



CBS ANNUAL REPORT 2021



Photos: Bjarke MacCarthy and CBS (page 15)

The art installation on the front page was part of The Welcome Project – a series of events, greetings and initiatives that took place all over campus with one objective – to welcome back CBS' students and staff to campus and express gratitude that we could all be together again to grow and learn.

Orchid is an artistic collaboration between Johanne Lykke (born 1989, graduated from the Jutland Art Academy in 2015) and Nina Elizabeth (born 1989, graduated from the Royal College of Art (RCS) in 2014). Inspired by the refraction of light, photosynthesis, and blooming flowers symbolise the work of art "Transformation og positiv forandring" (Transformation and Positive Change).

Contents

Statements	4
Statement by Senior Management on the annual report	4
Independent auditor's report	5
Management commentary	8
Institution details	8
Introduction of Copenhagen Business School	9
Professional results for the year	11
Financial results for the year	20
Financial highlights	22
Report on the strategic framework agreement	27
Outlook for the next year	30
CBS in numbers	31
International profile	31
Programmes in numbers	32
Academic staff in numbers	34
Research in numbers	35
ESG key figures and ratios	36
Introduction	36
Statement of ESG key figures and ratios	37
Financial statements	38
Summary of significant accounting policies	38
Income statement	43
Balance sheet	44
Cash flow statement	46
Statement of changes in equity	47
Notes	48
Special specifications	58
Appendix	61
Methods used to calculate ESG data	61

Statements

Statement by Senior Management on the annual report

The annual report has been presented in accordance with the Danish State Accounting Act, etc., Ministerial Order no. 116 of 19 February 2018 on state accounting, etc., the specific instructions of the Ministry of Finance's Financial Administrative Guidelines, Executive Order no. 778 of 8 August 2019 on the University Act, Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, and the Danish Agency for Higher Education and Science's guidelines for preparing annual reports.

In accordance with section 39(4)(nos. 1-3) of Ministerial Order no. 116 of 19 February 2018 on state accounting, it is hereby represented:

- That the annual report is accurate, i.e. that the annual report is free of material misstatements and omissions and that the listing of and reporting on goals in the annual report are adequate.
- That the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice.
- That business procedures have been established to ensure financially appropriate administration of the funds and institutions comprised by the annual report.

Frederiksberg, 23 March 2022:

Inger Askehave
Acting President

Kirsten Winther Jørgensen
University Director

Adopted by the Board of Directors of Copenhagen Business School, CBS, on 23 March 2022:

Torben Möger Pedersen
Chairman

Michael Rasmussen
Deputy Chairman

Jonas Andersen

Gunnar Bovim

Sarah Langkjær Diemar

Louisa Loran

Lilian Mogensen

Sara Louise Muhr

Jesper Rangvid

Mia Cudrio Thomsen

Mette Vestergaard

Independent auditor's report

To the Board of Directors of Copenhagen Business School:

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Copenhagen Business School for the financial year 1 January to 31 December 2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, as stated on pages 38-41. The financial statements are prepared in accordance with Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities as well as the directions and instructions on financial statements issued by the Danish Ministry of Higher Education and Science, and including the Danish Agency for Institutions and Educational Grants, hereinafter collectively referred to as state accounting rules.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities and the agreement entered into by the Danish Minister for Higher Education and Science and the Auditor General in pursuance of section 9 of the Danish Auditor General Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of Copenhagen Business School in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that are accurate in all material respects, i.e. prepared in accordance with the state accounting rules, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing Copenhagen Business School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate Copenhagen Business School or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Copenhagen Business School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Copenhagen Business School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Copenhagen Business School to cease to continue as a going concern.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the state accounting rules.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the state accounting rules. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Copenhagen, 23 March 2022

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with appropriations granted, laws and other regulations, and with agreements entered into and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and the operation of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting economy, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit procedures and performance audit procedures on selected subject matters in accordance with the public auditing standards. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the relevant provisions of appropriations, laws and other regulations, and with agreements entered into and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and the operation of the activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

We have no material critical comments to report in this connection.

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Erik Lynge Skovgaard Jensen
State-Authorised Public Accountant
Identification number: mne10089

Lars Hillebrand
State-Authorised Public Accountant
Identification number: mne26712

Management commentary

Institution details

Institution

Copenhagen Business School

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2000 Frederiksberg
T: +45 3815 3815

cbs@cbs.dk
www.cbs.dk

Business Registration No.: 1959 6915

Financial year: 1 January 2021 to
31 December 2021

Registered in: Municipality of
Frederiksberg, Denmark

Banker: Danske Bank

Institution auditor: Deloitte

Board of Directors

Chairman

Torben Möger Pedersen
(took seat on 1 July 2019)

Deputy Chairman

Michael Rasmussen
(took seat on 1 February 2016)

Members

Jonas Andersen, Gunnar Bovim, Sarah Langkjær Diemar, Louisa Loran, Lilian Mogensen, Sara Louise Muhr, Jesper Rangvid, Mia Cudrio Thomsen, Mette Vestergaard

The following members have resigned from CBS' Board of Directors between 1 February 2021 and 31 January 2022:

Alfred Josefsen
Tobias Harald Munch

Senior Management

President

Nikolaj Malchow-Møller

Acting President from 16 September 2021 and Vice President

Inger Askehave

Dean of Education

(to resign from 31 March 2022)

Gregor Halff

Dean of Research

Søren Hvidkjær

University Director

Kirsten Winther Jørgensen

Introduction of Copenhagen Business School

Copenhagen Business School (CBS) is a globally recognised business university deeply rooted in the Nordic socio-economic model. CBS has a comprehensive focus on the business community's and society's opportunities and challenges in the 21st century and a wide high-quality research and programme portfolio that has strengthened generations of professionals and leaders in the private sector and other sectors.

CBS is built on the three-level Bologna model (3+2+3 years) and offers research-based programmes at Bachelor, Master, MBA/EMBA, PhD and Executive levels. The university has around 21,000 full-time and part-time students, 820 academic staff and 200 thereof are PhD students, and 710 administrative staff. It is recognised for its teaching and research and has been accredited by EQUIS, AACSB and AMBA (Triple Crown).

As a business university, CBS is oriented particularly towards business community needs, and close on nine in ten graduates find employment in the private sector.

The Board of Directors adopted a new strategy for CBS in 2020: *We transform society with business.*

With CBS' global profile comes an obligation to contribute to the development of transformative capabilities in students, graduates and business leaders through education activities and life-long learning opportunities.

Complex challenges call for a joint effort, and that is why the focus of CBS' strategy is on enhancing current partnerships and starting new ones with other sciences, the business community, authorities and civil society.



/ OUR MISSION /

We are curious, critical and innovative in our approach to major opportunities and dilemmas facing business and society

We are committed to disciplinary and interdisciplinary excellence in our research and educational programmes

We leverage our Nordic heritage to take responsibility for societal challenges – in collaboration with business, governments and civil society

/ OUR VISION /

We will leverage global intellectual leadership to transform society with business by tackling challenges with curiosity, creative new ideas and collaborative engagement

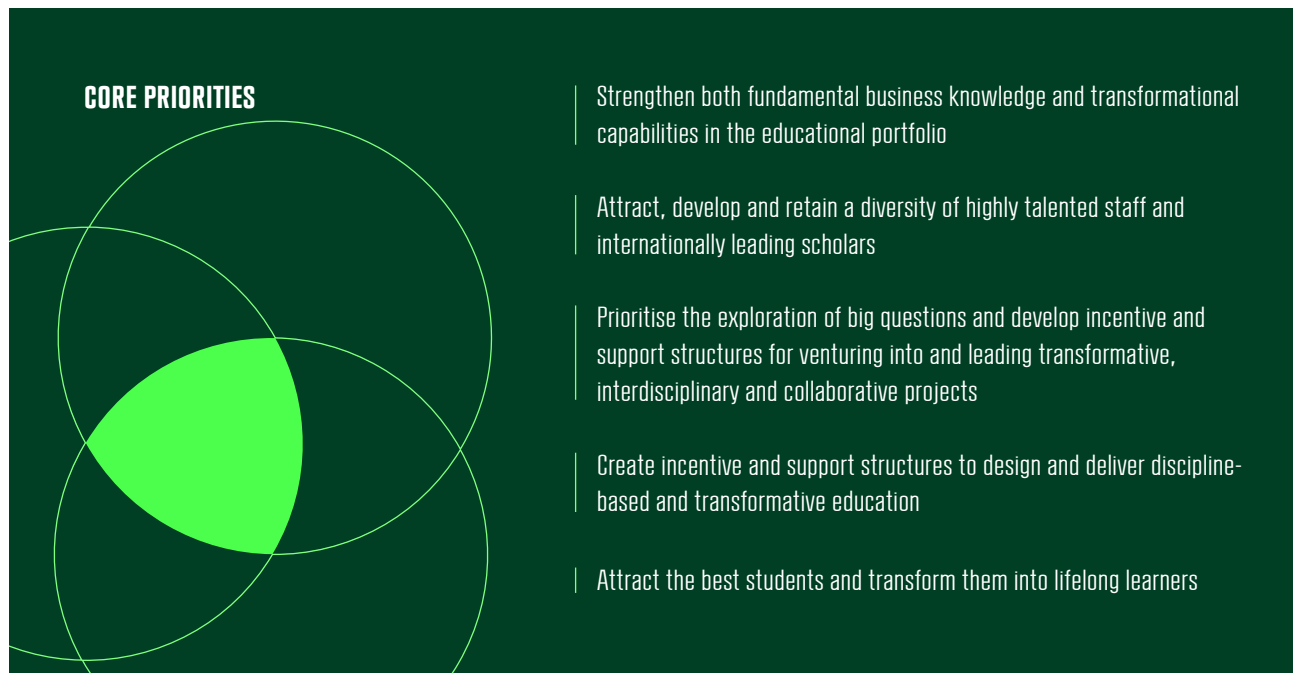


The strategy sets the scene for an ambitious development of CBS, and 2021 was the year when CBS laid the groundwork to support the strategic work at CBS in future.

These frameworks specify the targets that CBS commits itself to towards society, the CBS Board of Directors and the Minister for Higher Education and Research.

Two overall frameworks for strategic follow-up were put in place in 2021. One was the strategic framework contract for the period 2022-2025 that was entered into with the Ministry in December 2021. The other was the development of CBS' Key Strategic Indicator (KSI) Framework that is to be used to monitor developments in the strategic work.

The CBS strategy consists of five core priorities, and, in 2021, CBS started a wide range of activities in these five areas: Staff, Research, Students, Teaching, and Graduates.



CORE PRIORITIES

- Strengthen both fundamental business knowledge and transformational capabilities in the educational portfolio
- Attract, develop and retain a diversity of highly talented staff and internationally leading scholars
- Prioritise the exploration of big questions and develop incentive and support structures for venturing into and leading transformative, interdisciplinary and collaborative projects
- Create incentive and support structures to design and deliver discipline-based and transformative education
- Attract the best students and transform them into lifelong learners

Professional results for the year



Below, the professional results for 2021 are illustrated through the five core priorities.

CORE PRIORITIES

- **Staff**
- Research
- Students
- Teaching
- Graduates

Attract, develop and retain the most talented staff

When it comes to staff, CBS' focus in 2021, like in other other years, has been on strengthening and developing the research environments. Furthermore, CBS has created more transparency about career paths, and a gender diversity action plan has been adopted.

CBS has as one of the first Danish universities introduced a new formalised career path for associate professors, a so-called promotion track.

This is a promotion programme paving the way for particularly talented associate professors being secured a clearer career path to be promoted professor. In the first round in autumn 2021, Senior Management approved the launch of the promotion track programme by admitting 21 associate professors (11 women and 10 men). CBS has also introduced new promotion and employment criteria for associate professors and professors. They are a supplement to the criteria existing at department level. These criteria help ensure high quality in both research and programmes and create transparency about career paths for academic staff.

CBS also has focus on developing clearer career paths for administrative staff, and a career guide was designed in 2021 with focus on the development of careers sideways, downwards and upwards at CBS. The career guide contains inspirational material about, for example, possible career paths, the director/employee relationship in developing a career, and various tests to clarify career aspirations. The aim of the career guide is to help up well-being, knowledge sharing, cohesion and efficiency at CBS for the benefit of both the individual employee and CBS as a whole.

Equal opportunity and diversity

CBS wants to bring a broader pool of talent into play and to have everybody – students and staff – that has a talent and aspirations, to have equal rights and opportunities to make their contribution to the development of a diverse and inclusive working and learning environment. The purpose is to strengthen value creation from teaching and research through a wider range of experience and perspectives as well as to contribute to the democratic society.

In 2021, extra focus was brought on this topic through the adoption of the Gender Equality Plan and the Action Plan for Gender Diversity in CBS' management.

The Gender Equality Plan explains how CBS intends to promote a culture characterised by diversity and inclusion at CBS, in the business community and society at large. Regular follow-up on equal opportunity and diversity, coordination of activities and initiatives, and facilitation of the gender diversity dialogue across the organisation have been delegated to CBS' Equal Opportunities Officer together with CBS HR. Relevant data and activities on equality opportunity and diversity will be reviewed on an annual basis to determine whether targets have been met for both students and staff (Figure 1).

For many years now, CBS has made an effort to promote equality between men and women and has had targets for the gender composition in management.

Figure 1 Selected gender balance targets – learning environments

- The aggregated gender composition of the total student intake must remain within 40:60.
- The disaggregated gender composition of the student population within individual programmes must be within 30:70 by 2025.
- The aggregated gender composition of teachers across programmes must be 40:60 by 2032.
- The aggregated gender composition of teachers within programmes must not be below 30:70 by 2032.

In 2021, there has for the first time been gender balance on CBS' Board of Directors and an acceptable gender composition in Senior Management and among office managers, however, gender balance has still not been achieved at other management levels at CBS. Among the heads of department in particular, the imbalance is distinct.

Targets and action plan for 2022-2024 concern the three top management levels: the Board of Directors, Senior Management and heads of department (Figure 2).

The Board of Directors' long-term vision is to strike a balance between women and men at all management levels, and CBS is working determinedly to achieve this vision.

Figure 2 Gender composition target in 2024

Management level	Target for number of women at year-end 2024	Target for 2024 (%)	Status in 2021 (%)
1. Board of Directors	To maintain the balanced composition of 3 men and 3 women among external members elected	40-60%	50%
2. Senior Management	To maintain the roughly balanced composition of men and women in the form of at least 2 women out of the 5 members	40-60%	40%
3a. Heads of department	To achieve a roughly balanced composition of men and women in the long term, and in the short term at least 3-4 women out of the total of 11 heads of department	33%	27%
3b. Office managers	To maintain/seek to achieve a roughly balanced composition of men and women in the form of at least 4-5 women out of the total of 11 office managers	40-60%	36%



CORE PRIORITIES

Staff

● **Research**

Students

Teaching

Graduates

Research with a transformative impact

CBS is the university of the business community, and together with the business community CBS is to take even greater and more active responsibility for helping solve the great challenges and opportunities of society in fields such as green transition and digitalisation.

2021 was marked by CBS having set the levels of ambition for research even higher, with focus on solving the big societal issues.

Disciplinary and interdisciplinary research into the big societal issues

The target is to help solve the big societal challenges. This is done, for example, by publishing articles in the best disciplinary and interdisciplinary journals. And by sharing results with the rest of society.

The COVID-19 area is one of the areas in urgent need of knowledge, and CBS researchers have carried out many different research projects related to the current pandemic. Researchers have analysed especially the economic, social and cultural consequences of COVID-19, for example, with respect to long-distance management, aid packages, inequality and equality. This research has also provided new knowledge about global supply chains, digital business models and digital economy. In 2021, CBS researchers published 110 COVID-19-related research articles in all.

The green transition is a key societal issue that researchers are also concerned with. CBS provided information on consumer behaviour, buying behaviour and economic models able to measure the effect of new initiatives, and how to manage an organisation that is to implement green transition.

Digital transition is another of CBS' focus areas. Together with other players, researchers assisted, for example, with projects on on-line group medical practices, advantages and disadvantages of artificial intelligence in government services, and the challenges in implementing digital strategies.

CBS is concentrating on providing solutions that combine behaviour and business know-how with technology. Therefore, CBS has established some partnerships, particularly within the STEM area.

One of them is with the Technical University of Denmark (DTU). Both universities intend to contribute to Denmark's leading position in digital and green transition by creating research-based solutions and collaborations across academic institutions. In 2021, CBS succeeded in joining all four national green InnoMission partnerships on carbon capture, Power-to-X, sustainable food systems and circular economy within plastic waste and textiles, not least because of an early and close dialogue with some important DTU research communities. This partnership will continue in the coming years.

Excellent research

Complying with CBS' strategy requires strong academic research environments, and CBS strives to provide top-quality research of relevance to businesses and society. For instance, CBS researchers published 142 articles in 2021 in the most prestigious journals on the Academic Journal Guide list (categories 4/4*), which is the largest number ever.

CBS still ranks high on the most important international research rankings. In QS Social Sciences and Management, we rank #54 in the world, corresponding to #15 in Europe and being the highest ranking university in the Nordics. In the more focussed QS Business Administration and Management ranking, CBS ranks even higher as #15 in the world and #8 in Europe.

External research funding

As part of its new strategy, CBS wants to increase its share of external research funding. A total of DKK 150.2 million in external research funding was obtained in 2021. This should be seen in the light of 2020 being an exceptionally good year with increased application activity and extra funding offered by some funding providers. As a result of the many funds obtained in 2020, namely DKK 171.2 million, the departments scaled down their application activity in 2021 in order to concentrate on initiating research activities. The external research funding obtained in 2021 is still almost DKK 30 million over the 2017 baseline.

EliteForsk Award

Professor Eva Boxenbaum of the Department of Organization received the 2021 EliteForsk Award. The award is given to Denmark's most talented young researchers for their outstanding research results and contribution to solving Denmark's and the world's big societal challenges.

Eva Boxenbaum was given the award for her research into how organisations can make use of fiery souls.

Sapere Aude

Valentina Tartari, Associate Professor at the Department of Innovation and Organizational Economics, and Luigi Butera, Associate Professor at the Department of Economics, in 2021 received a prestigious Sapere Aude research grant of DKK 6 million from Independent Research Fund Denmark.

Valentina Tartari and Luigi Butera were given the grant for their research into the impact of research funding on the pace and direction of science.

Jobs for PhD graduates

CBS is working on improving PhD graduates' career opportunities at internationally leading universities and in strategic positions in the private and public sector. In 2021, PhD Placement Officers were therefore appointed at all departments that develop placement activities for their PhD students.

Endowed professorship

CBS was in 2021 able to add an endowed professorship in auditing to the list of major externally funded commitments. The grant from FSR – Danish Auditors has grown out of a long-standing collaboration between the research community and the profession on the education of PhD graduates in accounting and auditing.

CBS now has seven externally funded endowed professors in Sustainability, Entrepreneurship, Blended Learning, Enterprise Foundations, Digitalisation, Energy Economics, and Auditing.



CORE PRIORITIES

- Staff
- Research
- Students
- Teaching
- Graduates

Thriving students

Through the gradual realisation of aspirations of the Nordic Nine strategy (see Figure 3), CBS aims to ensure graduates have the capabilities matching society's needs today and tomorrow. Nordic Nine can also help improve disciplinary incentive and social well-being in each student.

A particular effort to increase well-being during the pandemic

Overall, Nordic Nine's focus on social capabilities and the ability to see yourself and your programme from a larger and meaningful perspective is to help increase students' well-being.

2021 has had a particular focus on students' well-being during lockdown because of the pandemic and on re-introducing students to their physical campuses. A well-being campaign was run, e.g., through the social media with focus on topics like motivation, on-line teaching, and sense of community.

Furthermore, volunteers among the students have served as well-being ambassadors.

At study start, 3rd and 5th semester students were welcomed back to campus with special reboot programmes. Also, an idea catalogue has been developed containing course-related activities and interdisciplinary workshops on topics such as motivation, communities and group work. The student well-being activities will continue, and one of the overall objectives is to develop students' capabilities to handle changes and improve their professional identity and social sense of belonging.

Figure 3 Nordic Nine

Knowledge	Values	Action
you have deep business knowledge placed in a broad context	you are competitive in business and compassionate in society	you produce prosperity and protect the prosperity of next generations
you are analytical with data and curious about ambiguity	you understand ethical dilemmas and have the leadership values to overcome them	you grow by relearning and by teaching others to do the same
you recognise humanity's challenges and have the entrepreneurial knowledge to help resolve them	you are critical when thinking and constructive when collaborating	you create value from global connections for local communities



CORE PRIORITIES

- Staff
- Research
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Teaching of the highest quality

CBS developed new initiatives in 2021 partly to improve external lecturers' competences, partly to be able to evaluate and recognise the quality of lecturers' capabilities via a new national framework for advancing university pedagogy that CBS is in the process of implementing.

New policies to improve quality

External lecturers are a huge and important contribution to teaching at CBS, and they are a natural link to the practice graduates meet when they have completed their education. To enhance the external lecturers' teaching and didactic capabilities and strengthen their ties to the academic environments, CBS adopted a policy in 2021 on the evaluation and competence development of external lecturers, focusing on ensuring and enhancing teaching by external lecturers.

CBS is also working actively to implement the national framework for advancing university pedagogy, and this will be done through an initiated audit of the REEAD criteria which are an evaluation tool used at CBS to evaluate and recognise capabilities of academic staff across levels from PhD to professor. The purpose of this framework is to increase the quality of teaching by improving CBS' ability to identify teaching quality.

The framework is to provide further incentive for finding career opportunities also within teaching of the highest quality for academic staff and CBS' expectations for continuous development of teaching competences throughout the university career.

Furthermore, CBS' ambitious and newly accredited assistant professor programme, HETEP, was completed for the first time in 2021.

CBS up on ranking list

CBS now ranks #26 on Financial Times' European Business School Ranking, thus advancing six places since 2020. 95 institutions in all have been ranked. Financial Times' ranking is based on MBA, EMBA, master and Master's in Management programmes.

Flexible new course packs

Signature Course Packs are flexible, research-based modules intended to improve quality across programmes. As part of a pilot project, CBS has developed comprehensive teaching materials in a course pack, called Signature Course Pack, to be used in teaching marketing at bachelor level. These materials that will be developed further in the years ahead, consists of a collection of newly developed teaching cases, over 100 teaching videos, quizzes for all teaching modules, and detailed instructions for teachers.

The materials have a flexible structure allowing teachers to adopt the whole pack or use elements of the materials in their own teaching. Initially, the materials will be used in two courses in spring 2022 and a third course in autumn 2022.

Learning in the light of COVID-19

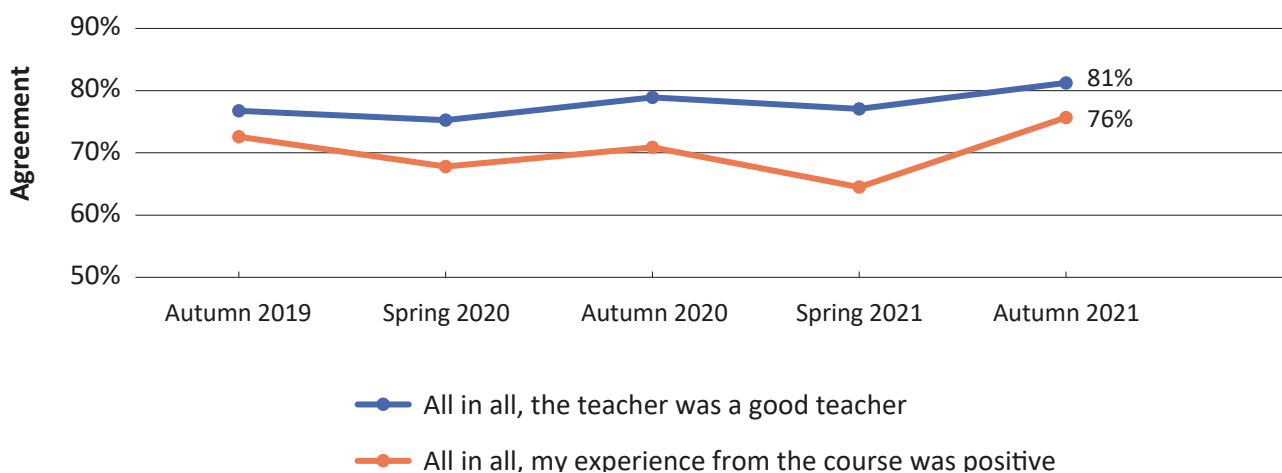
CBS has monitored experiences and responses by students and teachers during the COVID-19 pandemic, including in 2021. This monitoring has been carried out since the spring of 2020 when CBS went into partial physical lockdown at campus. This has resulted in important knowledge that may serve as a basis for future decisions on technology-based teaching and well-being-promoting activities.

An essential conclusion is that, in spite of circumstances, CBS managed to hold classes with a high study activity level at course level. Bachelor, master and diploma students' overall satisfaction with both courses and teachers remains at a stable high level. 76% of the students are generally satisfied with the courses, and 81% are generally satisfied with the teachers (Figure 4).

However, it has also become clear that technology and digital teaching have not been able to overcome the lacking study environment and the loneliness that many students have experienced. The massive reorganisation of teaching and examinations has had an effect in that the students report declining overall satisfaction with their programmes and with CBS in 2021. This is reflected in CBS' annual satisfaction survey and evaluation of the whole academic year for bachelor and master students where the overall satisfaction score for the programmes has gone down during the pandemic (see the "Student satisfaction" figure on page 34).

So, during the COVID-19 pandemic, CBS has been reminded of the importance of three key elements of the programmes: A sense of community among students, a physical learning environment, and a digital and technological environment supporting these elements.

Figure 4 Students' satisfaction with courses and teachers



Reduction in study places

As part of the political agreement "*More and better educational opportunities throughout Denmark*", CBS has been asked to reduce its number of study places by up to 10% in Frederiksberg before 2030.

To comply with the requirement, CBS' Board of Directors adopted an institution plan at the end of 2021. Before that, the institution plan went out for consultation in the organisation, partly in meetings, partly by asking for views in writing.

The plan will apply from 2023 and covers half of the required reduction of 628 places.

It involves the discontinuation of four programmes with a total of 192 study places:

- MSc in Social Science – Political Communication and Management
- MA in International Business Communication
- MSc in Business Administration and Philosophy
- MSc in Social Science – Management of Creative Business Processes

Also, it is proposed to cut admission on bachelor and master programmes with a relatively high unemployment rate or a legal right of admission on programmes with a relatively high unemployment rate:

Programme	Study places
Reductions from 2023	
BSc in Business, Language and Culture	-11
BSc in Business Administration and Market Dynamics and Cultural Analysis	-10
BSc in Business Administration and Philosophy	-7
BSc in Business Administration and Organisational Communication	-26
BSc in Business Administration and Psychology	-20
Derived reductions from 2026	
MSc in Business Economics	-11
MSc in Business Administration and Organisational Communication	-21
MSc in Business Administration and Psychology	-14
MSc in Business, Language and Culture	-5

In all, the plan involves a reduction of 192 study places because of discontinued programmes and a reduction of 125 study places because of a cut in admissions. 311 study places still need to be found for the remaining required reduction by 5% in 2025.



CORE PRIORITIES

- Staff
- Research
- Students
- Teaching
- Graduates

In-demand graduates

CBS graduates are in demand, and their employment rate is high. By implementing Nordic Nine in its new strategy, CBS wants to make sure that graduates meet the requirements of tomorrow – measured by a continuously low unemployment rate and recruiters' experience that the graduates hold the right qualifications.

In 2021, all skills profiles have been revised for each of the around 50 programmes so as to reflect Nordic Nine.

CBS' target of having an unemployment rate for graduates below the average of other Danish universities has been met, and the unemployment rate for graduates remained low in 2021. The unemployment rate for CBS graduates was 7.3% in 2021 whereas the sector average was 13.3% (see the "Unemployment rates for graduates" figure on page 34).

Financial results for the year

CBS closes 2021 with a profit of DKK 49 million, which is DKK 30 million down on 2020, yet DKK 29 million over the budget. The reason for this change is that, overall, income ended up standing at budget level whereas there had been a considerable reduction in expenses predominantly due to lower activity because of COVID-19. The 2021 budget provided for an impact from COVID-19, however, the effect of lockdown and other measures has outweighed expectations.

Income

Income for 2021 totals DKK 1,469 million, which is DKK 22 million up on 2020 and DKK 2 million below budget. CBS' primary source of income is government funding which consists of income from education subsidies, basic research funding and other government funding, totalling DKK 1,127 million in 2021, or 78% of total income. This line item is amplified in the next two paragraphs.

CBS' primary source of income is the education subsidy which amounted to DKK 664 million in 2021, up DKK 1 million on last year. The main reason for this increase is that more student FTEs were delivered at CBS, close on 600 student FTEs, which in combination with the annual increase in activity-based funding has resulted in a DKK 23 million increase in income from such funding. That the performance subsidy has been suspended, that the internationalisation subsidy is lower, and that CBS has had to repay in part the extraordinary subsidy provided in 2020 for admitting additional students because of COVID-19 are facts contributing in the opposite direction. The reason for the repayment is that, in 2021, the additional admission at CBS ended at a lower level than anticipated in 2020.

In 2021, income from basic research funding and other government funding stands at DKK 482 million, which is DKK 11 million up on 2020. The reason for the increase is that basic research funding granted has gone up whereas other government funding is on a par with 2020.

Other grants have increased by DKK 9 million in 2021 compared to 2020. The primary source of income here is income from externally funded research activities and subsidised activities. This income is governed by CBS' activity (consumption) on the relevant projects. The activity in 2021 was DKK 137 million, which is DKK 7 million up on 2020. At year-end 2021, CBS had total residual grants of DKK 361 million in respect of in-progress projects, which is DKK 7 million more than in 2020. The rest of the increase in other grants can be explained by an increase in subsidised activities of close on DKK 2 million.

Other income stands at DKK 166 million in 2021, which is DKK 2 million up on 2020. Students' tuition fees represent most of other income with an income of DKK 162 million in 2021 - a DKK 1 million increase from 2020 to 2021. The reason is an increase in tuition fees on executive master and diploma programmes and a small decrease in income students attending single courses under CBS' full-time programmes.

Finally, income from the sale of goods and services amounts to DKK 15 million in 2021, which is on a par with 2020.

The financial statements in financial highlights

	2021	2020	2019
	(DKK'000)	(DKK'000)	(DKK'000)
Operating income	1,469,421	1,447,412	1,426,254
Profit	49,408	79,679	58,425
Assets	1,552,911	1,590,545	1,473,698
Equity	500,244	450,838	371,160

Source: CBS

Expenses

Expenses for 2021 total DKK 1,420 million, which is DKK 52 million up on 2020, yet DKK 30 million below budget.

CBS' most significant expense item is payroll and payroll-related costs, which, with DKK 995 million, account for around two-thirds of total expenses. Total payroll costs have increased by DKK 53 million on last year because of a planned, intensified strategic capacity build-up. Costs regarding both academic staff (DKK 34 million) and technical-administrative staff (DKK 20 million) are on the rise, whereas costs regarding part-time academic staff have gone down by DKK 4 million. Lastly, other payroll items have gone up by DKK 3 million.

Rent has increased by DKK 3 million in 2021 to stand at DKK 99 million. This is because of increased idle rent in connection with assignment contracts for residence halls and accommodation for visiting professors and because a new lease was incepted on Finsensvej 6.

Other operating expenses have gone down by DKK 2 million and total DKK 286 million in 2021. The largest item is 'Property management and taxes', totalling DKK 72 million in 2021. Other large financial statement items are 'IT equipment and software' with DKK 54 million, 'Office expenses' with DKK 48 million, and 'Books, journals and databases etc.' with DKK 39 million. Traditionally, the 'Conferences and business trips' item is also among the largest ones, however, with expenses of DKK 16 million in 2021, it is still heavily affected by COVID-19.

Depreciation and impairment losses are up DKK 1 million to DKK 31 million in 2021, which is a result of increased depreciation of IT-related assets.

Lastly, financial expenses have gone down by DKK 2 million and total DKK 8.5 million in 2021. The primary reason for this is that CBS has made interest-rate adjustments and benefited from the low interest rate.

With respect to the balance sheet, CBS has in 2021 paid in the holiday pay frozen in connection with the transition to the concurrent holiday scheme. A total of DKK 78 million was paid in. This is the primary reason why cash and cash equivalents have declined from DKK 271 million at year-end 2020 to DKK 229 million in 2021.

No material events have occurred during the period from the balance sheet date to the date of approval of the annual report.

One-off payment criticised

In 2021, the Danish Auditor General levelled criticism at CBS for having made a one-off payment of DKK 692,000 to the former President.

The university was asked to consider whether there were any grounds for asserting a claim against the then Board of Directors. On that basis, CBS asked the Legal Adviser to the Danish Government to determine whether there were any grounds for advancing a claim for damages against CBS' then Board of Directors, including the then Chairman.

The conclusion from the independent counsel investigation was that there were no sufficient grounds for advancing such claim. CBS' current Board of Directors decided to act upon this conclusion, and CBS has instead paid the DKK 692,000 to the Ministry of Higher Education and Research.

Financial highlights

	2021	2020	2019	2018	2017	
Income statement (DKKm) ^{1) 2)}						
1	Government subsidies	1,147	1,135	-	-	-
2	Other grants	142	133	-	-	-
3	Sale of goods and services	15	16	-	-	-
4	Other income	166	164	-	-	-
5	Total operating income	1,469	1,447	-	-	-
13	Staff costs	995	942	-	-	-
14	Rent	99	96	-	-	-
15	Depreciation and impairment losses	31	30	-	-	-
16	Loss on sale of buildings and impairment losses on buildings for sale	-	-	-	-	-
17	Other operating expenses	286	289	-	-	-
18	Operating expenses	1,412	1,357	-	-	-
19	Profit before financial income/expenses and extraordinary items	58	91	74	30	42
20	Profit for the year	49	80	58	14	26
Balance sheet (DKKm)						
21	Non-current assets	1,262	1,249	1,212	1,206	1,180
22	Balance sheet total	1,553	1,591	1,474	1,416	1,410
23	Equity	500	451	371	313	299
24	Non-current liabilities	613	726	642	679	710
Financial ratios						
25	Profit margin	3.4%	5.5%	4.1%	1.0%	1.9%
26	Liquid ratio	78.0%	96.9%	59.6%	52.2%	61.1%
27	Equity ratio	32.8%	28.3%	25.2%	22.1%	21.2%
28	Funding ratio	46.8%	54.0%	55.0%	58.3%	62.4%
29	Loan-to-income factor	38.6%	46.9%	45.0%	50.0%	53.2%

		2021	2020	2019	2018	2017
Staff						
30	Full-time academic staff ³⁾	691	654	612	588	565
31	Part-time academic staff	224	230	231	235	251
32	Technical-administrative staff	694	678	691	724	724
33	Total staff FTE	1,608	1,562	1,533	1,547	1,540
	Headcount	2,600	2,523	2,482	2,467	2,575
	Full-time academic staff	820	764	729	675	633
	Part-time academic staff	754	772	782	774	884
	Technical-administrative staff	710	686	671	675	700
	Number of student assistants and invigilators	316	301	300	343	358
	Number of permanent international researchers at CBS	184	173	178	152	135
Study activity - ordinary programmes						
34	Theory student FTE ⁴⁾	13,031	12,448	12,407	12,234	12,317
35	Internship student FTE	-	-	-	-	-
36	Student FTE subsidised by other ministries	-	-	-	-	-
37	Total student FTE on ordinary programmes	13,031	12,448	12,407	12,234	12,317
38	No. of students admitted to business academy programmes	-	-	-	-	-
39	No. of students admitted to professional bachelor programmes	-	-	-	-	-
40	No. of students admitted to bachelor programmes	2,861	2,841	2,800	2,619	2,558
41	No. of students admitted to master programmes ⁵⁾	3,069	3,516	3,140	3,333	3,389
42	No. of students admitted to other ordinary programmes					
43	Total no. of students enrolled in ordinary programmes	15,757	15,600	15,383	14,971	15,239
	No. of bachelor students	8,178	7,940	7,606	7,272	7,167
	No. of master students	7,579	7,658	7,774	7,582	7,744
44	No. of business academy graduates	-	-	-	-	-
45	No. of graduated professional bachelors	-	-	-	-	-
46	No. of graduated bachelors	2,054	2,006	1,985	1,999	1,924
47	No. of graduated masters ⁶⁾	2,880	3,233	3,074	3,191	3,595
48	No. of graduates from other ordinary programmes	-	-	-	-	-

	2021	2020	2019	2018	2017	
Study activity – part-time programmes/open university						
49	Student FTE – part-time programmes/open university, higher education programmes ⁷⁾	1,602	1,471	1,476	1,511	1,613
50	Student FTE – part-time programmes/open university, non-higher education programmes	-	-	-	-	-
51	Total student FTE – part-time programmes/open university	1,602	1,471	1,476	1,511	1,613
	No. of graduates on executive master and diploma programmes	1,198	1,110	1,192	1,160	1,328
	No. of diploma students	3,438	3,404	3,394	3,434	3,599
	No. of executive master/MBA students	1,648	1,539	1,585	1,420	1,339
Study activity – commercial activities (DKK'm)						
52	Study activity – commercial activities	0.0	0.1	0.1	1.8	1.9
Internationalisation ⁸⁾						
53	No. of outgoing students (exchange students)	460	1,387	1,485	1,525	1,509
54	No. of ingoing students (exchange students)	484	1,168	1,106	1,097	1,270
55	No. of full-programme international students in Denmark	3,498	3,844	3,926	3,984	3,928
	No. of cooperation and development agreements for exchange students	291	295	296	296	297

		2021	2020	2019	2018	2017
PhD programmes						
56	No. of PhD fellows enrolled	199	208	209	185	192
57	No. of re-enrolled PhD fellows	42	44	63	42	55
58	No. of approved PhD theses	39	31	31	48	44
Research and dissemination						
59	No. of research publications	1,641	1,705	1,596	1,533	1,528
60	No. of patent applications pending	0	0	0	0	0
61	No. of invention applications pending	0	0	0	0	0
62	No. of projects with the Danish business community ⁹⁾	136	107	132	137	138
63	No. of external projects	307	271	281	286	282
64	Financial value of cooperation with the Danish business community (DKK'm)	69	52	57	58	56
	No. of Career Partners	45	56	52	50	34
Buildings						
65	Total building space (gross area in sq m) ¹⁰⁾	135,843	132,577	132,577	135,216	135,216
	No. of cooperation and development agreements for exchange students	291	295	296	296	297

Notes to the financial highlights table

The financial highlights table has been compiled based on the Danish Agency for Higher Education and Research's guidelines for the preparation of annual reports. The numbering of financial highlights is consistent with the specifications therein. Being a university, CBS is not required to report financial highlights for numbers 6-12, for which reason these numbers are not evident from the table. As a supplement, CBS has provided additional relevant financial highlights that are not numbered in the table, as per the possibility to do so under the guidelines.

- 1) CBS has been exempted from reporting income statement figures for the years 2017-2019. This is because CBS switched to a new Navision financial management system in 2020 and also a new recording structure under the Agency for Higher Education and Science's new common chart of accounts for educational institutions.
- 2) CBS has described financial developments in the "Financial results for the year" section of the annual report.
- 3) Academic FTEs have been on the rise for some years, reflecting CBS' recruitment strategy and investment in strengthening CBS' research organisation.
- 4) In 2021, student FTE has increased because of more students admitted in 2020.
- 5) The decline in master students from 2020 to 2021 should be viewed against the background of 2020 being a special year when the number of master students admitted was higher than normal because of COVID-19. It should also be viewed against the background of international dimensioning where CBS moved study places from master programmes to bachelor programmes.
- 6) The decline in the number of graduated masters from 2020 to 2021 should be viewed in light of more graduating in 2020 than would have been expected based on previous years. Also, 2019 saw a decrease in students admitted, which also resulted in fewer students being able to graduate.
- 7) The number of course participants has increased.
- 8) There were many applicants, yet exchange was not possible because of COVID-19.
- 9) The number of external projects has gone up from 2020 to 2021. It is primary projects with higher activity in terms of Danish kroner, where the number of projects has gone up. However, the number of small projects has increased too. The number of projects together with the business community has also gone up. Here, it is also projects with higher activity in terms of Danish kroner.
- 10) CBS' building space has increased from 2020 to 2021, primarily because of the addition of the building at Finsensvej 6.

Report on the strategic framework agreement

In 2018, CBS entered into a strategic framework agreement with the Minister of Higher Education and Science for the period 2018 to 2021. CBS has started and completed a number of initiatives throughout the term of the agreement in order to realise the five goals arranged in this framework agreement.

In view of the results achieved during the term of the agreement, CBS is considered to have realised the five strategic goals.

Below, each goal is assessed, representing the conclusions from the total progress report on the goals achieved under the strategic framework agreement for 2018-2021. The complete progress report is disclosed on cbs.dk/rammekontrakt.

Strategic goal 1: CBS wants to enhance the quality of CBS research

CBS wanted to realise this goal by increasing quality of publications and by having a strong focus on quality in appointments and talent development. It is key to CBS to strengthen and increase recruitment of researchers as the research support of the massive programme portfolio is crucial. In 2021, CBS' total number of researchers was 521 FTEs (includes only academic staff from the level of assistant professor to professor), increasing the total number by 88 FTEs throughout the term of the contract. The number of applications and shortlisted qualified applicants for research positions also went up during this term.

When it comes to research productivity and its quality, developments have been positive during the entire term of the contract. CBS has set as a goal to monitor developments in publications under the Academic Journal Guide (AJG). This guide covers the majority of the most prestigious journals in CBS' academic fields. During the term of the contract, CBS has made a great effort to increase quality of publications and the number of publications in the most prestigious categories of the AJG list, 4 and 4*; something that is also reflected in developments. In 2021, the number of publications in the top categories reached 131, which is 73 up on the baseline year of 2017.

There has been a small decline in the share of peer-reviewed articles published in department-specific publication channels which are defined in the departments' publication strategies. Here, CBS believes that there is a direct connection between the higher number of articles published in the most prestigious categories and the lower number of peer-reviewed articles in general. Publishing an article in an AJG 4/4* journal typically involves much more work and takes longer, which is why the result of aspiring for the highest level of research quality may be that slightly fewer peer-reviewed articles are written.

Strategic goal 2: CBS wants to enhance the relevance of CBS research

The focus of CBS' work during the term of the contract has been on attracting more strategically relevant funding from external sources. The work included defining what funds are of strategic relevance at department level and to set up measurement and reporting systems for the funding chosen to enable monitoring of developments. During the term of the contract, the inflow of funds defined as prioritised funds from prestigious research programmes increased from DKK 52.8 million in 2017 to DKK 56.9 million in 2021. During the period, the inflow has varied, however, the activities initiated to increase the number of applications for Marie Curie and European Research Council grants and to coordinate and increase applications for excellence funds seem to have come to fruition.

The total external research funding obtained has gone down from DKK 171.2 million in 2020 to DKK 150.2 million in 2021, yet it is still nearly DKK 30 million over the 2017 baseline. The decline from 2020 to 2021 was expected, and the reason was that 2020 was an exceptionally good year with increased application activity and extra funding offered by some funding providers. As a result of the many funds obtained in 2020, the departments scaled down their application activity in 2021 and submitted fewer applications in order to concentrate on initiating research activities. Also, there was a backlog from 2020 when some activities had been postponed due to COVID-19 restrictions, for which reason the same need to attract external funding did not exist in 2021.

CBS has also recorded an increase in the inflow of grants accommodated within the departments' specific strategies (which have a wider range than the overall focus on excellence funds) from DKK 94.4 million in 2019 to DKK 115.4 million in 2021. CBS therefore considers the development in attracting external funding to fulfil the strategic goal.

Strategic goal 3: CBS wants to improve students' learning outcomes

During the term of the contract, CBS' goal of improving students' learning outcomes called for an ambitious effort within blended learning, student-activating teaching and feedback.

The aim of having more courses that use blended learning was fulfilled during the term of the contract when the number of courses with blended learning elements went up from 269 in 2019 to 703 in 2021. During the term of the contract, there as a requirement that a strategy for blended learning be developed and implemented for all programmes. This requirement has been met.

The increased supply of courses involving blended learning requires development of the skills of CBS' teachers. There has been a rise in the number of participants in pedagogical skills upgrading activities (from 332 in 2017 to 397 in 2021). However, the number of participants has varied a great deal, from standing at 536 in 2019 to going down to 207 in 2020. This decline should be viewed in the light of COVID-19-related changes and priorities, although focus has been on increasing the number of participants throughout the period. Because of this, it is positive that the number of participants has gone up by 190 from 2020 to 2021, and expectations are that it will increase further in the years ahead.

Feedback is one of the key tools in improving students' learning. On a scale from 1 to 5, students' rating of whether their programme included feedback elements has gone from 3.55 in 2017 to 3.60 in 2021. In 2021, all course descriptions were evaluated to determine whether the courses had feedback activities and whether these activities were described satisfactorily. Currently, only 9% of the courses (93) are considered to still have no feedback activities. Expectations are that students' rating of feedback will increase as a result of the work to have feedback activities described for all courses.

The students' own evaluation of how many hours a week they spend on actual studying has declined from 33 hours in 2019 to 32 hours in 2021, which is the same level as in 2020. Not surprisingly, the students' evaluation of the time spent on actual studying has not increased significantly in the past

two years that have been marked by lockdown, online teaching and virtual group work. Actually, a reduction of just one hour indicates that the students have continued to perform well despite difficult conditions.

Strategic goal 4: CBS wants to provide students with relevant capabilities

CBS wanted to realise this goal by developing and implementing a capabilities framework for our programmes that defines the basic academic and business economics skills that all CBS graduates must have. Furthermore, CBS wants to expand the flexibility of the continuing education programmes it offers.

Interest in CBS' programmes, including newly developed programmes, and unemployment figures for graduates have been highly satisfactory throughout the term of the contract. Unemployment figures for CBS graduates have gone down during this period. Also, CBS' target of having an unemployment rate for graduates below the average of other Danish universities has been met. CBS graduates are both essential and in demand in the business sector, and they need to have capabilities matching its current and future needs. To accommodate recruiters' future needs, CBS has during the term of the agreement developed nine ambitious institutional aims of learning, called Nordic Nine, in close collaboration with around 3000 stakeholders. These aims of learning balance the need for high research-based business professionalism with wider people and transformative skills.

CBS is Denmark's largest provider of part-time business programmes. CBS' new flexible Master in Business Development programme aimed at private sector employees that was introduced in 2018 continues to expand in courses and students, and we consider it a key element in the development of life-long learning opportunities. The number of student FTEs has gone up from 30 in 2018 to 81 in 2021. The new framework of the diploma programme enabled us to present a new and more flexible choice of courses in 2020. In 2021, a winter and a summer intake of students was launched that is reflected in the increase in student FTEs. The increase was 52 student FTEs from 2020 to 2021. The influx of diploma programme applicants shows that many years of slow decline has been reversed and interest is on the rise.

Strategic goal 5: CBS wants to strengthen collaboration with the surrounding society

CBS wanted to realise this goal by intensifying research collaborations with private businesses and public organisations. Also, CBS wanted to strengthen its efforts in entrepreneurship and innovation at Copenhagen School of Entrepreneurship (CSE) as well as its partnership model.

Throughout the term of the contract, CBS has had focus on joining research collaborations with external players and has strengthened the administrative support for research partnerships. As a result of the new strategy from 2020, CBS is now working proactively on reaching out to external partners in strategically essential research areas such as green transition, digitalisation and management, and CBS expects this in future to further intensify research collaboration with external players.

During the term of the contract, CBS has developed and stepped up its work with students committed to starting their own business. In recent years, the number of start-ups attending training activities through CSE has soared. During the term of the contract, CBS has worked on linking students' experience from starting their own business more closely to academic learning in the programme so that the two elements may support each other.

This is done by way of greater integration in courses and a heavy increase in the number of students who have taken an internship with a start-up. However, because of COVID-19 and the long periods of full or partial physical lockdown of the campus and CSE, the number of student start-ups declined in 2021. Yet the number of students taking an internship with their own start-up remains high.

The number of formal partnerships during the term of the contract increased from 34 in 2017 to 45 in 2021. However, the number of partnerships has decreased by 11 from 2020 to 2021. The reason may be that CBS implemented a new partnership model in 2021 that reflects CBS' strategy to a higher degree. The principles for the new model is flexibility, closeness to studies and transparency. CBS now has one type of partnership, namely CBS Career Partners, with one specific objective: To strengthen students' career readiness.

Outlook for the next year

Financial outlook

The budget for 2022 is influenced by the uncertainty as to how long COVID-19 will affect CBS' level of activity. The budget for 2022 is subject to the assumption that the impact of COVID-19 will primarily concern travelling and conference activity whereas CBS campus is expected to be fully open for other activities. Also, the budget expects the level of international students to get back to its pre-COVID-19 level.

Total income is expected to go up by close on 2% in 2021 and to land at DKK 1,500 million. Income in 2020 and 2021 has been robust to the impact of COVID-19, and this is expected to continue in 2022.

In the budget, total expenses are estimated to increase by 6% so as to reach DKK 1,508 million. Besides the general development in payroll and prices, an expected rise in the number of FTEs and an increase in operating expenses are what explain the growth in expenses. The fact that operating expenses are going up has e.g. to do with expected full campus activity. The budget also provides for an increase in travels and conferences, although they come from a very low level and are not expected to reach pre-COVID-19 levels in 2022.

2022 is therefore expected to see a loss of DKK 9 million. It is not expected to pose a problem for CBS to generate a loss in 2022 or in the following years. CBS' equity is strong; at year-end 2021 it stands at DKK 500 million and so well above the calculated minimum equity of DKK 272 million. Also, funding is available from cash and cash equivalents and from unutilised mortgages on properties.

In addition to the fiscal year, CBS develops a forecast for three plan years. This forecast was developed before a political agreement was reached to make the temporary rate 1 increase on the activity-based funding for education permanent.

In terms of income, the forecast provides for a decline of DKK 50-60 million a year. A small portion of this decline results from the incipient adjustment to the reduction in study places at CBS in continuation of the Danish Parliament's agreement about "*More and better educational opportunities throughout Denmark*". The reduction in income caused by the adjustment of study places will approximate DKK 15 million in 2025.

Expenses are expected to see moderate growth because of a stable headcount and smaller increases in operating expenses.

In total, this means that a loss of DKK 71-77 million is provided for in the forecast for the plan years. The forecast for the plan years will be updated when the Danish Parliament has decided to make the rate 1 increase permanent, which is expected to lead to a noticeable decline in losses.

Regionalisation

The political agreement "*More and better educational opportunities throughout Denmark*" must be expected to have a bearing on CBS' strategic agenda. CBS has been asked to reduce its study places by up to 10% in Frederiksberg before 2030. CBS expects to be informed in 2022 about the final required reduction in study places in Frederiksberg, which will range between 5% and 10%.

To comply with the requirement in the political agreement, CBS' Board of Directors adopted an institution plan at the end of 2021. This plan also includes the initial thoughts on CBS study places outside the capital area that will be part of political discussions about a general sector plan.

Together with current education providers and the business community, CBS expects to analyse opportunities and economic implications of forming education partnerships in the Zealand Region. CBS' aim is to focus on promoting a sustainable society, i.e. a more coherent educational system across short, medium and long degree programmes and the continuing education area.

CBS is initially seeing perspectives with respect to Zealand Business College's Køge division where it will be possible to test sustainability and effects of some initiatives before they might be started at other locations on Zealand. Zealand Business College has also indicated that a potential partnership with CBS would form part of the submission of their institution plan. In supplement, CBS intends to have a closer look at a newly established collaboration between multiple universities and the biotech industry in Kalundborg.

CBS in numbers

International profile



3

international accreditations

CBS is "Triple Crown Accredited" – meaning that we are accredited by EQUIS, AMBA and AACSB. This is an acknowledgement shared by less than 1% of business schools worldwide.

37

programmes in English

CBS offers a wide variety of full-time bachelor and master programmes taught in English.

291

partner universities

CBS has exchange agreements with 295 universities and business schools worldwide.

347

exchange students

In 2021, CBS sent 347 students on international exchange and received 443 exchange students from all over the world.

3,673

full degree students

28% of students at CBS are international.

98

student nationalities

Students from 98 different countries are enrolled at CBS.

326

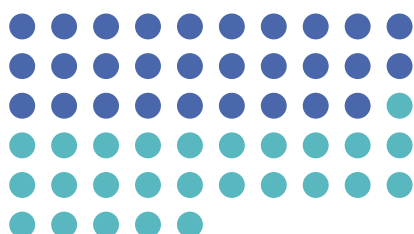
international faculty members, full-time equivalent (FTE)

Programmes in numbers

● = 100 persons

Source: CBS and the Ministry of Higher Education and Science

Bachelor students



Admitted
2,861

Thereof, women **47%** Thereof, men **53%**



Graduates
2,054

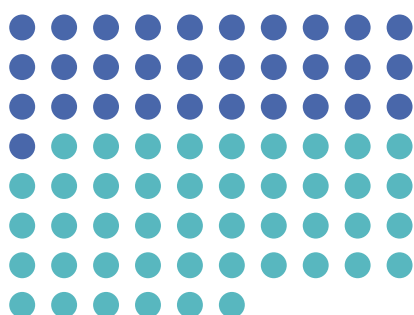
Thereof, women **47%** Thereof, men **53%**



Applicants, first priority
5,537

Total applicants
15,398

Master students



Admitted
3,069

Thereof, women **50%** Thereof, men **50%**



Graduates
2,880

Thereof, women **52%** Thereof, men **48%**



Background of students admitted

CBS students	65%
Other Danish universities	14%
Foreign universities	21%

Graduates employed

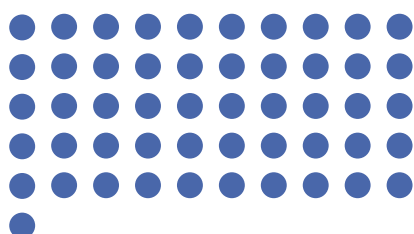
Private sector	87%
Public sector	13%



Applicants, first priority
7,546

Total applicants
15,826

Diploma programmes/Master



Number of students
5,080

Thereof, women **40%** Thereof, men **60%**

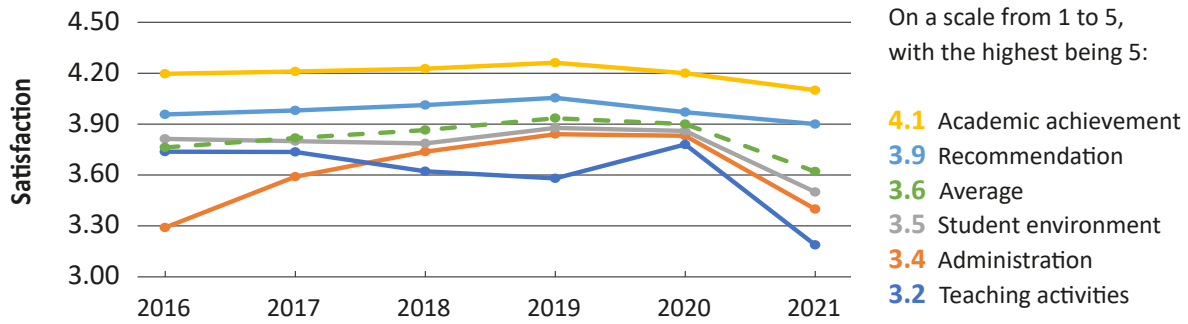


Graduates
1,198

Thereof, women **37%** Thereof, men **63%**



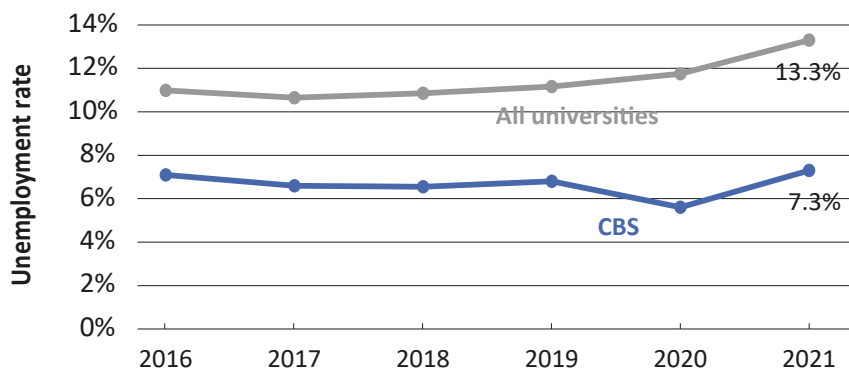
Student satisfaction



Source: CBS

Unemployment rate for graduates

Calculated 4-7 quarters after graduation



Source: Danish Ministry of Higher Education and Research

Academic staff in numbers

Number, recruitment and composition



Research FTEs

691

Thereof, women
40%

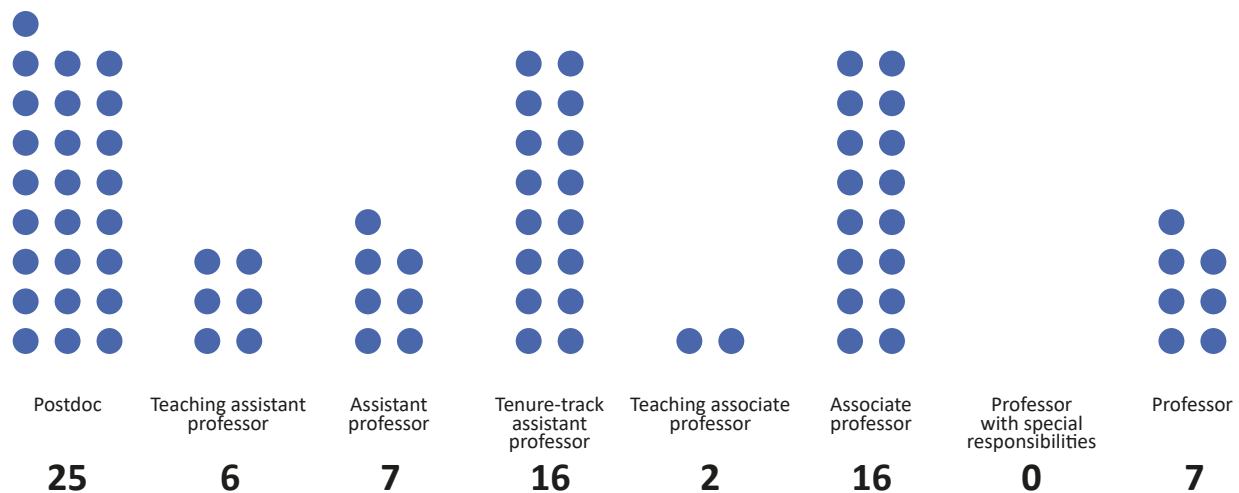
Thereof, men
60%



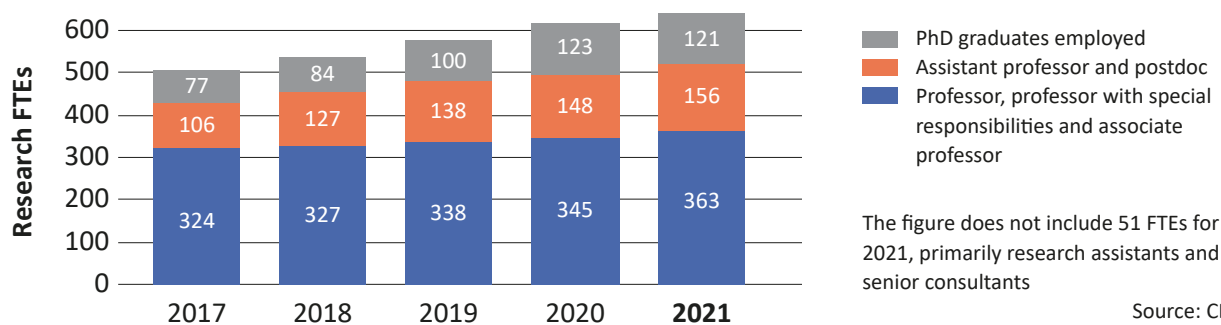
Source: CBS

Recruitment of academic staff

By category of position



Composition of research FTEs



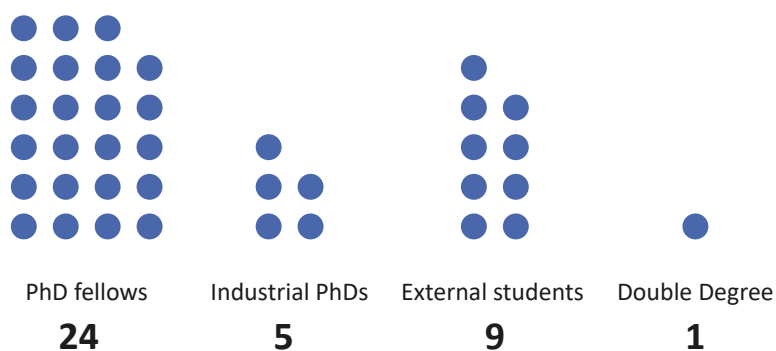
Source: CBS

Research in numbers

Funding and publications

PhD degrees

By type



Publications

Number of publications in categories 4* and 4 on the Academic Journal Guide list (AJG) and on the Financial Times 50 list (FT 50):

AJG 4*

46
publications

AJG 4

96
publications

FT 50

77
publications

Source: CBS

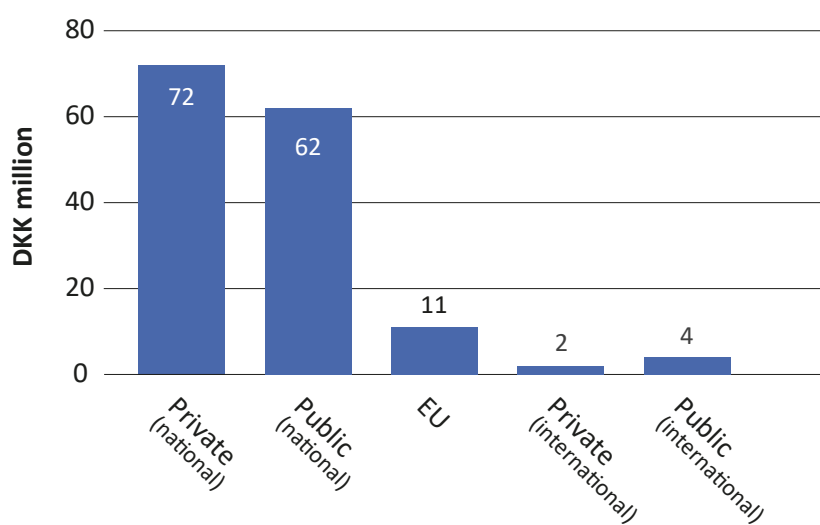
Basic research funds

DKK 403 mill.

Externally funded research, activity

DKK 137 mill.

Externally funded research, grants provided



Source: CBS

ESG key figures and ratios

Introduction

2021 is the second year that CBS has prepared an ESG report. The purpose of reporting ratios is to put focus on social responsibility and sustainability to reduce CBS' own environmental and climate impact and to strengthen corporate governance and social matters at CBS.

The ESG ratios have been compiled using the guide issued by FSR – Danish Auditors, Nasdaq and The Danish Finance Society/CFA Society Denmark¹. When compiling this year's figures and ratios, CBS has made some minor adjustments. The basis for calculating CO2e scope1 and scope2 has been adjusted for some inaccuracies. Furthermore, the ratios for bachelor programme drop-outs and master programme drop-outs have been changed so that students having dropped out but re-enrolled on the same programme within 13 months do not count as having dropped out. This change has been made to align the definition in the statement of ESG key figures and ratios with the calculation method of the Ministry of Higher Education and Science.

As in many other parts of society, CBS' ESG ratios too have been affected by COVID-19, for which reason the environmental ratios in particular are difficult to compare because there has been shorter or longer periods of lockdown of CBS in 2020 and 2021. The fact that energy consumption results are higher in 2021 and in 2019 sits ill with lockdown, however, this is because CBS includes two new properties in 2021 – Howitzvej 30 and Finsensvej 6 – and these properties have also seen higher energy consumption because of heavy building activities.

The ESG ratios provide an overall picture of the situation and developments at CBS, however, since they are aggregated ratios, they do not necessarily capture the nuances. So, CBS overall has a gender balance in terms of number of employees since there is a 50% gender diversity. What this ratio does not show is that there are quite significant differences in the share of men and women in the main groups of full-time academic staff, part-time academic staff and technical-academic staff. This circumstance is described in more detail in the management commentary on page 11.

Read more about the method used in the appendix "Methods used to calculate ESG data" at the back of the annual report.

1) ESG key figures and ratios in the annual report. <https://www.fsr.dk/esg>. Published in January 2022.

Statement of ESG key figures and ratios

	Environmental – climate and environmental data	Unit	2021	2020	2019
1.1	CO2e Scope 1	mtu	19 tonnes	22 tonnes	19 tonnes
1.2	CO2e Scope 2	mtu	1,232 tonnes	1,213 tonnes	1,807 tonnes
1.3	Energy consumption	MWh	14,740 MWh	12,184 MWh	13,761 MWh
1.4	Renewable energy share	%	88%	80%	80%
1.5	Water consumption	m ³	19,665 m ³	19,585 m ³	33,013 m ³

Re 1.1 and 1.2 The ratios for 2019 and 2020 have been recalculated because further information has been obtained.

	Social – social data	Unit	2021	2020	2019
2.1	Workforce of full-time employees	FTEs	1,608	1,562	1,533
2.2	Gender diversity	%	50%	49%	50%
2.3	Gender diversity for other management levels	%	33%	29%	30%
2.4	Pay gap between men and women	Times	1.15	1.14	1.16
2.5	Employee turnover rate	%	4.0%	3.5%	3.8%
2.6	Absenteeism	Days/FTE	8.0	6.7	7.1
2.7	Dropped out on first year of bachelor programme	%	10.2%	11.3%	10.7%
2.8	Dropped out on first year of master programme	%	2.6%	4.9%	4.9%

	Governance – governance data	Unit	2021	2020	2019
3.1	Gender diversity on the Board of Directors	%	55%	45%	36%
3.2	Attendance at board meetings	%	96%	96%	95%
3.3	Pay gap between CEO and staff	Times	2.8	2.8	2.9

Financial statements

Summary of significant accounting policies

Transition to a common chart of accounts

Effective from 2021, CBS has implemented the common chart of accounts for educational institutions under the Danish Ministry of Higher Education and Science. Refer to the section on exemptions approved by the Danish Agency for Higher Education and Science for a more detailed description of matters varying from the Ministry's guidelines on the common chart of accounts.

The common chart of accounts comprises the dimensions of type, sub-account, location and purpose. The common chart of accounts is used consistently with the Danish Agency for Higher Education and Science's classification and allocation guidelines, including related models and instructions.

The implementation of the common chart of accounts does not involve any changes in recognition or measurement, refer to 'Basis of accounting'.

The expenses incurred to achieve revenue for the year are recognised in the income statement, and they include wages and salaries, other operating expenses, and depreciation etc. of non-current assets.

Implementation of a new annual report template for 2021

The annual report for 2021 has been presented in accordance with the common annual report template for educational institutions under the Ministry of Higher Education and Research.

The comparative figures in the income statement, balance sheet and notes for the year preceding the implementation of the common annual report template have solely been disclosed in summary.

Exemptions

CBS has been granted exemption by the Agency for Higher Education and Science from the following areas in the annual report for 2021:

- Incorporation of the purpose dimension in the accounting records for 2021
- Presentation of expenses by purpose in the income statement, see the Agency's letter of 9 June 2021
- In presenting costs classified by nature in the income statement, CBS' aim was to transfer the following three general ledger accounts from 'Other operating expenses' to 'Staff costs': 223210 Arbejdsmarkedsbidrag (Labour market contribution), 223810 AUB tilskud/refusion (Labour market education contribution – grant/refund), and 224510 Social sikring (Social security).
- Five-year comparative figures in the financial highlights table for the income statement, balance sheet, financial ratios and presentation of expenses by purpose, where changes in format make it disproportionately difficult to reproduce them. The exemption has been granted only for year -2 to year -4.

Basis of accounting

The financial statements are prepared in accordance with the Danish State Accounting Act etc., Ministerial Order no. 116 of 19 February 2018 on state accounting etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 778 of 7 August 2019 of the University Act, Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, and the directions and instructions on financial statements issued by the Danish Ministry of Higher Education and Science, and including the Danish Agency for Higher Education and Science ('state accounting rules').

The annual report is presented in DKK thousands and has been prepared on a cost basis. The accounting policies used in the preparation of the financial statements are consistent with those of previous years.

Basis of recognition and measurement

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 likely to occur and can be measured reliably.

Foreign 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 foreign exchange gains and losses are recognised in the income statement as financial income or financial expenses.

Income statement

Income

Government funding allocated directly to CBS is recognised as income in the year to which it relates. Government funding, including estimated performance-based income, is 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 when received.

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

Expenses

Expenses are recognised in the year to which they relate; goods and services are recognised at the time of delivery. Financial expenses comprise interest, fees, etc. relating to loans and amortisation of capital losses in connection with loan refinancing.

If the refinancing results in a capital loss of 10% or more, the capital loss is 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 non-current 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 they are put into service. Buildings put into service after 1 January 2011 are depreciated over 50 years.

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

Non-current 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.

Intangible assets

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

Intangible assets are amortised from the date they are put 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 right

Development projects are capitalised when approved by CBS' Board of Directors as being of strategic value and representing significant size and life.

Internal time spent on the development of proprietary assets will be 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

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.

Items of property, plant and equipment are depreciated from the date they are put into service over the following useful lives:

Non-current assets	Years
Buildings put into service before 2011:	
New buildings	100
Property improvements/complete renovations	80
Other buildings	50
Buildings put into service after 1 January 2011:	
Installations	20
Leasehold improvements	10-20
Plant and machinery	10
Other equipment	5
IT (hardware, audio-visual equipment, etc.)	3-5
Tools and equipment	3-5
Property improvements	10-20

Land is not depreciated.

Library material collections are not capitalised.

As a rule, art in the form of collections is not capitalised; however, there are cases where art is part of plant acquired and where this follows from circular no. 9067 of 17 February 2004 on artistic decoration of government constructions etc.

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

The cost of installations made prior to or in connection with the occupation 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 improvements, and if they 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, time spent, components, sub-supplier 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

Investments comprise equity investments and other securities. Receivables and balances falling due after at least one year are recognised under "Investments" as well. Investments are measured at cost.

Current assets

Current assets comprise trade receivables, other receivables, research grants not yet received from the donor, and prepayments. Receivables are recognised at the nominal amount less provisions for bad debts. 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 loans, mortgage debt, construction donations and frozen holiday pay) and short-term liabilities.

Government loans and mortgage debt are measured at amortised cost, which implies that government loans are 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.

Research grants received from funding providers are recognised as deferred income and recognised under "Received prepayments, current grants" and are taken to income as project expenses are incurred.

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 information about contingent liabilities, contractual obligations and residual grants in respect of ongoing research projects.

Significant liabilities in the form of leases and rent agreements are disclosed under "Contractual obligations". Only leases, etc. with a term of more than 12 months are disclosed. Any significant pending lawsuits brought against CBS whose outcome cannot be assessed at the time of the financial reporting are disclosed under "Contingent liabilities".

Cash flow statement

The cash flow statement shows CBS' net cash flows for the year, 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 non-current 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.

Statement by purpose

In the special specifications, expenses are presented by purpose. The presentation is made using the guidelines of the Ministry of Higher Education and Research, except for the exemptions described above. Expenses that are not directly attributable to the purposes stated are presented using sharing keys.

Internally, expenses are presented by using overall sharing keys and allocating such expenses on research, education, departments and shared services, including operation of buildings. Allocation primarily takes place through location numbers, which subsequently serve as a basis for CBS' categorisation for purpose accounting.

Generally, CBS has attributed the individual locations to the following purposes if the expenses are directly attributable:

- Education
- Research
- Operation of buildings

For the purposes below, sharing keys have primarily been used to allocate expenses.

- Departments exclusive of academic staff
- President and President's Office
- HR Services, IT Service Centre, Library and Financial Services

To the degree possible, expenses are allocated directly to their respective purposes, as defined above.

Expenses which are recorded on locations and cannot be allocated directly to a purpose, are included in CBS' cost allocation pools. It has been assessed for each cost pool which cost drivers are the primary ones with respect to allocation. The cost drivers are mainly tasks and resources used, and they serve as a basis for the sharing keys used for allocation.

Income statement

	Note	2021	2020
		(DKK'000)	(DKK'000)
Government subsidies	1	1,146,617	1,135,063
Other grants	2	141,730	132,757
Sale of goods and services	3	15,427	15,520
Other income	4	165,647	164,072
Total operating income		1,469,421	1,447,412
Staff costs		995,499	942,358
Rent		98,990	95,685
Depreciation, amortisation and impairment losses	6, 7	30,721	30,039
Other operating expenses		286,325	288,814
Total operating expenses		1,411,535	1,356,896
Profit before net financials		57,886	90,516
Financial expenses	5	8,478	10,837
PROFIT FOR THE YEAR		49,408	79,679

Balance sheet

Assets	Note	31/12/2021	31/12/2020
		(DKK'000)	(DKK'000)
Licences etc.		-	-
Completed development projects		8,581	3,994
Intangible development projects in progress		-	-
Total intangible assets	6	8,581	3,994
Land and buildings		1,072,202	1,016,240
Leasehold improvements		84,335	89,878
Own work in progress		40,907	98,275
IT equipment, tools and equipment and transport equipment		15,577	2,124
Total property, plant and equipment	7	1,213,021	1,206,517
Other investments	8	5,479	5,479
Rent deposits	9	35,318	32,691
Total investments		40,797	38,170
Total non-current assets		1,262,399	1,248,681
Trade receivables	10	14,992	14,881
Receivables from current grants	11	32,967	29,851
Other receivables	12	5,033	16,468
Prepayments	13	8,941	10,029
Total receivables		61,933	71,229
Cash		228,579	270,635
Total current assets		290,512	341,864
TOTAL ASSETS		1,552,911	1,590,545

Equity and liabilities	Note	31/12/2021	31/12/2020
		(DKK'000)	(DKK'000)
Equity		500,244	450,839
Total equity		500,244	450,839
Provisions	14	25,153	22,744
Accrued donations	15	45,828	46,781
Government loans	16	188,536	188,536
Mortgage debt	17, 19	366,510	404,416
Frozen holiday pay payable		-	74,313
Other long-term debt	18	12,255	12,255
Total long-term liabilities		613,129	726,301
Current portion of accrued donations	15	2,539	955
Current portion of non-current mortgage debt	19	37,972	37,738
Wages and salaries payable		24,884	28,266
Compensated absence commitment		41,698	37,685
Prepaid restricted contributions		132,931	116,090
Deferred income	20	126,522	121,159
Trade payables		40,566	40,348
Other short-term liabilities	21	7,274	8,420
Total short-term liabilities other than provisions		414,386	390,661
Total liabilities other than provisions		1,027,515	1,116,962
TOTAL EQUITY AND LIABILITIES		1,552,911	1,590,545

Cash flow statement

Cash flows	2021	2020
	(DKK'000)	(DKK'000)
Profit for the year	49,408	79,679
Amortisation, depreciation and other non-cash operating items	34,779	34,118
Increase/decrease in receivables	9,296	-1,264
Increase/decrease in short-term liabilities other than provisions	21,904	72,110
Increase/decrease in provisions	2,409	1,154
Cash flows from operating activities	117,795	185,797
Investments in intangible assets	-	-464
Investments in property, plant and equipment	-41,812	-65,658
Investments in financial assets	-2,627	-129
Cash flows from investing activities	-44,439	-66,251
Repayment of mortgage debt	-41,731	-40,166
Increase/decrease in committed donations	631	-
Increase/decrease in other long-term liabilities other than provisions	-74,313	-
Cash flows from financing activities	-115,413	-40,166
Total increase/decrease in cash and cash equivalents	-42,056	79,380
Cash and cash equivalents at 1 January	270,635	191,255
Cash and cash equivalents at 31 December	228,579	270,635

Statement of changes in equity

Statement of changes in equity	2021	2020
	(DKK'000)	(DKK'000)
Equity at 1 January 2005	-26,403	-26,403
Retained earnings	477,242	397,563
Equity at 1 January	450,839	371,160
Changes for the year	49,408	79,679
Other adjustments	-3	-
Equity at 31 December	500,244	450,839

Notes

Note 1 Government subsidies

	2021	2020
	(DKK'000)	(DKK'000)
Education grants, full-time programmes	645,078	645,952
Education grants, part-time programmes/open university	19,180	17,300
Grants for research and development	403,187	397,745
Grants for other purposes	72,016	70,587
Special grants	7,156	3,479
Total	1,146,617	1,135,063

Note 2 Other grants

	2021	2020
	(DKK'000)	(DKK'000)
Research subsidies from Danish public sources etc.	49,886	53,576
Research grants from Danish private sources etc.	66,396	49,762
Research subsidies from the EU	11,960	17,617
Research grants from foreign sources etc.	9,073	8,810
Other grant-funded activities	4,415	2,993
Total	141,730	132,757

Note 3 Sale of goods and services

	2021	2020
	(DKK'000)	(DKK'000)
Other sale of goods and services	15,427	15,412
Course activities (commercial activities)	-	108
Total	15,427	15,520

Note 4 Other income

	2021	2020
	(DKK'000)	(DKK'000)
Tuition fees, full-time programmes	7,268	11,253
Tuition fees, part-time programmes/open university	154,955	149,341
Renting of premises and equipment	3,076	3,385
Scholarships	348	93
Total	165,647	164,072

Note 5 Financial income/expenses

	2021	2020
	(DKK'000)	(DKK'000)
Interest income and other financial income	0	0
Total financial income	0	0
Interest expenses and other financial expenses	78	55
Debt discount, mortgage loans	4,059	4,078
Interest and contributions, mortgage loans	4,342	6,704
Total financial expenses	8,478	10,837
Net financial income/expenses	8,478	10,837

Note 6 Intangible assets

	Acquired licences, software etc.	Completed development projects	Intangible development projects in progress	Total intangible assets
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
Cost, beginning of year	8,602	14,554	-	23,156
Reclassification	-113	-	-	-113
Additions during the year	-	-	-	-
Transferred from own work in progress	-	5,568	-	5,568
Reclassification	-	267	-	267
Disposals during the year	-2,571	-	-	-2,571
Cost, end of the year	5,918	20,389	-	26,307
Accumulated amortisation and impairment losses, beginning of year	8,489	10,560	-	19,049
Reclassification	-	-497	-	-497
Amortisation and impairment losses for the year	-	1,745	-	1,745
Reversed amortisation and impairment losses	-2,571	-	-	-2,571
Accumulated amortisation and impairment losses, end of year	5,918	11,808	-	17,726
Carrying amount at 31 December 2021	-	8,581	-	8,581

Note 7 Property, plant and equipment

	Land	Buildings owned	Donation buildings owned	Own work in progress	Leasehold improvements	Transport equipment	IT equipment	Tools and equipment	Total property, plant and equipment
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
Cost, beginning of year	182,673	1,120,182	995	98,275	148,965	900	16,521	16,116	1,584,586
Reclassification	-	-	-995	-	-	-	-	-	-955
Additions during the year	130	128	-	31,955	-	-	12,199	-	44,412
Transferred to/from own work in progress	-	25,713	50,775	-89,323	2,023	-	1,816	3,427	-5,568
Disposals during the year	-	-	-	-	-	-209	-693	-	-902
Cost, end of the year	182,802	1,146,024	50,775	40,907	150,988	690	29,843	19,542	1,621,573
Accumulated depreciation and impairment losses, beginning of year	-	287,570	-	-	59,087	674	16,521	14,217	378,069
Depreciation and impairment losses for the year	-	17,421	2,409	-	7,566	47	2,803	1,139	31,385
Reversed depreciation and impairment losses	-	-	-	-	-	-209	-693	-	-902
Accumulated depreciation and impairment losses, end of year	-	304,991	2,409	-	66,653	511	18,631	15,356	408,552
Carrying amount 31 December 2021	182,802	841,033	48,367	40,907	84,335	179	11,212	4,186	1,213,021
Public land assessment value of land and buildings, end of year	369,136	1,021,465	-	-	-	-	-	-	-

Note 8 Other investments

	Legal basis for acquiring investments	Contributions for the year	Accumulated contributions	Carrying amount of investment	Ownership interest
		(DKK'000)	(DKK'000)	(DKK'000)	In %
Symbion Science Park	Act No. 483 of 9 June 2004 on technology transfer at public research institutions.	0	5,479	5,479	6.28%

Note 9 Deposits

	2021	2020
	(DKK'000)	(DKK'000)
Deposits for leasehold premises		
Amount thereof recognised as an investment	-	-
Amount thereof recognised as a current asset	35,318	32,691
Other deposits		
Amount thereof recognised as an investment	-	-
Amount thereof recognised as a current asset	-	-
Total	35,318	32,691

Note 10 Trade receivables

	2021	2020
	(DKK'000)	(DKK'000)
Trade receivables etc.	14,992	14,991
Provisions for losses on trade receivables etc.	-	-
Total	14,992	14,881

Note 11 Receivables from current grants

	2021	2020
	(DKK'000)	(DKK'000)
Receivables from grant activities in progress	32,967	29,851
Provisions for losses on current grants	-	-
Total	32,967	29,851

Note 12 Other receivables

	2021	2020
	(DKK'000)	(DKK'000)
Receivable, VAT	1,367	2,001
Intercompany account, wages and salaries	2,566	3,460
Other receivables	1,100	210
Reclassification, Erasmus grants	-	10,797
Total	5,033	16,468

Note 13 Prepayments (assets)

	2021	2020
	(DKK'000)	(DKK'000)
Licences	4,972	6,111
Subscriptions	1,345	1,251
Utility charges	1,193	1,146
Other	1,431	1,521
Total	8,941	10,029

Note 14 Provisions

	2021	2020
	(DKK'000)	(DKK'000)
Restoration of leasehold premises	22,168	20,738
Payroll – fixed-term employment	2,985	1,306
Other provisions	-	700
Total	25,153	22,744

Note 15 Accrued donations

	2021	2020
	(DKK'000)	(DKK'000)
Cost, beginning of year	47,736	11,169
Additions during the year	3,040	36,567
Disposals during the year	-	-
Cost, end of year	50,776	47,736
Depreciation and impairment losses, beginning of year	-	-
Depreciation and impairment losses for the year	2,409	-
Disposals during the year	-	-
Accumulated depreciation and impairment losses, end of year	2,409	-
Carrying amount at 31 December	48,367	47,736
Thereof, non-current	45,828	46,781
Thereof, current	2,539	955

Note 16 Government loans

	Building	Interest rate	Fixed/adjustable interest rate	Repayment freedom	Repayment freedom expires	Principal	Outstanding debt	Maturity
		(%)				(DKK'000)	(DKK'000)	(years)
Loan no. 0028-173-210	Solbjerg Plads 3	0%	-	-	-	119,385	119,385	30 years
Loan no. 26-7-62-10879	Howitzvej 60	0%	-	-	-	5,661	5,661	30 years
Loan no. 1003754691	P. Andersens Vej 17-19	0%	-	-	-	1,051	1,051	30 years
Loan no. 12037-02	Kilevej 14A	0%	-	-	-	56,281	56,281	30 years
Loan no. 23812-02	Construction of space at Solbjerg Plads	0%	-	-	-	6,158	6,158	30 years
Total						188,536	188,536	

The loans are non-serviceable.

Note 17 Mortgage debt Building

	ISIN code	Currency	Interest rate	Fixed/ adjustable inter- est rate	Contri- bution	Repay- ment freedom	Repay- ment freedom expires	Principal (DKK'm)	Outstanding debt (DKK'm)	Matu- rity (year)
0007-403-024	Solbjerg Plads 3 DK0009349094	DKK	2.5%	Fixed+indexed	0.375%	No	-	16	6	2028
0008-088-969	Solbjerg Plads 3 DK0009349094	DKK	2.5%	Fixed+indexed	0.375%	No	-	145	57	2029
0041-367-773	Solbjerg Plads 3 DK0009398893	DKK	-0.5%	Fixed (cash loan)	0.375%	No	-	158	126	2029
0032-304-884	Howitzvej 11-13 DK0009386294	DKK	1%	Adjustable	0.375%	No	-	33	23	2035
0032-746-060	Kilevej 14A DK0009386294	DKK	1%	Adjustable	0.375%	No	-	107	60	2035
0032-737-817	Porcelænshaven 22 DK0009386294	DKK	1%	Adjustable	0.375%	No	-	7	4	2035
0039-438-423	Porcelænshaven 22 DK0009384679	DKK	1%	Adjustable	0.375%	No	-	40	37	2045
0041-392-191	Kilevej 14A DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	98	86	2034
0041-392-104	P. Andersens Vej 17-19 DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	5	4	2034
0041-392-162	P. Andersens Vej 3 DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	4	3	2034
0041-392-146	Howitzvej 60 DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	32	28	2034
0041-392-081	Howitzvej 11-13 DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	11	10	2034
								DKK 444 million		
Amortisation of debt discount										
								DKK 40 million		
Total								DKK 404 million		

Note 18 Other long-term debt

	2021	2020
	(DKK'000)	(DKK'000)
Deposits to be settled with the Ministry of Higher Education and Science	12,255	12,255
Total	12,255	12,255

Note 19 Current portion of non-current debt to the government and mortgage debt

	2021	2020
	(DKK'000)	(DKK'000)
Current portion of non-current debt to the government	0	0
Current portion of mortgage debt	37,972	37,738
Total	37,972	37,738

Note 20 Deferred income (liabilities)

	2021	2020
	(DKK'000)	(DKK'000)
Accrual of grants	102,184	99,861
Accrual of tuition fees	24,338	21,298
Total	126,522	121,159

Note 21 Other short-term liabilities

	2021	2020
	(DKK'000)	(DKK'000)
Deposits, renting	983	944
Non-classifiable income	1,273	-18
Scholarships, student loans	1,478	1,697
Other	3,540	5,797
Total	7,274	8,420

Note 22 Assets charged and collateral

	Carrying amount of land at 31/12/2021	Carrying amount of buildings at 31/12/2021	Outstanding loan balance at 31/12/2021
	(DKK'000)	(DKK'000)	(DKK'000)
Howitzvej 11-13	3,336	24,855	33,101
Howitzvej 60	10,693	30,087	27,758
Solbjerg Plads 3	60,314	419,466	188,972
P. Andersens Vej 17-19	3,843	5,675	3,950
Kilevej 14 A	34,158	218,490	145,811
P. Andersens Vej 3	14,636	-	3,589
Porcelænshaven 7	1,979	6,813	-
Construction of space at Solbjerg Plads	-	-	-
Porcelænshaven 22	2,429	96,070	40,841
St. Blichers Vej 22	1,847	6,356	-
Howitzvej 30	10,450	81,588	-
Building site at Kilen	39,119	-	-
Total	182,802	889,400	444,022

Note 23 Other liabilities

	2021	2020
	(DKK'000)	(DKK'000)
CBS has contractual obligations comprising leases and rent agreements. Liabilities in the non-cancellable period amount to:		
Lease, Søndre Fasanvej 9	3,274	3,297
Lease, Dalgas Have	388,687	417,117
Lease, Porcelænshaven	201,894	229,964
Lease, Amager Strandvej 108	30,861	36,224
Lease, H.V. Nyholmsvej 21	7,489	14,898
Lease, Finsensvej 6	48,368	-
Other	2,788	2,788
Total	683,361	704,288

Only non-cancellable terms exceeding 12 months are included.

Special specifications

A. Income and expenses by type of business activity

	2021	2020
	(DKKm)	(DKKm)
Ordinary activity		
Income	1,327.7	1,314.8
Expenses	1,278.2	1,235.0
Profit	49.5	79.8
Subsidised research activities		
Income	137.3	130.0
Expenses	137.3	130.0
Profit	0.0	0.0
Other subsidised activities		
Income	4.4	2.8
Expenses	4.4	2.8
Profit	0.0	0.0
Commercial activities		
Income	0.0	0.1
Expenses	0.1	0.2
Loss	-0.1	-0.1

B. Management remuneration

	2021	2020
Board of Directors		
Number of external members of the Board of Directors	6 members	6 members
Remuneration paid to the Chairman (DKK'000)	219	217
Total remuneration paid to other external members of the Board of Directors (DKK'000)	368	356
Directors in general		
Director FTEs	79	80
Total payroll costs (DKK'000)	70,999	70,522

C. Scholarships

	2021	2020	2019
	(DKKm)	(DKKm)	(DKKm)
C.A. Petersens Fond			
Calculation at 31 December 2021			
Total balance	*	3.6	2.6
Total equity	*	6.8	6.5
The Start-Up Association			
Calculation at 31 December 2021			
Total balance	*	0.6	0.9
Total equity	*	0.5	0.8

* The annual report for 2021 for the Foundation and the Association will not be available until in April 2022.

D. Students' political activities

	2021	2020
	(DKKm)	(DKKm)
Political and other student activities	2.8	4.4
Total	2.8	4.4

E. Capital contributed to foundations

Capital contributed to foundations whose objective is to establish housing close to the university
CBS did not contribute capital to such foundations in 2021.

F. Administrative expenses for foundations and associations

	2021	2020
	(DKK'000)	(DKK'000)
C.A. Petersens Fond	76	48
The Start-Up Association	68	60

G. Funds for free places and scholarships at the universities

Rate group	No. of students enrolled on full or partial free places	No. of scholarship recipients	Consumption of free places	Consumption of scholarships
			(DKK'000)	(DKK'000)
Rate 1	50	37	1,379	2,779
Rate 2	14	6	313	476
Rate 3	-	-	-	-

Financial year	Transferred from the Danish Agency for Higher Education and Research	Profits transferred concerning international paying students	Consumption in the reporting period	Profit/loss for the year	Accumulated profit/loss
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
2020	4,569	0	3,698	871	4,585
2021	4,918	0	4,947	-29	4,556

H. Staff FTEs

	2021	2020
	(FTEs)	(FTEs)
FTEs inclusive of staff employed on special social terms	1,608	1,562

I. Expenses by purpose

	2021	2020
	(DKKkm)	(DKKkm)
Education	601.1	577.2
Research and development	432.4	417.4
Dissemination and knowledge exchange	37.8	37.5
Dining unit and residence halls	9.5	8.0
General overhead costs	104.8	90.0
Buildings and operation of buildings	234.4	237.6
Total	1,420.0	1,367.7

Appendix

Methods used to calculate ESG data

	Environmental – climate and environmental data	Unit	Method
1.1	CO2e Scope 1	mtu	Scope 1 emissions result from the company's own combustion of fuels and materials. In the period under review, the emissions are from one diesel car and one oil-fired boiler. CBS-owned electric cars are not included as their emissions are covered by Scope 2. Mileage and oil consumption are converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are derived from the Danish Energy Agency and GOV.UK.
1.2	CO2e Scope 2	mtu	Scope2 emissions result from the company's energy consumption from external sources. At CBS, the emissions are from district heating and electricity. Energy consumption is converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are from the year prior to the financial year since the declarations from Høfor and Energinet are prepared in the subsequent year.
1.3	Energy consumption	MWh	Consumption relates to rented, owned and subleased space. The figures come from Ørsted Regningservice and from CBS' access to own consumption from Ørsted.
1.4	Renewable energy share	%	Renewable energy sources in connection with the production of district heating and electricity. The district heating share is evident from the annual environmental declaration from Høfor. According to the contract with Ørsted, CBS only receives green electricity (from offshore wind parks in Denmark and the UK).
1.5	Water consumption	m3	Water consumption of owned, rented and subleased properties. The figures come from CBS' access to own consumption from Frederiksberg Forsyning.

	Social – social data	Unit	Method
2.1	Workforce of full-time employees	FTEs	Realised working hours in Statens Lønssystem (State Salary System). All staff (academic, part-time academic, technical-administrative staff). Working hours include both permanently employed and hourly staff.
2.2	Gender diversity	%	Realised working hours in Statens Lønssystem (State Salary System). All staff (academic, part-time academic and technical-administrative staff) by gender in %.
2.3	Gender diversity for other management levels%		Formula: Gender diversity for other management levels = ((Women in management)/(All FTEs in management)) * 100. Management levels comprise: Senior Management, heads of department and heads of function (office managers).
2.4	Gender pay gap	Times	Calculation of gender pay gap = Median male pay / Median female pay. Realised salary in Statens Lønssystem (State Salary System) has been used as data. Full-time salary has been calculated for the year based on the December salary. Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included. Remuneration of each staff member is then added to the calculated full-time salary.
2.5	Employee turnover rate	%	Formula: (FTE leavers) / (Total FTEs, calculated based on average employment for the year). Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included.
2.6	Absenteeism	Days/FTE	Formula: (No. of sick days for all own FTEs)/(Total FTEs, calculated based on working hours). Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included.
2.7	Dropped out on first year of bachelor programme	%	No. of dropouts after year one after admission, calculated as a percentage of total students enrolled. Dropouts that re-enrol within 13 months do not count as dropouts. The method was changed compared to 2020 when CBS used student intake and not enrolment, and the method did not allow for students re-enrolling within 13 months. Prior year data have been adjusted for the change in method. Note that the numbers for 2021 relate to 2019 and so on. This is because, firstly, the academic year must be over, and, secondly, the numbers must have been compiled before they can be reported. Source: The Ministry of Higher Education and Science's data warehouse.
2.8	Dropped out on first year of master programme	%	No. of dropouts after year one after admission, calculated as a percentage of total students enrolled. Dropouts that re-enrol within 13 months do not count as dropouts. The method was changed compared to 2020 when CBS used student intake and not enrolment, and the method did not allow for students re-enrolling within 13 months. Prior year data have been adjusted for the change in method. Note that the numbers for 2021 relate to 2019 and so on. This is because, firstly, the academic year must be over, and, secondly, the numbers must have been compiled before they can be reported. Source: The Ministry of Higher Education and Science's data warehouse.

	Governance – governance data	Unit	Method
3.1	Gender diversity on the Board of Directors	%	Board members entitled to vote, i.e. all 11 members of the Board of Directors. Formula: Woman board members/All board members.
3.2	Attendance at board meetings	%	Formula: Number of board meetings attended per board member/All board members (11 members). Basis: Minutes of board meetings (cbs.dk).
3.3	Pay gap between CEO and staff	Times	<p>Formula: CEO compensation/ Median staff salary. Realised salary in Statens Lønssystem (State Salary System) for 2020 has been used as data. Full-time salary has been calculated for the year based on the December salary.</p> <p>Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included. Remuneration of each staff member is then added to the calculated full-time salary for 2020.</p>