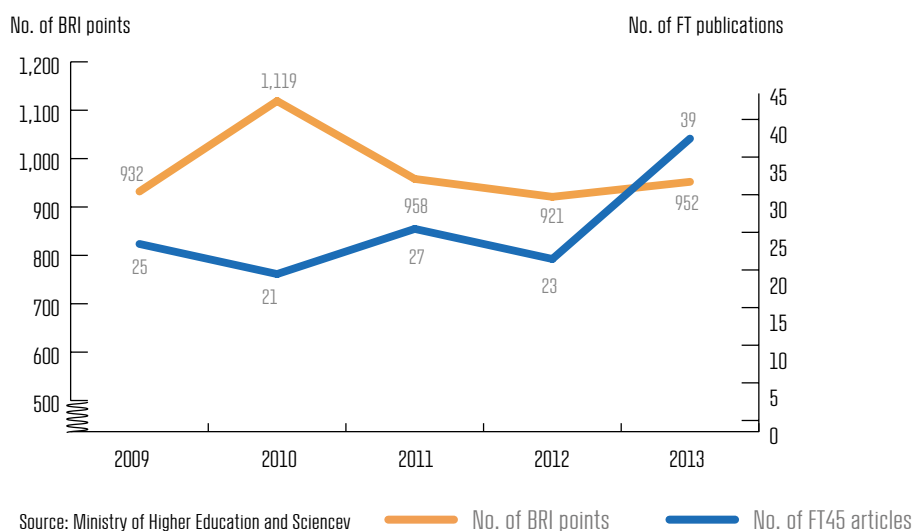
- Human Capital, Organizational Design and Performance
- Governing Responsible Business

Drawing up departmental strategies

With a view to ensuring that the individual departments support the university's overall strategy, departmental strategies were drawn up in 2012. In the research area, the implementation of departmental strategies in 2013 focused on external research funding, research training and publication. Measures to fulfil the ambitious target of doubling external research grants over

the next ten years were given particularly careful consideration. In 2013, all the departments were asked to consider the overall action plan for attracting external funding, and the roles of the individual departments in relation to the plan were specified. Moreover, the Dean of Research continued the dialogue with the heads of department concerning research environment publication output and strategies. Towards the end of 2013, relevant parties commenced a focused dialogue on implementing an overall PhD strategy.

FIG. 22: DEVELOPMENTS IN PUBLICATION POINTS RELATIVE TO DEVELOPMENTS IN FT45 PUBLICATIONS



The number of BRI points reflects the numbers reported to the Ministry in the 2008-2012 period. The number of points stated for a given year reflects publications issued the year before. Moreover, given the long publication process, the numbers convey a delayed picture of developments in the publication pattern and the number of academic staff.

The chart shows that the annual production of BRI points ranges between 900 and 1,000, except for 2010 showing around 1,100 points. The BRI number for 2013 was up on 2012, while at the same time the number of FT45 articles showed strong growth. This indicates that CBS has succeeded in raising the quality in the form of FT45 publications while at the same time maintaining the level of BRI publications.

The method of computation differs from the one applied for goal 6.2 in the Performance Contract. While this figure shows numbers for each individual year, the numbers in the Performance Contract show the sum of two years. Similarly, BRI numbers are not directly comparable with goal 6.1 in the Performance Contract. The figure shows the total number of BRI points, while the Performance Contract shows BRI points produced in the social science area.

DEPARTMENTS

Department of Marketing

The department is concerned with marketing management and includes the following research areas: B2B marketing, retailing, consumer behaviour (including neuroscience and decision making), marketing, branding, strategy and market-oriented management.

Department of Finance

The department focuses on financial issues related to corporate finance and financial structures, financial market pricing, alternative ownership, pensions and personal finance, international financial markets and corporate governance.

Department of Innovation and Organisational Economics

The department contributes to the understanding and development of society's and businesses' economic organisation, affected by and affecting innovation and entrepreneurship. Research focuses on how markets, businesses, industries and other institutions are developed in interaction with innovation, including the distribution of work between universities, biotech businesses and pharmaceutical manufacturers in connection with the development of new drugs.

Department of Intercultural Communication and Management

The department is an interdisciplinary research environment focusing on the relationship between business and society in a globalised world. The department's researchers analyse how globalisation changes and challenges management, organisation and control. Across perspectives and themes, the department focuses on culture, communication and context.

Department of International Business Communication

The department deals with issues related to professional communication in organisations, including the challenges posed by the role of language in interlingual and intercultural communication, the role of language and cultural competences in organisations, the importance of language and culture for communications technologies and the importance of the form and structure of language training for the learning of language, cultural and communications skills.

Department of International Economics and Management

The department conducts research in international business, corporate governance and leisure, culture and tourism as well as in emerging markets, including Eastern Europe, Russia, India and China - with particular emphasis on Asia area studies.

Department of IT Management

The department does research and teaches in the cross field between IT and business with special focus on social media management, the cashless society, Internet of Things, Open Big Data and IT in mergers and acquisitions.

Department of Management, Politics and Philosophy

The department's core areas are public and political management, management philosophy, corporate history, strategy, innovation and entrepreneurship. The ambition is to strengthen and develop interdisciplinary research and teaching across business economics, social sciences and humanities.

Department of Economics

The department conducts research of clear corporate relevance as well as in more traditional socio-economic areas, including the effects of globalisation on business, government economic policy, foreign exchange market reactions to interest rate changes and corporate market conduct.

Department of Organization

The department conducts research and teaches within managerial and organisational processes in private, public, voluntary and other organisations. Current research areas include: Organisational theory contributions, historical and current, to analysing and impacting the life of organisations, branding as strategic communication, knowledge and competence development and management and organisation in the building industry, the creative industries and the healthcare sector.

Department of Operations Management

The department does research and teaches within corporate business economics issues in an organisational perspective. Its main focus is on explaining management technologies needed by businesses to create innovation, plan production, cooperate with other businesses and manage finances.

Department of Accounting and Auditing

The department carries out research and teaches within three main areas: management control, financial accounting and private and public sector auditing.

Law Department

Based on international and national framework conditions for business as a result of globalisation, the department's research focuses on commercial law from a social and commercial perspective, specifically the content of and interplay between international law, EU law and national law.

Department of Strategic Management and Globalization

The department conducts research within corporate strategic behavior and planning in a globalised world, focusing on knowledge management, strategy, strategic entrepreneurship, offshoring and outsourcing and multinational organisation.

Department of Business and Politics

The department conducts research in the institutional challenges facing society as a result of the interplay between business and politics. Based on theories on international and comparative political economics and sociology, research is conducted within the areas of technology and innovation, financial regulation, institutional competitiveness, relations between civil society and industry, public-private partnerships and European and global governance.

ADMINISTRATION

Focusing on core services

In terms of administration, 2013 was characterised by IT support for the programme administration and expansion of campus facilities. At the same time, the careful prioritisation of administrative resources was maintained. Accordingly, most of the moderate increase was allocated to supporting core activities, research and education. This is reflected in a lower increase in the administrative staff than in the academic staff (fall in TAP/(VIP+DVIP) ratio of 5.5 % from 2012 to 2013).

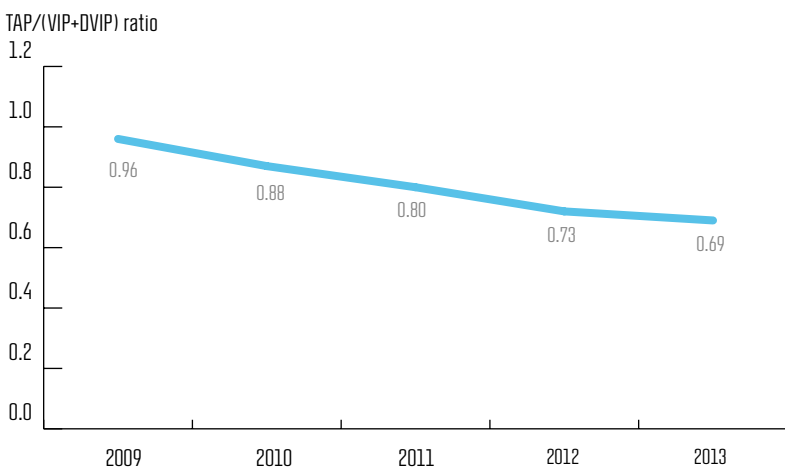
New programme administration system launched

As planned, the new programme administration system, STADS, was launched in 2013 - on time, within budget and in the expected quality. The introduction of the new system has been a demanding task for CBS, requiring close cooperation between the programme administration and the IT organisation, and so the successful implementation is a manifestation of efficient cooperation across CBS' departments. Still, with a number of remote users needing training in using the new system, some tasks are bound to take a little longer than

usual during the transitional period. While strong efforts have been made to reduce nuisances and the period of adaptation as best as possible, inconveniences for users cannot be entirely eliminated in the initial phase.

2014 will see a transformation of the timetable and exam planning process, with the integration of STADS with CBS' other IT systems playing a key role. Again, a successful outcome hinges on effective cooperation across CBS' administrative units.

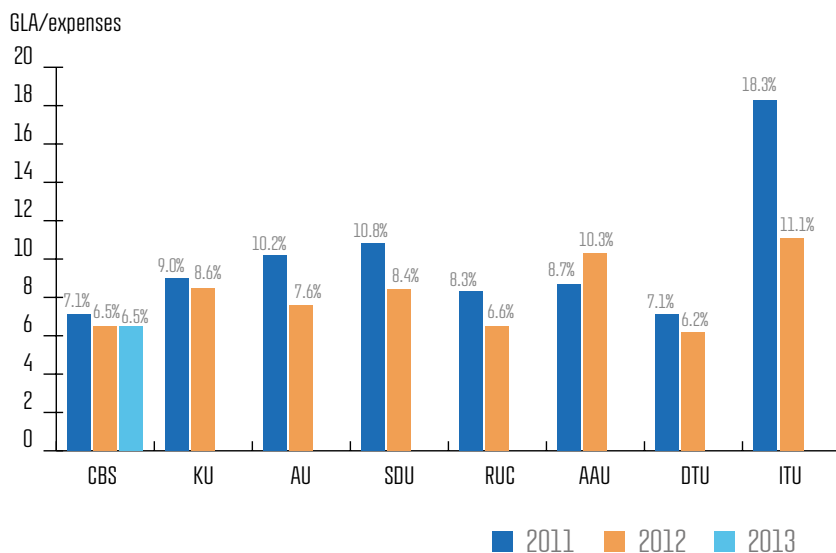
FIG. 23: DEVELOPMENTS IN TECHNICAL/ADMINISTRATIVE FTES COMPARED WITH ACADEMIC AND PART-TIME ACADEMIC FTES



The chart shows that administrative staff, in terms of FTES, make up a decreasing share of the total number of employees.

Source: CBS' payroll system, SLS, via Targit
 Note: Adjusted for department head research shares

FIG. 24: UNIVERSITY GMA RATIOS



Source: Universities Denmark

The chart shows university GMA ratios (general management and administration relative to total expenses) for 2011-2012. 2013 numbers for the other universities have yet to be released.

New campus facilities

2013 witnessed the opening of three new lecture halls accommodating some 600 students near Flintholm Station. Three new classrooms were added to the existing campus facilities, and two new office leases were put into service. In addition, expansion of the facilities at Porcelænshaven and Dalgas Have has been initiated, and a lease for a new 6,500 m² teaching building – to be CBS’ new graduate house from 2015 – has been signed. CBS has thus realised the first step of the campus strategy laid down in 2011.

The next big step is major enlargement of the Solbjerg campus. In close cooperation with the municipality of Frederiksberg and Metroselskabet and with financial support from Realdania, the drafting of a master plan for development of the area between Falkoner Allé and Fasanvej was initiated in 2013. The master plan is expected to be finalised in 2014 to form the basis for the campus expansion.

Aligning language policy to increasing internationalisation

The steady increase in the number of international students and academic staff has rendered a revision of the existing language policy necessary. Accordingly, management set up a language committee in 2013 to draw up a revised language policy. Their report included a number of recommendations that will be translated into specific measures in 2014.

Evaluating the administrative reorganisation

2013 saw the evaluation of the 2011 reorganisation of a number of administrative functions by a broad-based steering committee, who concluded that the new administrative organisation generally represents an improvement, while also identifying areas with room for improvement.

Management concurs in the committee’s conclusions. Each of the evaluated units has drawn up an action plan based on

the evaluation to be monitored by the respective members of management. In addition, management has selected a range of interdisciplinary subjects to be addressed by the whole management team. Also, a decision has been made to repeat the evaluation in 2015.

RESEARCH COMMUNICATION

Visible research

CBS is committed to rendering the university's research visible. The channels through which research is disseminated include teaching, articles, books, PhD dissertations, the expert database on cbs.dk, interviews, lectures, feature articles and debate pieces, BiS platforms and the numerous conferences held. CBS researchers are encouraged to share their knowledge through participation in the public debate, etc. Counselling is provided by External Affairs, which also handles requests from journalists looking for the right expert for an article and feeds interesting CBS research news to the media.

2013 saw the launching of the Visible Research project in association with an external communications agency, designed to draw attention to research projects that have had a clear impact on corporate practices and produced tangible results. The project is to result in a specific presentation product in the course of 2014.

Seminars on good research communication practices

In a series of seminars addressing researchers' relations with the press, a number of CBS' most frequently consulted researchers provided insights on how to handle the press. The purpose of the seminars was to stimulate the professional debate on how to act in the media.

Encouraging dissemination

Dissemination of knowledge is a key priority for CBS. A number of media training courses for both Danish and international researchers were held in 2013. Working together with external agencies, External Affairs is in charge of providing communication training to researchers.

For the third consecutive year, CBS conducted a review of the university's appear-

ance in the press based on the principles for good research communication laid down in the Singapore Statement on Research Integrity. Spearheaded by the Vice Dean of Research Communication, the 2013 review confirmed that CBS' researchers know and respect the ground rules for contact with the Danish press.

CBS researchers have received a number of dissemination prizes over the past few years. In 2013, two CBS researchers, Flemming Poulfelt, Vice Dean of Research Communication and Kristian Kreiner, Professor, received DSEB's research communication award. The prizes bear witness to the importance assigned to research communication by CBS.

CBS in the press

According to Infomedia's database, CBS researchers or spokespersons were quoted just under 19,000 times in the Danish media in 2013. Around half the mentions were in online media, around a third in national and regional newspapers and the rest in academic journals, magazines and radio/TV. CBS is seeing decreasing media coverage. Between 2012 and 2013, the university's media coverage shrank by around 10 % to a level in line with 2010. Fluctuations are normal, though, and the decrease may be driven by a number of factors, including increased focus on the quality of research communication in mass media and non-monitoring of non-Danish media.

The role of Cbs.dk in communicating CBS research and news was augmented in 2013. Cbs.dk is the official media channel and the backbone of CBS' communication, supplemented by CBS Observer, the independent news media. External Affairs produced 132 news items in 2013, all rotating on the front page of cbs.dk. Most of these items revolved around research-related

subjects and strategic focus areas such as the Business in Society platforms. In 2013, cbs.dk was also used for the initial journalistic processing of peer-reviewed research from World Class Research Environments, including research showing that consumers overestimate the risk of damage covered by insurance, which was covered by Politiken, and a piece on the potential of technology licences that was published on videnskab.dk.

In addition to its research communication, CBS featured in several news stories focusing on its operations. Examples: President Per Holten-Andersen was interviewed by Børsen about CEBR data showing that CBS graduates are popular among the corporate sector; the A.P. Møller professorship was mentioned by Berlingske and Børsen; a research programme financed by the Danish Maritime Foundation was mentioned on Business.dk; and the joint research project with Roskilde Festival, From Rio to Roskilde, was mentioned by P1 Morgen and several national newspapers. CBS' programmes were also in the spotlight: The GLOBE programme was mentioned several times in Berlingske Tidende for its international perspective, and the admission restrictions on all programmes and the high minimum grade point averages for the International Business and International Business and Politics programmes received intense media coverage during the summer. There were no major critical media cases in 2013.

A number of major news stories featuring CBS expert knowledge and research hit the press in 2013. The top story was the release of the report of the Rangvid committee, named after committee chairman and CBS professor Jesper Rangvid, on what caused the financial crisis. CBS professors Finn Østrup and Peter Møgelvang-Hansen and Peter Schütze, chairman of the Board of

Directors of CBS, were also members of the committee. Together, the committee work, the chairmanship and media focus on the subject accounted for 7-10 % of CBS' press coverage.

Through debate pieces and feature articles, CBS researchers contributed actively to rendering CBS' research visible as opposed to waiting for journalists to call and ask for expert statements.

High Festival of Research turnout

Again in 2013, CBS participated in the Ministry of Higher Education and Science's Research Day. In association with the Danish Union of Journalists, CBS hosted an event entitled 'How does the press make the best use of expert sources', attracting the attendance of around 50 journalists. The Festival of Research also included lectures on public management and new partnerships between universities and the pharmaceutical industry. A number of CBS researchers participated in the 'Book a researcher' event where educational institutions, local authorities, businesses and other organisations could book a researcher for a lecture.

RESEARCH, TEACHING AND DISSEMINATION AWARDS IN 2013

DSEB and CBS award recipients

DSEB Research Award

David Lando, Professor, Department of Finance
Leonard Seabrooke, Professor, Department of Business and Politics

DSEB Research Dissemination Award

Center for Management Studies of the Building Process, represented by
Kristian Kreiner, Professor
Department of Organization
Flemming Poulfelt, Professor, Department of Management, Politics and
Philosophy

DSEB Teaching Awards

Group award:
The team behind Introductory Managerial Economics:
Eric Bentzen, Associate Professor, Department of Operations Management
Carsten Scheibye, PhD Fellow, Department of Operations Management
Kjeld Tyllesen, Assistant Professor, Department of Operations Management
Victor Lund, Assistant Professor, Department of Operations Management

Individual award:

Tamas Vamosi, Associate Professor, Department of Operations Management

CBS Teaching Award

Peter Holdt Christensen, Associate Professor, Department of Strategic
Management and Globalization
Ken L. Bechmann, Professor, Department of Finance

CBS Student Award

CBS Wine:
Peter Buch Hansen
Thor Jensen Mårup
Asbjørn May
Morten Tarris

Individual awards:

Nadia Al Zagir
Sebastian Damm

CBS Administration Award

Tine Silfvander, Course Administrator, Department of International Business
Communication
Lidija Omeragic, Administrative Officer, Financial Support

Other prizes

Gunnar V. Holms Legat (awarded to students with highest grades)

Christian Garmann Jensen
Johanna Martha Winkler

Hugo Evers & Co's Studiefond (grant for studies abroad)

Nadia Villadsen, CBS, MSocSc in Service Management

Nykredit Research Award

David Lando, Professor, Department of Finance

Nykredit Junior Researcher Award

Robert Strand, Assistant Professor, Department of Intercultural Communi-
cation and Management

Tietgen Award

Ulf Nielsson, Assistant Professor, Department of Finance – (now associate
professor)

EliteForsk grants for studies at top international universities

Rasmus Koss Hartmann, PhD Fellow, Department of Operations Management
Kristin Brandl, PhD student, Department of International Economics and
Management

PhD Cup 2013

Maja Rosenstock, Department of Intercultural Communication and Manage-
ment, analysed Coop's CSR work in her PhD dissertation 'CSR – how hard can
it be'. In recognition of the dissemination of this work, she was appointed
one of the winners of Danish newspaper Information's PhD Cup 2013.

Samfundslitteratur's Special Award

Christian Frankel, Associate Professor, and Kjeld Schmidt, Professor with
special responsibilities, both Department of Organisation, received the
award for their project idea for a textbook of the workmanship of perform-
ing good organisational analysis.

Prizes awarded at the Academy of Management conference, Orlando, USA, 2013

Karin Strzeletz Ivertsen, PhD Fellow, Department of Organization, won a
Best Reviewer Award in the Technology and Innovation Management (TIM)
division.

Anna Gerstrøm, Research Assistant, Department of Organization, won a
Best Doctoral Student Paper Award for her paper entitled 'Surviving death:
How members of a bankrupted bank narrate legacy organizational identi-
ties' in the Organization Development & Change (ODC) division.

Rasmus Koss Hartmann, PhD Fellow, Department of Operations Manage-
ment, won the Best Paper Proceedings award for co-writing the article
'Opening Innovation in Regulation inside Government: The Contribution of
Innovative Users'.

Britta Gammelgaard, Professor with special responsibilities, Department of
Operations Management, won the Journal of Supply Chain
Management's Associate Editor Appreciation Award.

Harvard Business School Award

Per H. Hansen, Professor, Department of Management, Politics and Philosophy, won the Henrietta Larson Article Award for his article 'Business History: A Cultural and Narrative Approach'. The prize is awarded by Harvard Business School for the year's best article in Business History Review.

European Conference of Information Systems 2013, Utrecht, Holland

Arisa Shollo, Assistant Professor, Department of Operations Management, and Ioanna Constantiou, Associate Professor, Department of IT Management, won the Best Paper award for their article 'IT Project Prioritization Process: The Interplay of Evidence and Judgment Devices' on decision making processes in IT departments.

European finance research awards

Lasse Heje Pedersen, Professor, Department of Finance, won two European prizes in 2013, the Banque de France - Toulouse School of Economics Prize (BDF-TSE Prize), awarded to a young researcher for the development of central concepts to improve the understanding of monetary economics and finance, and the Whitebox Prize for best financial research for co-writing the article 'Time Series Momentum' published in the Journal of Financial Economics.

International tourism research award

Alexander Josiassen, Associate Professor, Department of Marketing, won the Charles R. Goeldner Article of Excellence Award, the most prestigious award in the field of travel and tourism research, for his general contribution to tourism research, including his co-authorship of the article 'Identifying and Ranking the Determinants of Tourism Performance: A Global Investigation', published in the Journal of Travel Research in 2012.

Strategic Organization's SO!WHAT award

Martin Kornberger, Professor with special responsibilities, Department of Organization, won the SO!WHAT award for co-writing the most outstanding essay published in Strategic Organization, 'Strategy as practice?'

UNIVERSITY GOVERNANCE

Organisation of research and education

CBS' core activities (education and research) are organised under two deans; a Dean of Education and a Dean of Research:

- › The Dean of Education is responsible for all degree programmes: Bachelor, master, executive master/MBA and diploma programmes. Study boards and programme directors report to the Dean of Education.
- › The Dean of Research has the organisational and strategic responsibility for CBS' research and research staff.
- › The University Director has the overall responsibility for CBS' finances and the managerial responsibility for interdisciplinary administrative units, CBS' library and CBS Campus.
- › The President and the University Director are members of CBS' Senior Management together with the Dean of Education and the Dean of Research. Deans are appointed by the President – in practice after consulting the Board of Directors. The members of Senior Management are not members of the Board of Directors but participate in board meetings.

CBS is a mono-faculty university. CBS' research is organised in departments. The departments are headed by heads of department reporting to the President. Degree programmes are not organised in departments but the departments deliver teaching for CBS' degree programmes within their respective areas of expertise. Being a mono-faculty university, CBS has one Academic Council. The Academic Council provides advisory services to the President, helps assure the quality and legitimacy of academic decisions and facilitates communication between management, staff and students.

Organisation of CBS' management

The framework for CBS' work is laid down in the Danish University Act. CBS' bylaws provide the framework for the university's development, activities and organisation. In accordance with the University Act, the bylaws have been approved by the Minister for Higher Education and Science. CBS operates a one-tier management structure. The supreme authority is the Board of Directors. In accordance with the University Act, the Board has an external majority. The Board appoints and dismisses the President and appoints and dismisses the University Director on the recommendation of the President. Day-to-day management is undertaken by the President within the framework laid down by the Board of Directors. Other Senior Management members perform their duties on the President's authority.

Framework for the Board of Directors' work

To the extent allowed by law, CBS' Board of Directors follows the recommendations for good university governance in Denmark, laid down in 2003 by a committee headed by Lars Nørby Johansen set up by the then Minister of Science. The Board of Directors has laid down rules of procedure for its activities. Under these rules, the Chairman is in current contact with the President, who is responsible for keeping the Chairman informed of all significant matters. The Board of Directors performs annual internal evaluations of the work of the Board of Directors and Senior Management. Board meetings are open. The agenda, appendices and minutes of the meetings of the Board of Directors are published on CBS' website. The Chairman may decide to discuss individual items on the agenda in private, in which case the relevant documentation is not made public. As a government-financed self-governing institution, CBS is subject to statutory audit by the Auditor General. In addition, CBS

has appointed an institutional auditor. EY acted as institutional auditors for CBS in financial year 2013. The Board of Directors has taken out professional liability insurance covering the Board of Directors and Senior Management.

Board composition

The Board of Directors is composed of appointed external members and internal members elected by the employees and students. Two new members joined the Board in 2013: Anne Marie Larsen, who was elected by the students, and Alfred Josefsen, who was appointed new external member by the Board's appointing committee. The Board used to be self-elective, but under the new bylaws adopted in 2012, setting out to ensure greater transparency of the appointing procedure, the Board can no longer independently appoint new members of the Board. Two sub-committees under the Board of Directors have been set up: a nominating committee and an appointing committee. For the purpose of appointing new external members, the Board publishes a profile description, based on which recommendations may be submitted to the nominating committee, who may also nominate their own candidates. The nominating committee makes sure that recommended candidates satisfy the criteria laid down in CBS' bylaws (section 5(2)). The nominating committee then recommends a number of candidates to the appointing committee, who will then make the final appointment, taking into account the gender mix in the Board. The Board of Directors has decided that at least two out of the six external members must be of the underrepresented gender.

The new procedures were used for the first time in 2013 for purposes of appointing the member to succeed Klaus Hølse, who retired on reaching the maximum term of office of eight years.

Set up at 1 February 2013, the Board's nominating and appointing committees comprise the following members:

Nominating committee:

Chairman of the Board (Peter Schütze), an elected Board member appointed by CBS' Board of Directors (Christian Refshauge), a member of the Board of Directors of the Danish Society for Education and Business (DSEB) (Birgit Aagaard-Svendsen) and the Vice-Chairman of the Academic Council (Keld Laursen).

Appointing committee:

The whole CBS Board of Directors, a member appointed by the Academic Council among CBS' staff and students (Jens Frøslev Christensen) and a member appointed by the Board of Directors of DSEB (Per Bremer Rasmussen).

Involving students and staff

The University Act was amended by the Danish Parliament in June 2011 to, among other things, clarify the involvement of students and staff in the university's activities. Students and staff are chiefly involved through the elected professional bodies; study boards, PhD committees, the Academic Council and the Board of Directors. In addition, three formal measures have been incorporated into CBS' bylaws – the establishment of department fora, the Academic Council's annual report to the Board of Directors, which is presented to the Board and subsequently commented on by the Chairman at a Council meeting, and a management code, including guidelines for involvement of staff and students. Besides these formal measures, CBS upholds the tradition to involve students and staff in standing and ad hoc committees charged with the job of developing campus, student-targeted IT initiatives, responses to political challenges, etc.

Early deadline for annual report 2013

With a view to facilitating the Board's discussion of the past year's financial and professional performance, a decision was made in 2013 to bring forward the closing of the financial statements to allow the Board to discuss and approve the annual report already at its opening meeting in 2014. Also, an accelerated process was expected to optimise the financial closing process and procedures.

At the same time, the Board accepted that one of the goals in the Performance Contract, i.e. the goal concerning UT-Dallas list position (indikator 6.2), would not be gauged in time for its discussion of the annual report. In CBS' assessment, consideration of this performance is not required in order for the annual report to provide a true and fair view of CBS' overall activities at the time of approval.

SENIOR MANAGEMENT 2013



Per Holten-Andersen
President



Alan Irwin
Dean of Research



Jan Molin
Dean of Education



Peter Jonasson
University Director

BOARD OF DIRECTORS 2013



Peter Schütze
Chairman



Eva Berneke
Deputy Chairman,
CEO, TDC A/S



Karsten Dybvad
Director General, CEO,
Confederation of
Danish Industry



Lisbeth Thyge Frandsen
Partner, Flensby &
Partners



Arvid Hallén
Director General, Research
Council of Norway



Alfred Josefsen
Speaker, Management
Consultant



David Lando*
Professor,
Department of Finance



Morten Thanning
Vendelø*
Associate Professor,
Department of
Organization



Jakob Ravn*
Senior Adviser,
CBS Evaluation Unit



Christian Kongsbak
Refshauge*
MSc student (Business
Administration and
Information Systems)



Anne Marie Larsen*
MSc student
(International Business
and Politics)

The following members retired from the Board in 2013: Klaus Hølse, CEO, SimCorp A/S

* Elected by CBS' staff and students, respectively

Other positions of trust, directorships, etc. held by members of the Board are disclosed on CBS' website: <http://www.cbs.dk/cbs/organisation/bestyrelse>

REMUNERATION

Remuneration for Senior Management, incl. pension contributions (DKK m)

President:	1,5
University Director:	1,2
Dean of Research:	1,4
Dean of Education:	1,3

Remuneration for external Board members (DKK '000)

Chairman:	182
Deputy Chairman:	121
Other external members:	59

SELECTED BOARD SUBJECTS IN 2013	YEAR AT A GLANCE
<p>The Board of Directors monitors CBS’ finances and strategy based on current updates. In addition, the Board specifically discussed the following matters in 2013:</p>	<p>February</p>
<p>Strategy</p> <p>Follow-up, status and reporting on CBS’ Business in Society strategy.</p>	<p>Board meeting: Profile, new external member – Strategy, external research grants – Political landscape – Annual report – Appointment of University Director – Chairman’s visit to Academic Council</p>
<p>Financial framework</p> <p>Regular budget updates, approval of 2014 budget, approval of financial statements and current discussions on multi-annual budget estimates, future investment plans and financial perspectives for CBS in the light of the gap between the government’s and CBS’ ambitions and CBS’ current financial position.</p>	<p>March</p> <p>Appointment of new University Director</p> <p>April</p>
<p>Campus</p> <p>Current discussions on optimising utilisation of premises and short and long-term expansion of campus.</p>	<p>Board meeting: Annual report and annual audit – Campus – Research-based education at CBS – Subject: alumni – Subject: student activity pool – New external Board member (Board’s appointing committee)</p>
<p>Business model</p> <p>Analysis of strengths and weaknesses of CBS’ current business model and identification of possible future business areas to strengthen CBS’ finances.</p>	<p>June</p> <p>Board meeting: New Gender Equality Act – Budget control – Political landscape – National accreditation – Subject: GLOBE programme – Subject: Graduate Diploma and Master/MBA areas</p>
<p>Management</p> <p>Appointment of Board member and University Director. Dialogue with members of Academic Council based on report from Academic Council. Self-evaluation and rules of procedure.</p>	<p>September</p> <p>Strategy seminar and board meeting: Education – Research – CBS’ business model – Strategy – Political landscape – Budget control – Subject: BiS platforms</p>
<p>Subject discussions</p> <p>Subject discussions on areas outside the Board’s scope of powers but of significance to the university’s long-term business, serving as a guide to Senior Management’s future work within these areas.</p>	<p>October</p> <p>Board meeting: Budget control – Draft budget 2014 – CBS’ financial framework – Political landscape - Research – Performance Contract</p>
<p>Education and research</p> <p>Discussion of annual education report and research report.</p>	<p>December</p>
<p>Political landscape</p> <p>Discussion of political initiatives, Auditor General reports, regulatory measures, etc. and CBS’ position on these. In 2013, the Board of Directors for the first time invited two spokesmen on research to participate in an open debate on future challenges for universities. The Board wishes to continue this dialogue.</p>	<p>Board meeting: Budget 2014 – CBS’ financial framework – Political landscape – Budget control – Annual report 2013 – CBS Executive – Election of Deputy Chairman</p>

STATEMENTS

Statement by management on the annual report

Today, the Board of Directors and Senior Management have discussed and approved the annual report of Copenhagen Business School, CBS.

The annual report has been prepared in accordance with ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc.

IT IS HEREBY REPRESENTED:

1. that the annual report provides a true and fair view, meaning that it is free of material misstatements and omissions and that the listing of and reporting on goals in the annual report are adequate,
2. that the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice, and
3. that business procedures have been established to ensure financially appropriate administration of the funds and institutions comprised by the annual report.

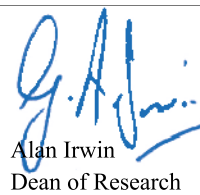
Frederiksberg, 27 February 2014



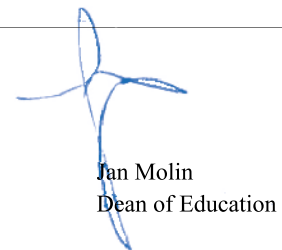
Per Holten-Andersen
President



Peter Jonasson Pedersen
University Director

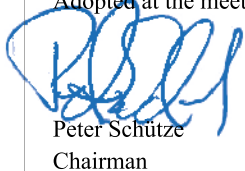


Alan Irwin
Dean of Research

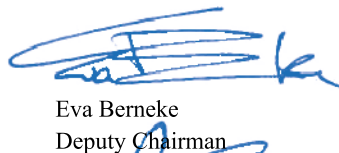


Jan Molin
Dean of Education

Adopted at the meeting of the Board of Directors of Copenhagen Business School, CBS on 27 February 2014:



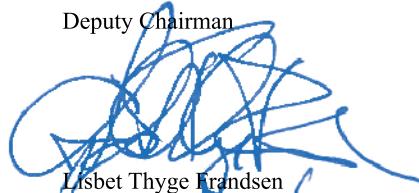
Peter Schütze
Chairman



Eva Berneke
Deputy Chairman



Karsten Dybvad



Lisbet Thyge Frandsen



Sidsel Green



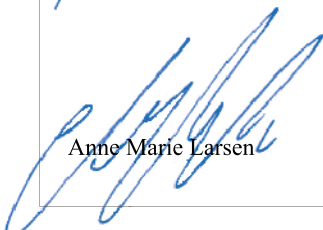
Arvid Hallén



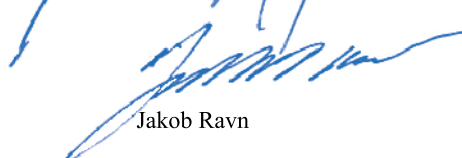
Alfred Josefsen



David Lando



Anne Marie Larsen



Jakob Ravn



Morten Thanning Vendelø

STATEMENTS

Independent auditors' reports

We have been appointed institutional auditors of CBS by the Board of Directors of CBS in pursuance of section 28(5) of the Danish University Act. The overall audit is the responsibility of the Auditor General under the Danish Auditor General's Act.

To the management of CBS

Report on financial statements

We have audited the financial statements of CBS for the financial year 1 January – 31 December 2013, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements have been prepared in accordance with ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc. The management's review, the performance reporting and the financial highlights are not comprised by the audit.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, for selecting and applying appropriate accounting policies and for making accounting estimates that are reasonable in the circumstances.

It is also management's responsibility to ensure that the transactions covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements and usual practice.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations and in accordance with good public auditing practices, cf. the agreement on internal audits at universities concluded between the Danish Science Minister and the Auditor General in pursuance of section 9 of the Danish Auditor General's Act. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are 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 judgement, including an 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 CBS' preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of CBS' internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

The audit also includes an assessment of whether procedures and internal controls have been set up to ensure that the transactions covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements and usual 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

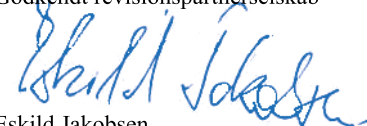
In our opinion, the financial statements give a true and fair view of CBS' financial position at 31 December 2013 and of the results of CBS' operations and cash flows for the financial year 1 January 2013 – 31 December 2013 in accordance with ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc. Further, it is our opinion that procedures and internal controls have been set up to ensure that the transactions covered by the financial statements comply with the appropriations granted, statutes, other regulations, agreements and usual practice.

Statement on the management's review

Pursuant to ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc., we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 27 February 2014

Ernst & Young
Godkendt revisionspartnerselskab



Eskild Jakobsen
state authorised public accountant

INCOME STATEMENT

		2013	2012
	Note	(DKK '000)	(DKK '000)
Government grants directly to CBS	2	917,315	920,905
Government grants applied for against competition		40,029	44,350
Grants from private and other non-governmental bodies		61,688	56,741
Tuition fees		160,321	149,617
Other income	3	51,478	57,961
Total operating income		1,230,831	1,229,574
Payroll costs	4	812,818	753,163
Rent and real property tax		81,037	94,860
Operation and maintenance of buildings		62,305	60,446
Other operating expenses	5	247,732	265,704
Total operating expenses		1,203,892	1,174,173
Profit before amortisation/depreciation and net financials		26,939	55,401
Depreciation of buildings	6	17,569	17,114
Depreciation/amortisation of other fixed assets	6	3,770	7,483
Profit before net financials		5,600	30,804
Financial income		3,092	6,204
Financial expenses		28,764	33,014
PROFIT/LOSS FOR THE YEAR		-20,072	3,994

BALANCE SHEET

		31.12.2013 (DKK '000)	31.12.2012 (DKK '000)
ASSETS	Note		
IT systems, licences, etc.	6	1,443	1,468
Total intangible assets		1,443	1,468
Land and buildings	6	1,009,841	1,024,053
Leasehold improvements	6	17,198	10,494
Leasehold improvements, premises under construction	6	6,472	-
IT equipment, etc.	6	6,314	3,285
Total property, plant and equipment		1,039,825	1,037,833
Equity investments		5,479	479
Rent deposits		32,384	24,752
Total investments	6	37,863	25,231
Total fixed assets	6	1,079,131	1,064,532
Trade receivables		31,897	18,994
Receivables from current grants		28,894	23,134
Other receivables		4,670	12,639
Prepayments		4,886	3,017
Total receivables		70,347	57,783
Other securities and investments	9	257,595	254,562
Cash		12,013	104,951
Total current assets		339,955	417,295
TOTAL ASSETS		1,419,086	1,481,827

BALANCE SHEET

		31.12.2013	31.12.2012
EQUITY AND LIABILITIES	Note	(DKK '000)	(DKK '000)
Equity	10	249,645	269,717
Provisions	11	25,903	23,281
Government debt	7	188,535	188,548
Mortgage debt	7,12	613,398	634,575
Balance with government		15,650	15,650
Total long-term liabilities		817,583	838,774
Trade payables		49,503	58,816
Compensated absence obligation		96,600	89,284
Received prepayments from current grants		49,492	47,937
Other short-term liabilities		37,879	43,482
Deferred income		89,672	105,195
Accrued special grants		2,809	5,342
Total short-term liabilities		325,955	350,056
Total liabilities		1,143,538	1,188,830
TOTAL EQUITY AND LIABILITIES		1,419,086	1,481,827

CASH FLOW STATEMENT

		2013	2012
	Note	(DKK '000)	(DKK '000)
Profit/loss for the year		-20,072	3,994
Depreciation, amortisation and other non-cash operating items		21,339	24,597
Change in receivables		-12,564	-14,298
Change in short-term liabilities		-21,478	29,984
Value adjustment of securities and equity investments		-3,033	-4,562
Cash flows from operating activities		-35,808	39,715
Investments in intangible assets		-1,786	-492
Investments in property, plant and equipment		-21,520	-5,219
Additions of investments		-7,633	5,394
Additions of securities and equity investments		-5,000	-250,000
Cash flows from investing activities		-35,939	-250,316
Repayment of mortgage debt		-21,178	-18,245
Repayment of government debt		-13	-5,829
Cash flows from financing activities		-21,191	-24,074
Change in cash and cash equivalents		-92,938	-234,674
Cash and cash equivalents at 1 January		104,951	339,625
Cash and cash equivalents at 31 December		12,013	104,951

CBS' financial resources at 31 December 2013 total DKK 269,608,000.

STATEMENT OF CHANGES IN EQUITY

		2013	2012
	Note	(DKK '000)	(DKK '000)
Equity at 1 January		269,717	315,723
Contributed state guarantee - reversed in 2012		-	-50,000
Retained earnings/accumulated loss		-20,072	3,994
Equity at 31 December	10	249,645	269,717

NOTES

(All amounts in DKK thousands)

NOTE 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with ministerial order no. 1281 of 15 December 2011 on grants to and the financial reporting of universities, etc., cf. letter from the Danish Agency for Higher Education of 16 December 2013. The annual report is presented in DKK thousands and prepared under cost-based principles. The accounting policies are consistent with those of last year.

INCOME STATEMENT

Income:

Government grants allocated directly to CBS are recognised as income in the year to which they relate. Government grants, including estimated taximeter income, are received as monthly amounts on account based on estimated student FTEs. In October, the actual number of student FTEs is computed and the amounts received in the last months of the year are adjusted accordingly.

External grants and donations subject to specific conditions are recognised as income as costs are incurred. External grants and donations that are not subject to specific conditions are recognised as income at the time of reception.

Tuition fees for part-time education/Open Education programmes and income from other sales and renting are recognised as income in the year to which the income relates.

Costs:

Costs are recognised in the year to which they relate; where goods and services are concerned, the cut-off date is the time of delivery.

Financial expenses comprise interest, fees, etc. relating to loans and amortisation of capital losses in connection with loan refinancing, cf. letter from the Danish Agency for the Modernisation of Public Administration dated 17 December 2012. If the refinancing results in a capital loss of 10% or more, the capital loss may be written off, whereas the loss is distributed over the remaining life of the rescheduled loan if it is lower than 10%.

Tax liability:

CBS is not liable to tax.

BALANCE SHEET

Within the framework of the ministerial order, CBS has decided the following:

- > The lower threshold for recognition of fixed assets is DKK 100,000
- > Assets are not lumped
- > Cost and production inventories are not capitalised

- > New buildings put into service before 2011 are depreciated over 100 years, completely renovated buildings put into service before 2011 are depreciated over 80 years, other buildings are depreciated over 50 years from the date of entry into service. Buildings put into service after 1 January 2011 are depreciated over 50 years.

A materiality limit of DKK 100,000 has been set for the recognition of improvements.

Recognition and measurement in general:

Assets are recognised in the balance sheet when they are expected to be used for more than one financial year and can be measured reliably.

Liabilities are recognised in the balance sheet when they are highly probable and can be measured reliably.

Fixed assets:

Assets are measured at cost less accumulated amortisation/depreciation and impairment losses. Amortisation/depreciation is provided using the straight-line method, and residual values are not taken into account. Government rules do not allow other methods of accounting, e.g. asset market prices. This also applies to buildings.

Intangible assets comprise completed development projects, patents, acquired concessions, licences, etc.

Intangible assets are amortised from the date of entry into service over the following useful lives:

- | | |
|--------------------------------------|-----------------|
| > Proprietary IT systems | 8 years |
| > Improved standard IT systems | 5 years |
| > Patents | Life of right |
| > IT licences/software | 3 years |
| > Licences with contractual duration | Life of licence |

Development projects are capitalised when approved by the Board of Directors as being of strategic value and representing significant size and life. Internal time spent on the development of proprietary assets is capitalised only if the project is considered to be of strategic importance for CBS or has a value exceeding DKK 10 million.

Internal resources in the form of salaries, etc. spent during the development phase are recognised when they make up a significant share of total development costs and add real value. Production overheads are recognised to the extent that they can be defined and attributed to the project in a reasonable and consistent manner.

Educational and research activities are not capitalised, except for activities that are defined and identifiable and in respect of which the technological and commercial feasibility/a potential market can be demonstrated.

Patents are measured as completed development projects. The cost includes external costs incurred to test innovations and register patents. The right is amortised over its actual useful life.

Acquired concessions, licences, etc. primarily comprise software licences. These are recognised at the value of any one-off payments on acquisition and the value of payments covering more than one year.

Property, plant and equipment comprise land and buildings, leasehold improvements (premises completed or under construction), plant and machinery, transport equipment, IT equipment, other tools and equipment and assets under construction.

Property, plant and equipment are depreciated from the date of entry into service over the following useful lives:

Buildings put into service before 2011:

New buildings	100 years
Property improvements/complete renovations	80 years
Other buildings	50 years

Buildings put into service after 1 January 2011:

Installations	20 years
Leasehold improvements	10 years
Plant and machinery	10 years
Cars	5 years
IT (hardware, audio-visual equipment, etc.)	3 years
Tools and equipment	3 years

Land is not depreciated.

Library material collections are not capitalised.

Art above DKK 100 thousand is capitalised but not depreciated.

The cost of land and buildings includes finance costs, cf. letter from the Danish Agency for Higher Education dated 19 December 2011.

The cost of installations made prior to or in connection with the entry into service of own buildings is set at 10% of the original property value. Subsequent installations above DKK 100,000 are recognised at cost or at 10% of total property renovation costs when it is difficult to make a reliable segregation.

Leasehold improvements are recognised if the costs are paid by CBS, the future rent is not affected by the improvements and the improvements in question are major, fixed improvements above DKK 100,000. Tools and equipment and IT (hardware, audio-visual equipment, etc.) acquired in connection with the occupation of new leases are capitalised if the total amount of tools and equipment and IT, respectively, exceeds DKK 100,000. IT and tools and equipment acquired for existing leases are not lumped and are generally recognised in the income statement.

The cost of assets under construction includes direct materials, components, subsupplier services and finance costs as well as a portion of production overheads when they are clearly defined and can be attributed to the project in a reasonable and consistent manner.

The final cost and classification are determined upon completion of the construction.

Investments comprise equity investments and other securities as well as receivables and balances falling due within one year.

Investments are measured at fair value (market value at the balance sheet date) or at cost in the absence of a fair value.

Current assets:

Current assets comprise trade receivables, amounts owed from current grants and prepayments.

Receivables are recognised at the nominal amount less provisions for impairment losses. All significant receivables are assessed separately.

Prepayments comprise prepaid expenses regarding subsequent reporting years (insurance premiums, prepaid wages and salaries, etc.).

Liabilities:

Liabilities comprise provisions, long-term liabilities (government and mortgage debt) and short-term liabilities.

Government and mortgage debt is measured at amortised cost, which implies that government debt is measured at the nominal debt outstanding.

Short-term liabilities are measured at net realisable value.

Deferred income comprises payments received concerning income in subsequent reporting years and prepaid restricted grants.

Provisions are recognised when, at the balance sheet date, the institution has a legal or constructive obligation and it is probable that the obligation is to be settled. Provisions are measured at net realisable value.

Off-balance sheet items:

Off-balance sheet items comprise scholarships, contingent liabilities and contractual obligations.

Contractual obligations disclose any significant leases. Contingent liabilities disclose any pending lawsuits brought against CBS, the outcome of which cannot be assessed at the time of the financial reporting.

CURRENCY TRANSLATION

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

CASH FLOW STATEMENT

The cash flow statement shows CBS' net cash flows, the year's changes in cash and cash equivalents and cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are stated as the profit or loss for the year adjusted for non-cash operating items, changes in receivables and short-term liabilities.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets and securities related to investing activities.

Cash flows from financing activities comprise borrowings and repayments of debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

FINANCIAL STATEMENTS ACCORDING TO PURPOSE

In the financial highlights and supplementary information, costs are classified according to purpose using the principles agreed between the Danish universities. Costs that are not directly attributable to the purposes stated are distributed by means of scales.

NOTE 2. GOVERNMENT GRANTS DIRECTLY TO CBS

Direct government grants decreased by DKK 3.6 million (0.4%) in 2013 compared with 2012. Funding act grants diminished by DKK 5.2 million (0.6%), while the recognition of previously accrued, earmarked grants was up by DKK 1.6 million (171.8%).

Despite continued growth in the level of study activity, activity-based funding act grants decreased by 0.2% relative to 2012. The year's very moderate price and salary adjustments were insufficient to offset the annual 2% efficiency cutbacks imposed on taximeter payments and fixed grants, and the increased level of study activity in the sector as a whole has eroded the value of the allocation for completion bonuses and administration contributions, putting heavy pressure on rates. Moreover, with growth in the level of study activity easing off relative to 2012 and expectations for the year, December saw the repayment of activity-based grants received on account of some DKK 10 million, and the provision made for repayment of grants as a result of financial imbalance relating to the exchange of students with other countries was significantly smaller than the corresponding grant reduction in 2012.

Fixed funding act grants dropped by a total of 0.4% relative to 2012, driven – in addition to continued efficiency cutbacks and moderate price and salary adjustments – by a doubling of administration cutbacks under the Recovery Plan to DKK 16 million. Total funding act grants were also affected by random fluctuations in payments and final settlement of special grants for earmarked purposes.

NOTE 3. OTHER INCOME

	2013	2012
Conferences, awards and gifts	12,444	17,874
Sales of goods and services	15,734	11,401
Government cooperation	19,494	24,273
Other income	3,806	4,413
Total	51,478	57,961

NOTE 4. PAYROLL COSTS

	2013	2012
Full-time academic staff	416,017	377,494
Part-time academic staff	99,049	95,773
Technical and administrative staff	290,614	274,092
Shared payroll costs	7,138	5,802
Total	812,818	753,163

NOTE 5. OTHER OPERATING EXPENSES

	2013	2012
Conferences and business trips	55,191	54,187
Office expenses	40,058	42,601
Consultants (for research and educational purposes, technical and management consultants)	52,620	43,088
Acquisitions and repairs	28,481	54,814
Books, magazines, etc.	17,054	15,211
Other services	39,505	35,961
Other goods	14,823	19,842
Total	247,732	265,704

NOTE 6. FIXED ASSETS

	Intangible assets	Land and buildings	Leasehold improvements	IT equip- ment, etc.	Leasehold improvements, premises under constr.	Investments	Total
Cost at 1.1.2013	16,886	1,176,227	18,583	20,893		25,231	1,257,820
Additions in the year	1,786	1,265	8,796	4,987	6,472	12,633	35,939
Disposals in the year	5,373			1,426		1	6,800
Cost at 31.12.2013	13,299	1,177,492	27,379	24,454	6,472	37,863	1,286,959
Acc. amort./depr. 1.1.2013	15,418	152,174	8,089	17,607			193,288
Amort./depr. in the year	1,811	15,477	2,092	1,959			21,339
Disposals	-5,373			-1,426			-6,799
Acc. amort./depr. 31.12.2013	11,856	167,651	10,181	18,140			207,828
BALANCE AT 31.12.2013	1,443	1,009,841	17,198	6,314	6,472	37,863	1,079,131

CBS owns shares in Symbion A/S worth a nominal amount of DKK 5,960,000, corresponding to 6.28% of the DKK 94,963,000 share capital. The shares were acquired in 2000 at a price of DKK 49.9, corresponding to a cost of DKK 479,040, and in 2013 at a price of DKK 100, corresponding to a cost of DKK 5,000,000.

NOTE 7. LAND, BUILDINGS AND LEASEHOLD IMPROVEMENTS (EXCL. PREMISES UNDER CONSTRUCTION)

	Carrying amount 31.12.2013	Mortgage loans	Gov. loans	Public land assessment value, 2012
Howitzvej 11-13	31,590	45,064		27,500
Howitzvej 60	43,880	36,960	5,661	62,000
Solbjerg Plads 3	495,525	318,491	119,385	737,000
P. Andersensvej 17-19	11,100	5,690	1,050	9,700
Kilevej 14A	274,601	196,925	56,281	417,000
P. Andersensvej 3	14,636	4,772		26,027
Porcelænshaven 7	10,357			8,900
Space development, Solbjerg Plads	5,594		6,158	
Porcelænshaven 22	112,895	5,495		41,000
St.Blichersvej 22	9,663			4,500
Total land and buildings	1,009,841	613,398	188,535	1,333,627
Porcelænshaven 16, 18, 20 and 24 - leasehold improvements	1,582			
Dalgas Have 15 - leasehold improvements	6,284			
Sdr. Fasanvej 9 - leasehold improvements	1,969			
Grundtvigsvej 25 - leasehold improvements	715			
Grundtvigsvej 37 - leasehold improvements	1,360			
Amager Strandvej 108 - leasehold improvements	2,802			
Dirch Passers Allé 2 - leasehold improvements	2,037			
Solbjergvej 3 - leasehold improvements	449			
Total leasehold improvements	17,198			
Total	1,027,039	613,398	188,535	1,333,627

NOTE 8. UNUSED GRANTS, RESEARCH PROJECTS

As yet unused grants for externally funded research at CBS are computed by deducting expenses already incurred from grants donated for research projects in progress.

Grants donated for research projects in progress reflect grants promised by grant donors for specific research projects. Grants are thus earmarked for specific research projects. Such grants may be subject to certain conditions, e.g. that any residual amount after finalisation of the project must be repaid to the donor.

Expenses relating to research projects in progress are stated as expenses already incurred on specific research projects funded by grants received for the project in question.

Accordingly, unused grants for research projects in progress reflect grants promised by donors for specific projects less expenses already incurred. Grants received by donors are recognised as deferred income and recognised as income as project expenses are incurred.

Unused UK95 grants by project set-up in Navision, 2013

Grant donor	Grants promised for projects in progress	Expenses incurred on projects in progress	Unused grants, projects in progress
Government	215,576	108,733	106,843
Public	30,491	18,053	12,438
EU	101,462	54,228	47,233
Private	164,951	47,712	117,240
Foreign	15,249	8,675	6,574
Total	527,729	237,401	290,328

NOTE 9. OTHER SECURITIES AND EQUITY INVESTMENTS

Under an agreement with an external portfolio manager, CBS has invested a major share of its cash in Danish interest-bearing bonds (government and mortgage bonds) with an average term to maturity of 0-3 years.

NOTE 10. STATEMENT OF CHANGES IN EQUITY

	Original	State guarantee	Ret. earn./acc. loss	Total
Balance 1.1.2012	-7,087	50,000	272,809	315,723
Reversed state guarantee	-	-50,000	-	-50,000
Profit for 2012	-	-	3,994	3,994
Balance 31.12.2012	-7,087	0	276,803	269,717
Loss for 2013	-	-	-20,072	-20,072
Balance 31.12.2013	-7,087	-	256,731	249,645

NOTE 11. PROVISIONS

	31.12.2013	31.12.2012
Provision for leasehold renovation	15,509	10,128
Provision for limited tenure appointments	375	296
Other provisions	10,019	12,856
Total	25,903	23,281

NOTE 12. LONG-TERM DEBT

Building/address	Type	Coupon rate	Principal amount	Outstanding debt end-2013	Maturity
Solbjerg Plads 3	Fixed interest rate with repayments	2%	226,978	221,479	2030
Solbjerg Plads 3	Fixed interest rate + index with repaym.	2.5 % + index	17,284	11,979	2028
Solbjerg Plads 3	Fixed interest rate + index with repaym.	2.5 % + index	155,000	110,914	2029
P. Andersens Vej 17-19	Fixed interest rate with repayments	3.50%	5,914	5,690	2034
Kilevej 14A	Fixed interest rate with repayments	3%	126,845	107,813	2036
Kilevej 14A	Floating rate 10 years with repayments	2%	106,500	89,112	2035
Howitzvej 11-13	Floating rate 10 years with repayments	2%	32,540	32,540	2035
Howitzvej 11-13	Fixed interest rate with repayments	3%	13,906	13,523	2036
Porcelænshaven 22	Floating rate 10 years with repayments	2%	6,555	5,495	2035
P. Andersens Vej 3 (reserve space)	Fixed interest rate with repayments	3%	5,132	4,972	2034
Howitzvej 60	Fixed interest rate with repayments	3%	39,002	37,862	2035
Amortisation of capital losses					
Solbjerg Plads 3			-30,031	-16,371	2030
Solbjerg Plads 3			-7,808	-7,380	2030
Solbjerg Plads 3			-2,181	-2,129	2030
Howitzvej 11-13			-1,027	-999	2036
Howitzvej 60			-929	-902	2035
P. Andersens Vej 3 (reserve space)			-206	-200	2034
Total			693,474	613,398	

Government loans are free of interest and repayments. Government balances include deposits regarding CBS' leases which were paid before 1.1.2005 and are repayable to the Ministry when CBS vacates the leases and the deposits are returned.

NOTE 13. CONTRACTUAL OBLIGATIONS

CBS has contractual obligations comprising leases. Lease commitments in the non-callable period are as follows:

	31.12.2013	31.12.2012
Lease Sdr. Fasanvej 9 (non-callable until 1.6.2014)	1,284	4,338
Lease, Dalgas Have (non-callable until 1.8.2018)	149,086	182,303
Leases, Porcelænshaven (non-callable until 2014, 2015 and 2016, respectively)	23,652	58,171
Leases, Grundtvigsvej 25 (non-callable until 1.6.2017)	3,366	3,350
Leases, Grundtvigsvej 37 (non-callable until 1.7.2013)	901	895
Lease Amager Strandvej 108 (non-callable until 30.9.2020)	31,906	28,248
Lease Dirch Passers Allé (non-callable until 1.8.2018)	34,202	-
Lease H.V. Nyholmsvej 21 (non-callable until 1.8.2019)	43,249	-
Lease Smallegade 45 (non-callable until 15.4.2016)	2,594	-
Lease Solbjergvej 3, 3. (non-callable until 31.10.2016)	1,330	-
Two minor leases with short terms of notice	473	439
Lease, fibre connection pipes	654	450
Total	292,697	278,195

SUPPLEMENTARY INFORMATION

a. Separate financial statements concerning subsidised research activities, other subsidised activities and income-generating activities

DKKm, current prices	2009	2010	2011	2012	2013
Subsidised research activities UK-95:					
Grants, etc.	95.19	83.05	84.24	91.72	92.06
of which operating income and government transfers	0.94	1.87	1.32	-1.30	0.71
Costs	95.19	83.06	84.24	91.72	92.06
of which overheads	18.24	20.19	20.35	17.75	16.14
Profit for the year	0.00	0.00	0.00	0.00	0.00
Other subsidised activities UK-97:					
Grants, etc.	18.44	15.06	23.61	11.08	8.39
of which operating income and government transfers	2.17	0.10	0.25	4.61	0.01
Costs	18.44	15.06	23.61	11.08	8.39
of which overheads	1.38	0.95	2.62	-1.19	0.09
Profit for the year	0.00	0.00	0.00	0.00	0.00
(Commercial) income-generating activities UK-90:					
Total income	5.50	2.48	3.22	2.14	3.0
Costs	1.36	1.07	0.35	0.92	1.07
Profit for the year	4.14	1.41	2.87	1.22	1.93

b.1. Financial statements classified according to purpose *

DKKm, current prices, excluding VAT	2009	2010	2011	2012	2013
Education	562.3	631.8	615.1	639.3	641.7
Research	355.4	355.0	387.0	475.5	491.2
Dissemination and knowledge exchange	49.0	48.8	48.2	37.1	39.7
General management, administration and services	125.1	128.9	93.9	79.8	81.4
Total	1,091.8	1,164.5	1,144.2	1,231.7	1,254.0

* The financial statements classified according to purpose have been adjusted in two respects relative to 2012. In accordance with 'Guidelines on classification of university costs according to main area and purpose' from December 2012, building-related expenses are now stated based on use rather than, as before, an FTE scale. Building-related costs are allocated to other main purposes. Also, education-related costs are now stated as a specific expense in the accounting system rather than reflecting a scale-based number from the time-based financial statements classified according to purpose. This means that the increase in education-related expenses would have been around DKK 5 million higher if the old method had been applied, which is consistent with the general increase in education activities at CBS. However, the new method is thought to provide a more accurate view of CBS' actual expenses specified by purposes.

b.2. Income distribution

DKKm, current prices	2009	2010	2011	2012	2013
Education	626.2	684.8	735.3	754.7	763.2
Research	231.9	238.5	250.0	242.9	255.5
External funds	116.7	98.6	109.5	103.2	104.7
Basic grants	74.7	69.6	77.3	72.9	59.0
Other income	78.0	101.9	89.4	62.0	51.5
Total income	1,127.5	1,193.4	1,261.5	1,235.7	1,233.9

c. Separate financial statements concerning expenses relating to administration of foundations and associations, including commercial foundations and associations, in accordance with section 11(1) of the act on public research institutions' commercial activities and cooperation with foundations

In 2013, CBS spent around 120 hours, corresponding to an expense of around DKK 35,000, on administration, etc. in relation to the Scholarship Foundation for Students at Copenhagen Business School and the HBH Foundation.

d. Disclosures on contributions to or acquisition of shares in companies under section 4(1) of act no. 483 of 9 June 2004 on Technology Transfer at Public Research Institutions

In 2013, CBS made additional contributions to Symbion corresponding to a share capital of a nominal DKK 5 million.

e. Disclosures on ownership interests in companies under section 4(1) of act no. 483 of 9 June 2004 on Technology Transfer at Public Research Institutions

In 2013, CBS had no income or expenses in relation to such companies.

f. Overview of expenses relating to political and other student activities

DKKm, current prices	2008	2009	2010	2011	2012	2013
Expenses relating to political and other student activities	1.4	1.6	1.9	1.4	3.4	2.3

g. Disclosures on foundations, organisations, etc. with whom CBS engages in special non-commercial co-operation

CBS Executive, CBS Academic Housing, the Scholarship Foundation for Students at Copenhagen Business School, the SL Foundation (Samfundslitteratur, Academic Books), Copenhagen Business School Press (Erhvervsøkonomisk Forlag S/I), Account Data A/S, Symbion, the Danish Maritime Foundation, the Egmont Foundation and the Danish Industry Foundation.

h. Disclosures on scholarships, etc. in respect of which CBS performs a secretariat function

CBS performs secretariat functions for the following four scholarships: Timelærerforeningens Legat, C.A. Petersens Fond - Legat A, Tuborgfondets legat for HD-studerende, Direktør Andreas Sørensen og Hustrus fond.

Total year-end deposits are disclosed in May in the following year. At year-end 2012, total deposits were DKK 3.4 million.

i. Staff and staff turnover

	2008	2009	2010	2011	2012	2013
FTE	1,263	1,379	1,428	1,395	1,445	1,528
Appointments	221	203	143	120	194	-
Resignations	186	164	189	204	143	-

The disclosures on appointments and resignations have been derived from the statistics of the Danish Agency for the Modernisation of Public Administration. The data for 2013 is not available until March 2014.

j. Disclosures on directorships held by the President in listed companies

The President of CBS did not hold any directorships in listed companies in the period under review.

k. Consumption of funds for free places and scholarships during the period 1 September 2012 – 30 August 2013

Consumption of free places	No. of students enrolled on full or partial free places	Free places stated as no. of student FTEs
Rate 1*	72	72
Funds used for scholarships		
No. of scholarship recipients		72
Total amount paid as scholarships (DKK '000)		3,047

*ONLY RATE 1

l. CBS cooperates with Sino-Danish Centre for Education & Research (SDC) on two-year Public Management & Social Development and Innovation Management master programmes in China.

PERFORMANCE CONTRACT REPORTING 2013

SUMMARISED PERFORMANCE CONTRACT REPORTING FOR 2013

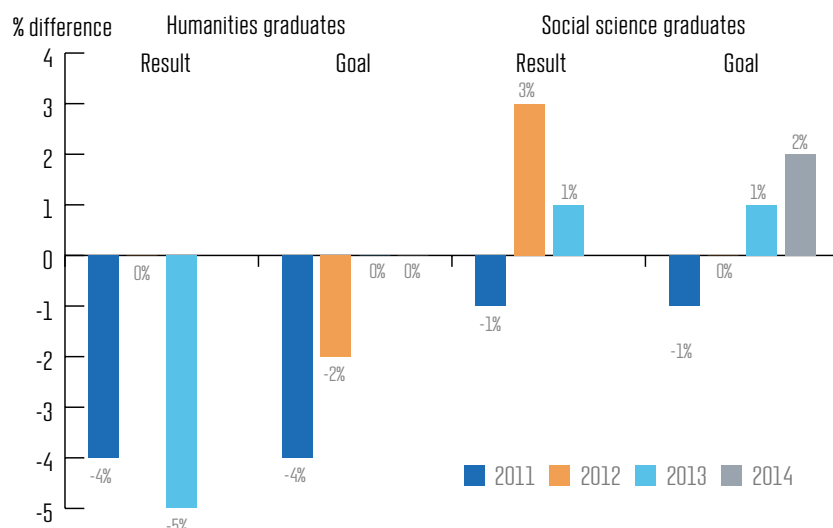
METRICS	NOT MET	MET	NOT GAUGED
Programme quality	2	1	
Improved educational system cohesion		3	
Faster completion	1		
Increased innovation capacity		2	
Internationalisation		2	
Higher research activity and research quality		1	1
Contribution to society	1	1	
Total	4	10	1
RATIO	27%	67%	7%

PROGRAMME QUALITY

✘ NOT MET
✔ MET

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
<p>1.1 Employment 4-19 months after graduation</p> <p>Employment rates for CBS master graduates relative to national average.</p> <p>Graduate, humanities Graduate, social sciences</p>	<p>0 pct. 1 pct.</p>	<p>NOT MET</p> <p>-5 pct. ✘ 1 pct. ✔</p>	<p>CBS' 2011 performance was below the national average for both social science and humanities graduates.</p> <p>The goals for 2013 and 2014 are to outperform the national average by 1 and 2 percentage points, respectively, in respect of Social Science graduates and to match the national average in respect of humanities graduates.</p> <p>In 2013, the goal for social science graduates was met, while the performance for humanities graduates was 5 % below the national average.</p>

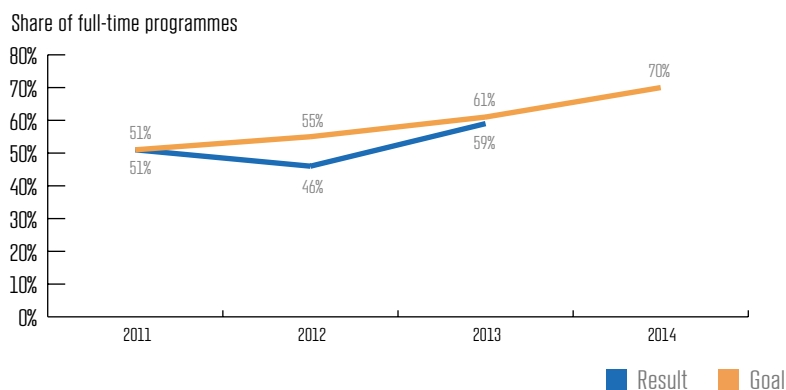
Employment rates for CBS master graduates relative to national average – humanities and social sciences



PROGRAMME QUALITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
<p>1.2 Full-time programme student satisfaction</p> <p>The share of full-time programmes scoring a satisfaction rate of 3.8 or more in selected areas</p>	61 pct.	NOT MET 59 pct. ✘	Student satisfaction with CBS' full-time programmes was up in 2013 over 2012 but did not reach the goal.

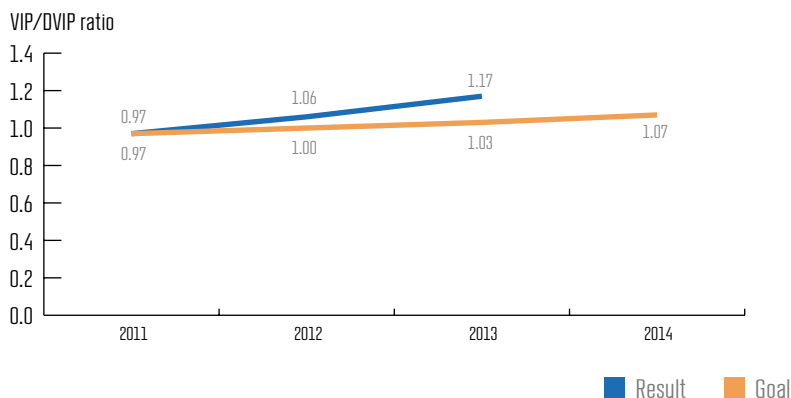
Share of full-time programmes with a satisfaction rate of 3.8 or more



PROGRAMME QUALITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
<p>1.3 Permanent teacher coverage (VIP/DVIP ratio) on full-time programmes</p> <p>Number of academic staff FTEs allocated to full-time programmes relative to part-time staff FTEs</p>	1.03	MET 1.17 ✓	The 2013 ratio of permanent to part-time academic staff was 1.17, compared with the targeted 1.03. This is due to massive recruiting efforts.

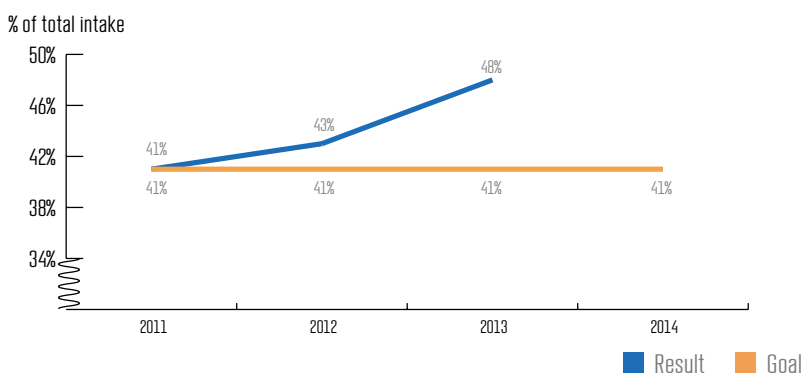
VIP/DVIP ratio, full-time programmes



IMPROVED EDUCATIONAL SYSTEM COHESION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
<p>2.1 External graduate student intake</p> <p>The share of students admitted to graduate programmes with bachelor degrees from other universities</p>	41 pct.	MET 48 pct. ✓	<p>CBS aims to provide external students with the opportunity to do a master programme in business economics. The goal is to, at a minimum, maintain the share of external students.</p> <p>In 2013, 48 % of graduate students had entrance qualifications from another institution. This should be seen in the light of the general increase in the graduate intake.</p>

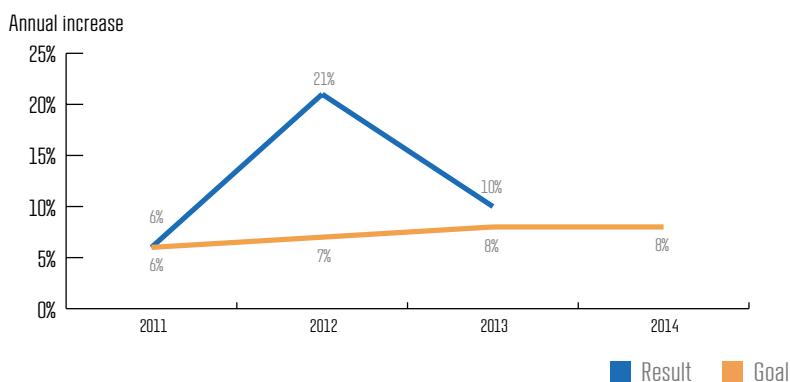
Share of external graduate students



IMPROVED EDUCATIONAL SYSTEM COHESION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
<p>2.2 Credit student FTEs</p> <p>Annual increase in student FTEs based on credits</p>	8 pct.	MET 10 pct. ✓	<p>CBS aimed for the number of student FTEs (non-resource-producing) based on credits to increase by 8 % from 2012 to 2013. The actual increase was 10 %, so the goal has been met.</p> <p>The pace of growth was down relative to 2012. The number of credit student FTEs may show significant fluctuations due, among other things, to variations as to when students choose to apply for credits.</p>

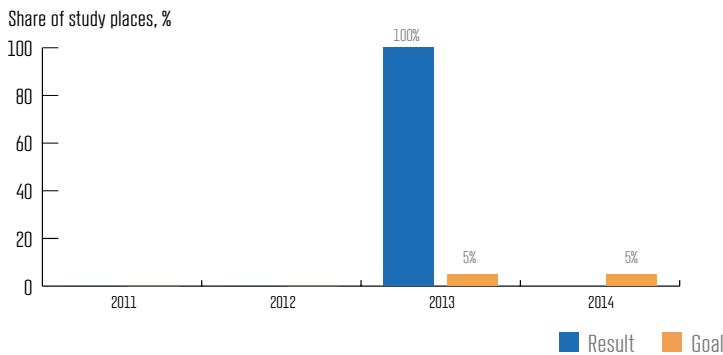
Annual increase in student FTEs based on credits



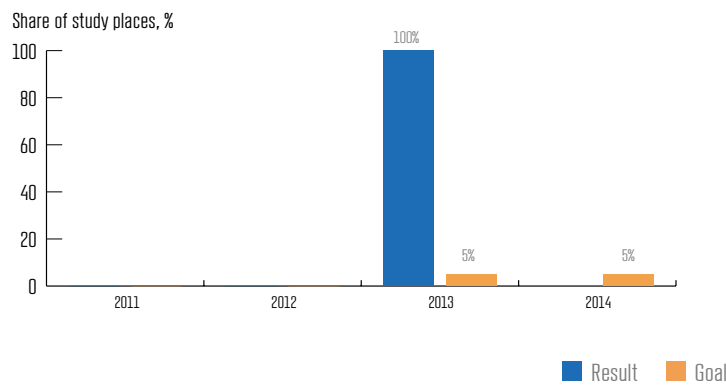
IMPROVED EDUCATIONAL SYSTEM COHESION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
2.3 Professionsbachelor		MET	
A: Share of Danish-language executive master/MBA study places open to professional bachelors	5 pct.	100 pct. ✓	The goals for the share of Danish-language executive master/MBA study places and the share of diploma study places open to professional bachelors are considered to have been met as there were no admission restrictions for professional bachelors on these programmes in 2013.
B: Share of diploma programme study places open to professional bachelors	5 pct.	100 pct. ✓	As a main rule, professional bachelors are admitted to all CBS' executive master/MBA programmes. Among CBS' Danish-language executive master/MBA programmes (MPA, MPG, MMD and Master of Tax), professional bachelors are currently enrolled on all executive programmes. In 2013, professional bachelors accounted for 20% of the total intake. Current shares are: Master of Public Administration - 23% Master of Management Development - 14% Master of Public Governance - 29% Master of Tax - 1%
C: Number of proposed executive master/MBA programmes admitting professional bachelors	NONE	NONE	The share of professional bachelors on diploma programmes is very limited. There are no admission restrictions as such, so all those who meet the admission criteria are admitted. In 2013, 1% of those who applied for enrolment on diploma programmes were professional bachelors.

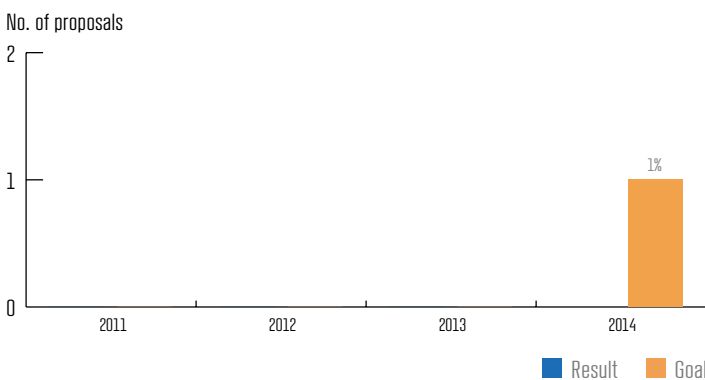
Share of Danish-language executive master/MBA programme study places open to professional bachelors



Share of diploma study places open to professional bachelors



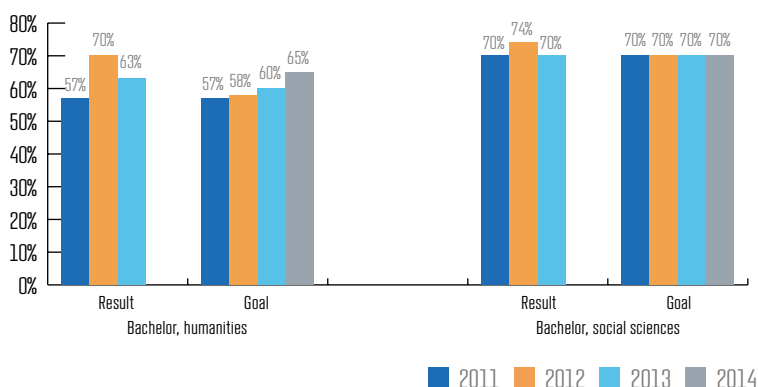
Number of proposed executive master/MBA programmes admitting professional bachelors



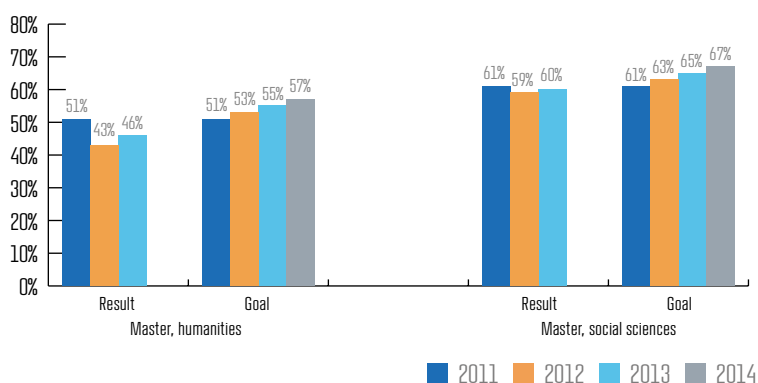
FASTER COMPLETION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
3.1 Completion within prescribed period of study + 1 year Bachelor Humanities Social sciences Completion within prescribed period of study + 1 year Master Humanities Social sciences	60 pct. 70 pct. 55 pct. 65 pct.	NOT MET 63 pct. ✓ 70 pct. ✓ 46 pct. ✗ 60 pct. ✗	CBS bachelor students continue to show fast completion rates. The completion rate for humanities programmes was down relative to 2012, which should be seen in the light of the exceptionally high completion rate in 2012. Still, the 2013 goals for bachelor programmes were met. The goals for master programmes were not met in 2013, although the share of students completing their studies within the prescribed period + 1 year went up for both humanities and social science programmes. Please note that CBS normally receives a bonus for each programme completed within 2 years + 3 months, and that the method of computation therefore differs from the one applied for purposes of government grants.

Bachelor, completion within prescribed period of study + 1 year



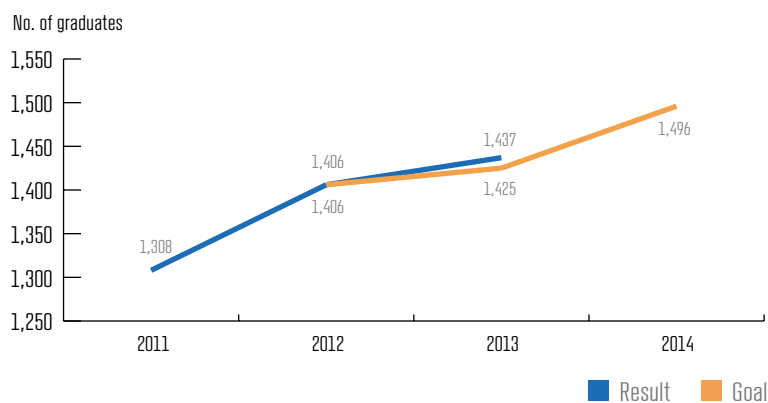
Master, completion within prescribed period of study + 1 year



INCREASED INNOVATION CAPACITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
4.1 Number of CBS graduates employed in businesses with 20-100 employees	1,425	MET 1,437 ✓	CBS' goal to increase the number of graduates employed in private businesses with 20-100 employees by 5 % relative to the year before was met in 2013.

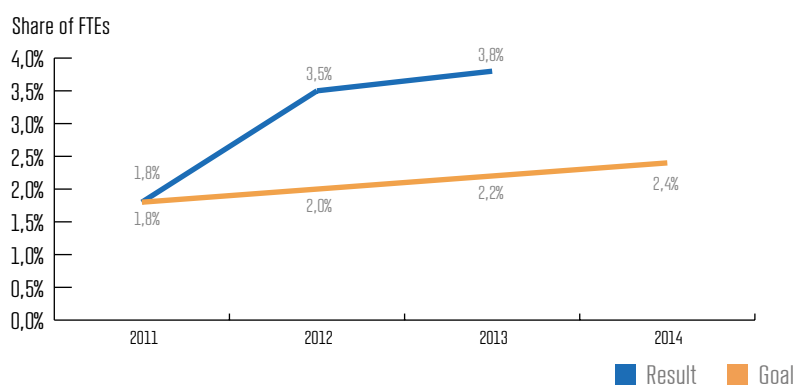
Number of graduates employed in private businesses with 20-100 employees



INCREASED INNOVATION CAPACITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
4.2 Share of student FTEs based on entrepreneurship/innovation courses	2.2 pct.	MET 3.8 pct. ✓	The share of student FTEs based on entrepreneurship/innovation courses continues to grow..

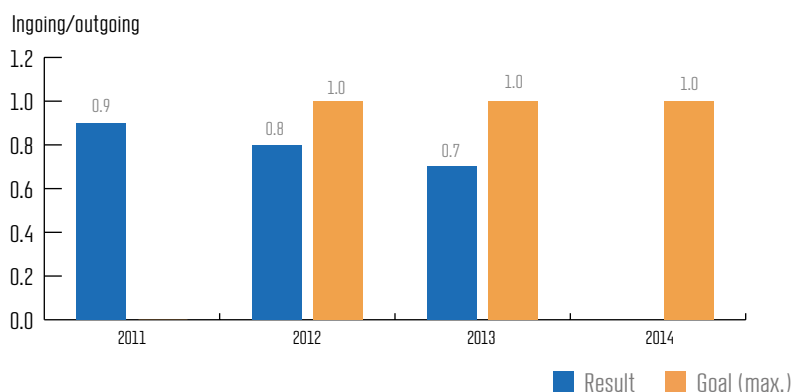
Annual increase in share of student FTEs based on entrepreneurship/innovation courses



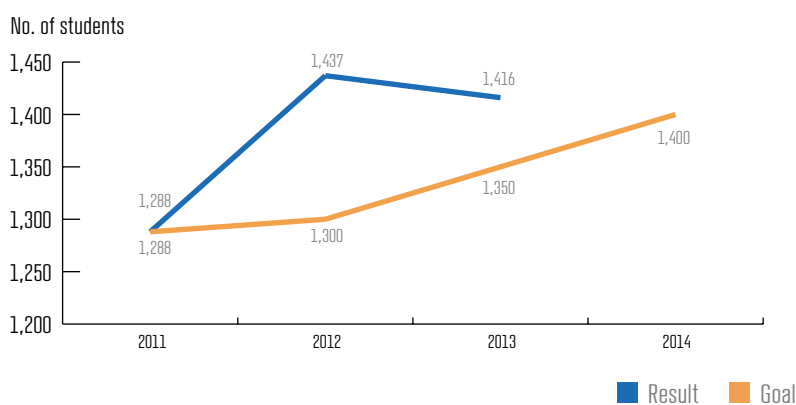
INTERNATIONALISATION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
5.1 Ingoing and outgoing exchange students - Ratio of ingoing to outgoing	Max. 1.0	MET 0.7 ✓	CBS aims to balance the number of CBS students on exchange stays abroad and the number of foreign exchange students at CBS. In 2013, CBS had 1039 ingoing students and 1416 outgoing students, compared with 1100 ingoing students and 1437 outgoing students in 2012. Students on CBS' international summer school programme (ISUP) are not included.
Ingoing and outgoing exchange students - No. of outgoing students	1,350	1,416 ✓	

Ratio of ingoing to outgoing exchange students



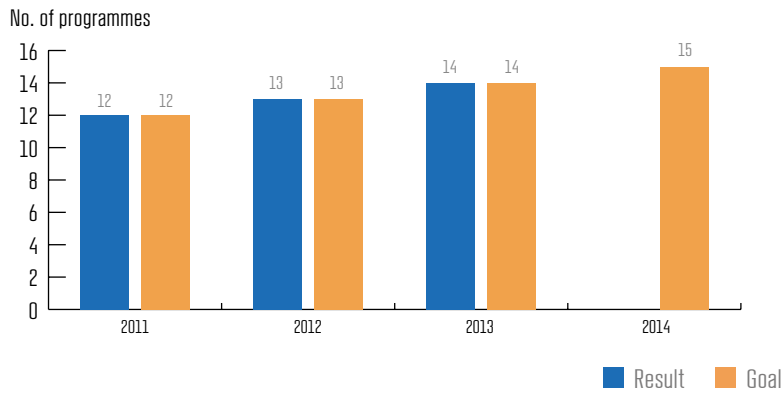
No. of outgoing exchange students



INTERNATIONALISATION

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
5.2 Programmes offered in cooperation with other educational institutions	14	MET 14 ✓	In 2012, CBS signed a cooperation agreement with the University of Chinese Academy of Sciences (UCAS) concerning the MSocSc in Public Management and Social Development programme. This agreement had a significant impact in 2013. CBS has 14 cooperation agreements, which was the goal for 2013.

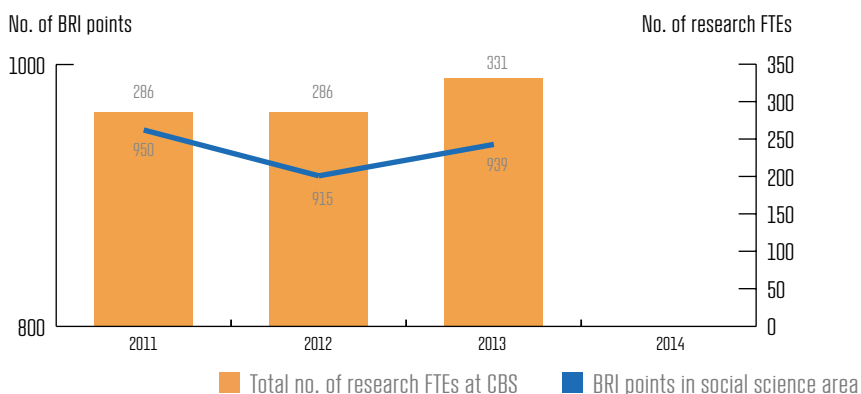
Programmes offered in cooperation with other educational institutions



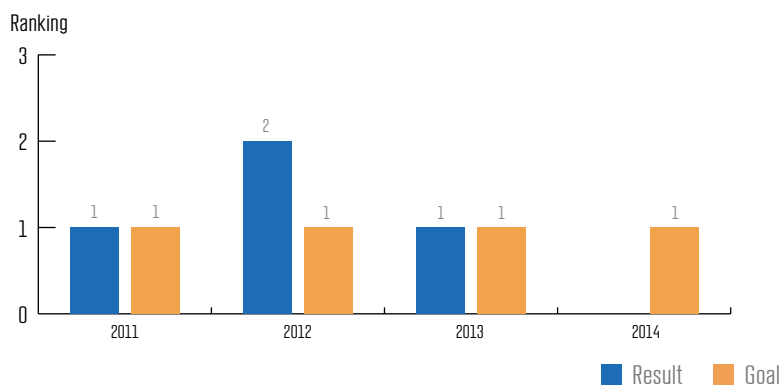
HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
6.1 Higher research activity, CBS' ranking among Danish universities in terms of BRI points relative to research FTEs	No. 1	MET No. 1 ✓	The decline in the ratio of BRI points in the social science area to research FTEs was driven by the strong increase in the number of academic staff in 2013, including PhD students. With a similar trend registered at other universities, CBS reached its goal of delivering the highest ratio of BRI points to research FTEs compared with social science programmes at other universities.

BRI RATIO



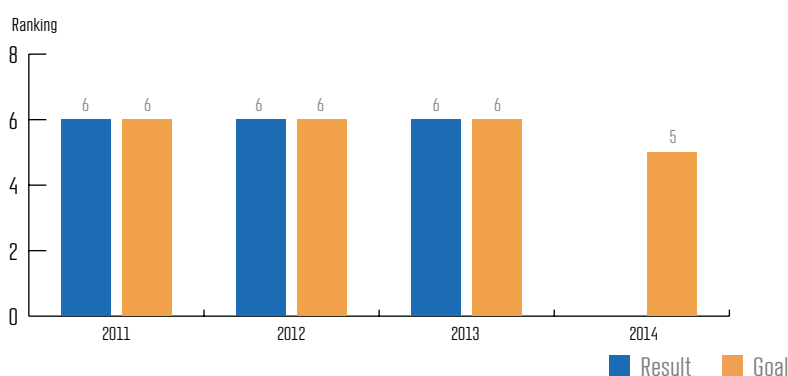
Ranking compared with other universities in the social science area



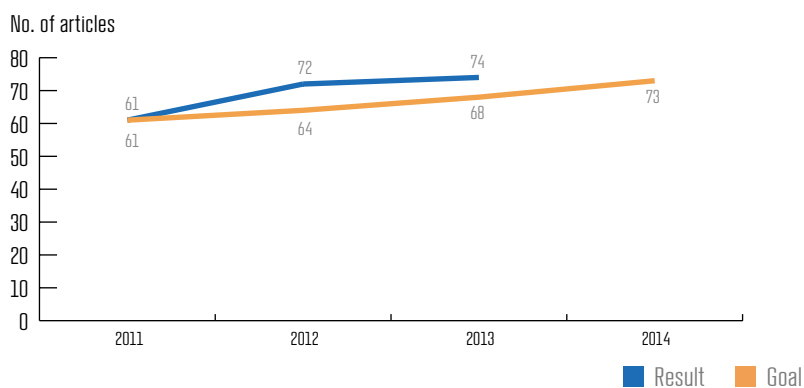
HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
6.2 Higher research quality		MET	
- Ranking on UT Dallas list	No. 6	No. 6 ✓	Available in March 2014.
- No. of articles in magazines on ABS list	68	74 ✓	The 2013 number is the sum of publications reported in 2012 and 2013.
- No. of articles in magazines on FT45 list	51	62 ✓	The 2013 number is the sum of publications reported in 2012 and 2013.

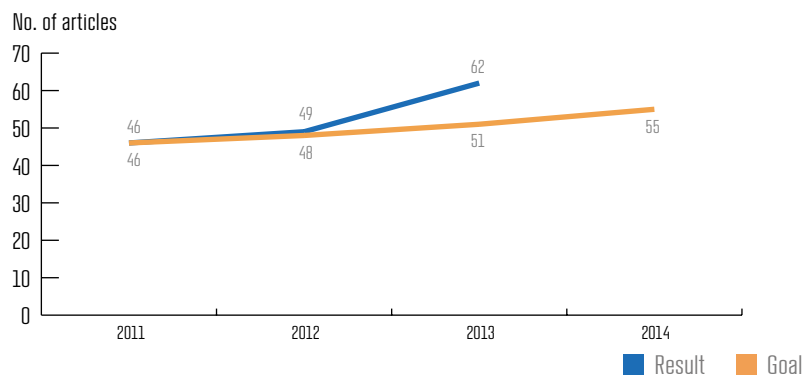
CBS' ranking on UT Dallas list, Europe



No. of articles in magazines on ABS list



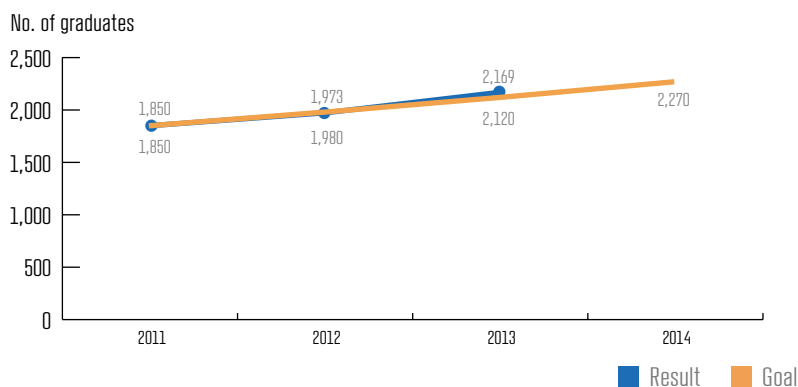
No. of articles in magazines on FT45 list



CONTRIBUTION TO SOCIETY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
7.1 Number of master programme graduates	2,120	MET 2,169 ✓	CBS turned out 2,169 Masters in 2013, which is 2 % above target.

No. of master programme graduates



CONTRIBUTION TO SOCIETY

INDICATOR	GOAL 2013	RESULT 2013	COMMENTS
7.2 Externally funded research (DKK '000)	100,360	NOT MET 94,008 ✗	The performance regarding externally funded research was around 6 % below target in 2013. The number includes externally funded projects on sub-account 95 and donations.

Externally funded research, income, current prices

